

**JUST.**

# CARE REPORT 2023



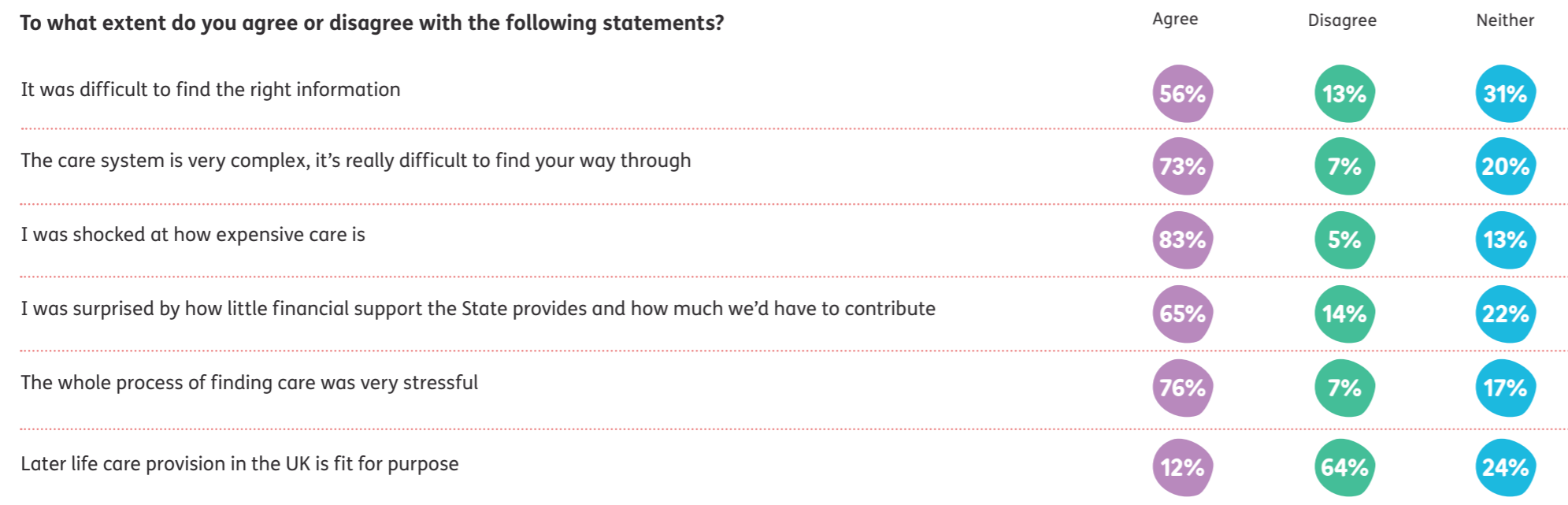
**No Policy. No Planning.**

## THE COST OF CARING

For more than a decade we have gathered information on the knowledge and thoughts of the over-45s about adult social care. Every year thousands of people go through the experience of organising care for an ageing parent, in-law or partner. They tell us it was a stressful process and their answers paint a picture of high levels of cost and complexity with low levels of support.

Very few agreed that later life care provision is “fit for purpose”. That view is echoed by other research across the broader care sector. Figures produced by Nuffield Trust and The King’s Fund<sup>1</sup> show that two-thirds of people who had used or had contact with social care, either for themselves or someone else, were dissatisfied with it - with those aged 65+ and those on higher incomes most dissatisfied.

### To what extent do you agree or disagree with the following statements?



All who have helped find care

## FOREWORD

Welcome to the Care Report 2023. This is the 11th edition of our in-depth research series that sheds light on how the over-45s think and feel about adult social care.

Autumn 2023 was supposed to see the beginning of a new era in care funding after a decade of false starts. A “once in a generation transformation” was promised that was set to include the introduction in England of a cap on care costs and more generous means-test limits.

Instead, we once again find ourselves in limbo with the reforms pushed back until at least 2025, after the next General Election. The momentum has been lost and many question whether the plans in their current form will ever see the light of day.

When it comes to later life care, there are no life jackets and no sign of any rescue party. And our Care Report shows what that means.

There is a damning indictment of the current system by those who have experience of organising care for a family member, who feel the system is hard to navigate, provides too little support, costs too much and is generally seen as unfit for purpose.

Most people are responsible and will plan for later life through pensions, life insurance, wills and estate planning. Yet the typical response from most to the possibility of needing to fund future care is to bury their heads in the sand.

Perhaps that’s not surprising given the widespread lack of knowledge and confusion about how the care system works and where the funding comes from. The inevitable results of not planning are poorer outcomes for those needing care and for those providing care.

There is one beacon of hope – professional financial advice. Those who had helped find care for a loved one with the help of a financial adviser

were nearly four times as likely to have gone on to make their own care plan compared to those where no adviser was involved.

Although most of us say we would prefer to receive care in our own home, government figures show that fewer than one in 10 homes in England meet the criteria for being ‘accessible’.

Our focus on homes in later life also reveals the role advisers play challenging their clients’ retirement thinking. Most advisers do question their intentions to stay in their current home through retirement and how suitable it would be if care were needed.

We seem to be at a point where long-awaited funding reform has once again stalled. With an election looming, perhaps it is seen as a vote-loser rather than a vote-winner. But with the system creaking at the seams, it is high time policymakers seized the initiative.

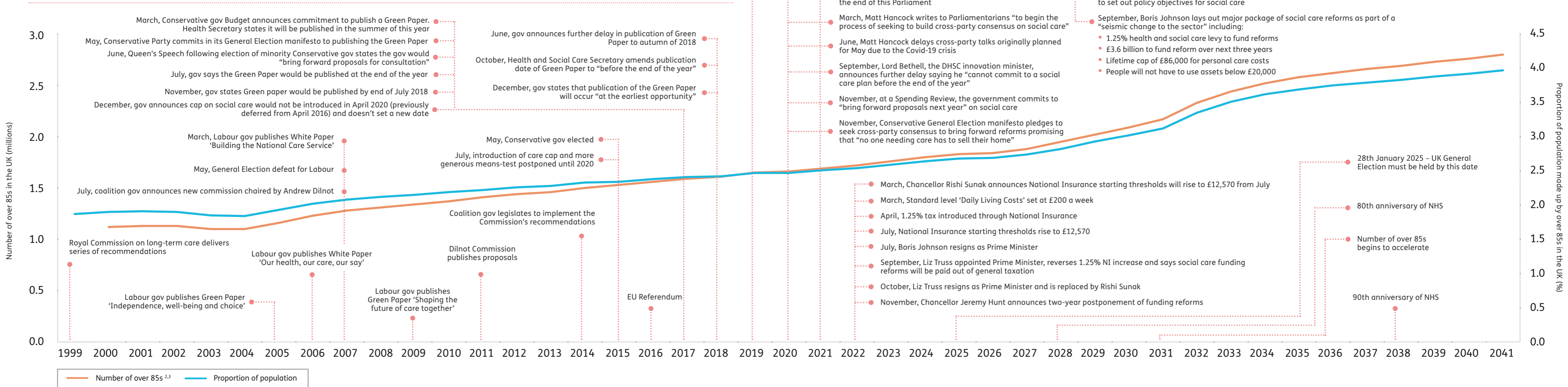
**Stephen Lowe**

**Group Communications  
Director**

Just Group plc



# A TIMELINE OF SOCIAL CARE POLICY



# WHAT DO YOU KNOW?

It's easy to go through life giving little thought to the adult social care system in England. That means the first direct contact for many people is when they realise an ageing parent or relative can no longer cope and requires professional support.

This often comes into stark relief at a traumatic time, such as after the death of a partner, a fall or hospital treatment, and it creates a situation where decisions have to be made quickly amid high emotions. With no prior planning, navigating the care system can be a steep and stressful learning curve.

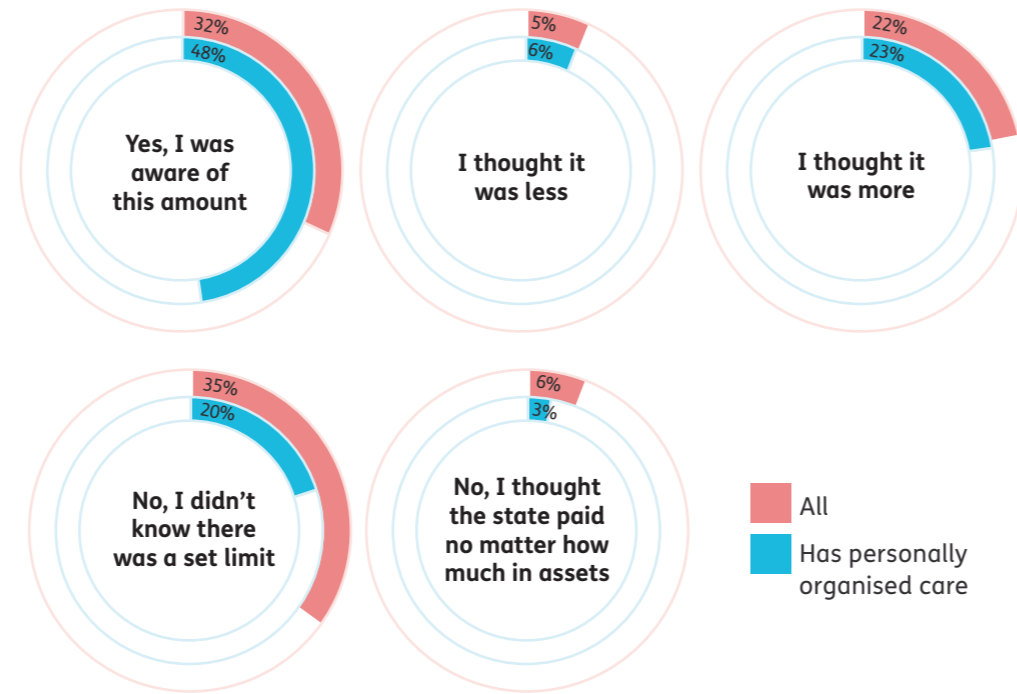
### The current system

Local authorities undertake care needs assessments to determine if someone meets the criteria for needing care. If so, there is a financial assessment – a “means-test” – taking into account their income and capital to consider what contribution that individual should make towards the costs.

In England, the current capital thresholds are a lower-limit of £14,250 below which eligible care needs are state-funded and an upper-limit of £23,250 above which individuals must pay their own care costs. Between the limits, state-funding is reduced depending on the level of wealth. The value of a home may be excluded from the means-test if the individual is going into a care home and a disregard applies, for example, because it remains the home of a partner or dependant.

Most over-45s are either only vaguely aware or don't know about the capital limits although there is greater knowledge among those who have experience of organising care.

Were you aware that if a person has savings over £23,250 they will have to use their own money to fund care fees?



All respondents

# HIGH LEVELS OF INTEREST... AND CONFUSION

**“ We must also address the challenges in adult social care. At an already difficult time in their lives, people suffering medical conditions such as dementia faced losing their life savings.”**

*Rt Hon Boris Johnson, MP Prime Minister 2021<sup>4</sup>*

With these words, the then Prime Minister unveiled flagship reforms to the funding of Health and Social Care in England to deal with some of the chronic problems highlighted by the Covid-19 pandemic. Autumn 2023 was supposed to see the introduction of a raft of changes to social care funding in England.

The new policy was aimed at helping those with modest levels of wealth and those facing ‘catastrophic costs’ should they require extended periods of costly professional support.

- More generous means-test limits. Those with assets below £20,000 would not be expected to contribute any assets/savings, while those with £20,000-£100,000 would receive some financial support from the state. Above £100,000 they would be expected to self-fund completely.
- A cap on the amount any one individual would pay for personal care in their lifetime, to be set at around £86,000. Once this level of spending was reached, the state would fund all eligible care costs (but not general living costs or any ‘extras’).

Then, in the November 2022 Autumn Statement<sup>5</sup> came news that the changes would be delayed until at least October 2025. That pushed any reforms back until after the next General Election, with significant risk that they will never be implemented.

Although we are no closer to capping care costs than when the idea was first raised more than a decade ago, repeated announcements of its introduction have made it seem ‘real’ with more than half (54%) of over-45s who think the thresholds already exist.

People say they are interested in the debate about social care funding, but it's no wonder they are almost equally as confused by recent government announcements. Overall, it is not surprising that high numbers (47%) agree that they will delay making financial plans to paying for care until new rules have been implemented.

I am interested in the debate about who should pay for long term care



I am confused by the recent government announcements on the funding of residential care



I will delay making financial plans until the new plans for funding long-term care have been introduced



All respondents

Agree Disagree Neither



# THE CARE COST CONUNDRUM

While some people will never need to pay for formal care in later life, a significant minority will face huge bills. Government figures<sup>4</sup> suggest about one in seven adults aged 65 will face lifetime care costs of more than £100,000.

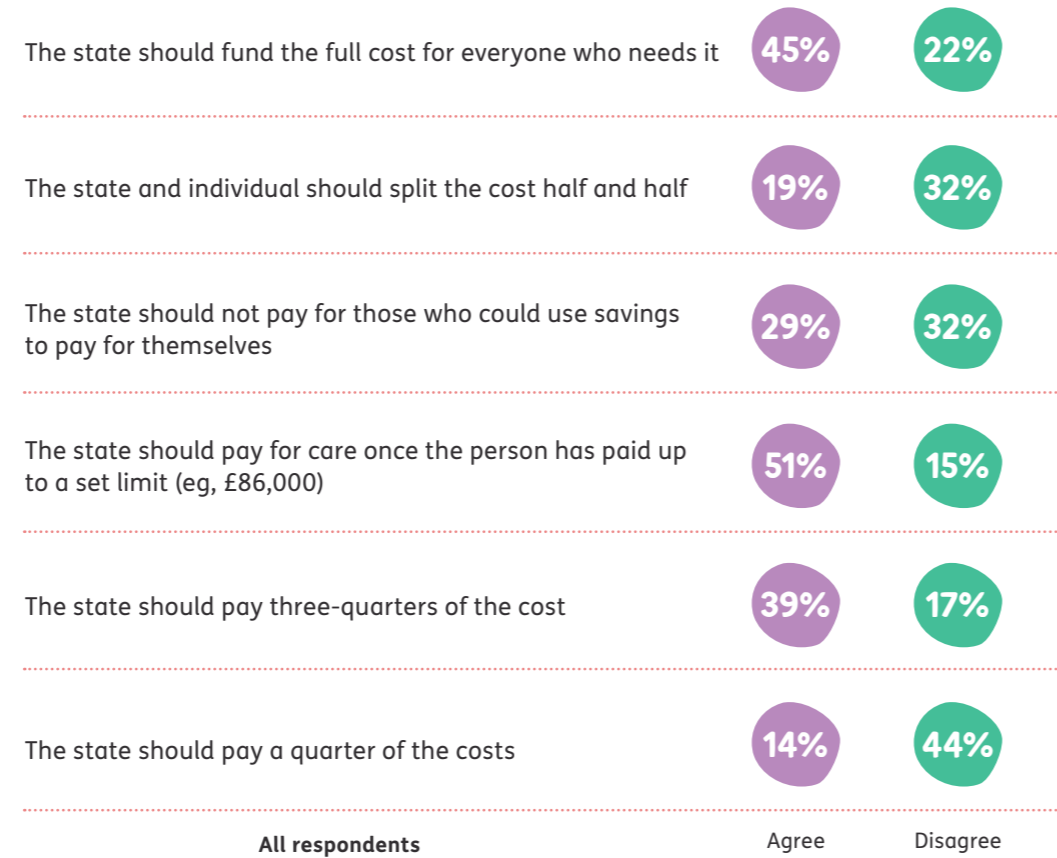
People know care is expensive but tend to underestimate the true costs. Our research found that nearly half (48%) of over-45s thought the cost of a year in a residential home would be less than £25,000. Industry figures from 2023 suggest the average annual cost is now £58,240<sup>6</sup> a year for a self-funding resident – more than double what many people think.

That annual figure is also not far off the average £54,000 that people thought was a reasonable maximum for people to pay for care over a lifetime.

The idea of a taxpayer-backed ‘safety net’ is widely accepted. Nearly three-quarters (73%) agreed, and only 5% disagreed, that where someone cannot afford their own care, the state should pick up the bill.

The picture is far more mixed when people are presented with other choices on the balance between individual and state funding. The idea of a cap on lifetime care costs – perhaps set at £86,000 as suggested by the government – has the highest approval rating, higher even than the state paying for everyone.

Do you agree or disagree with the following statements about who should be responsible for paying for long-term residential care for the elderly?



# DIGGING DEEP

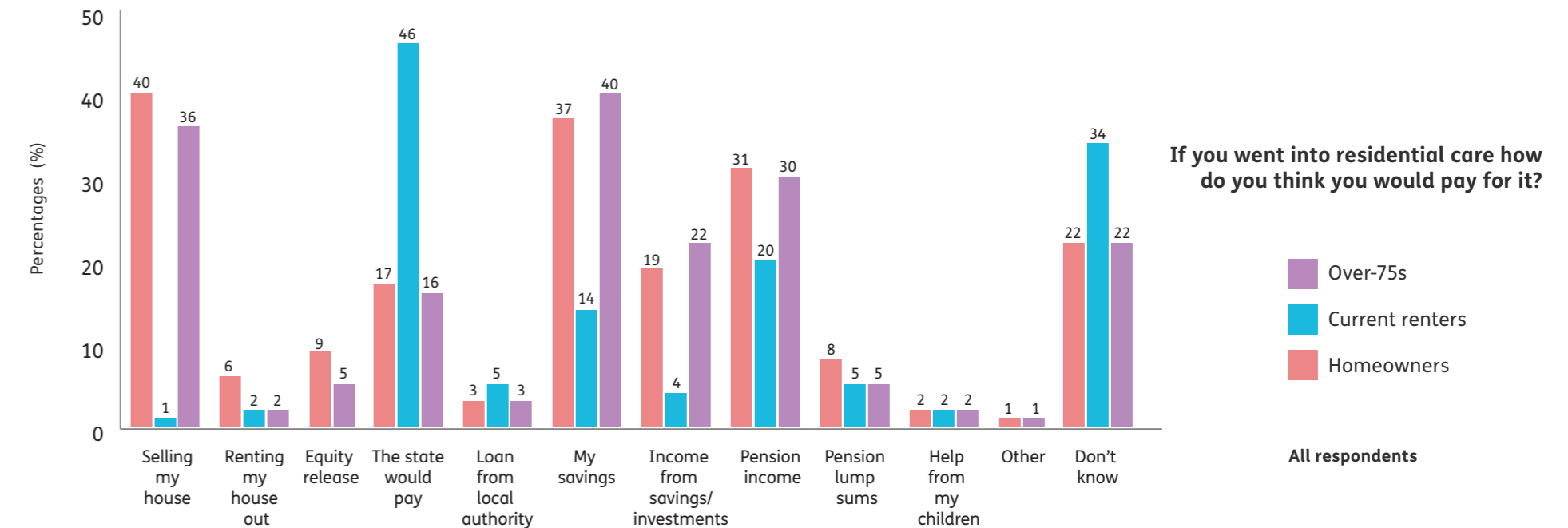
Care is costly and most people understand they would need to fund some or all the costs themselves

Where do people think they would get the money from? Homeowners seem to accept that the value they are building up in their homes is likely to be one source they would tap into if they need care. That would not be a possibility for renters, of whom nearly half believed the state will fund their care costs.

Very few people said they would rely on children to pay. Lack of thought about meeting future care costs is reflected by the fact that a fifth of homeowners, and more than a third of renters, answered “don’t know”.

Among those over-45s who had helped find a relative or partner a care home, 43% said that person was fully self-funding and 32% said their costs were covered by a mix of self and state, leaving fewer than one in five (19%) fully state-funded.

For those paying, where is the money coming from? The main sources are savings and pension income (56%). A significant proportion used the proceeds from selling their house (31%), with relatively small numbers using an insurance solution (4%) or a formal loan from the local authority, a Deferred Payment Agreement, (4%).



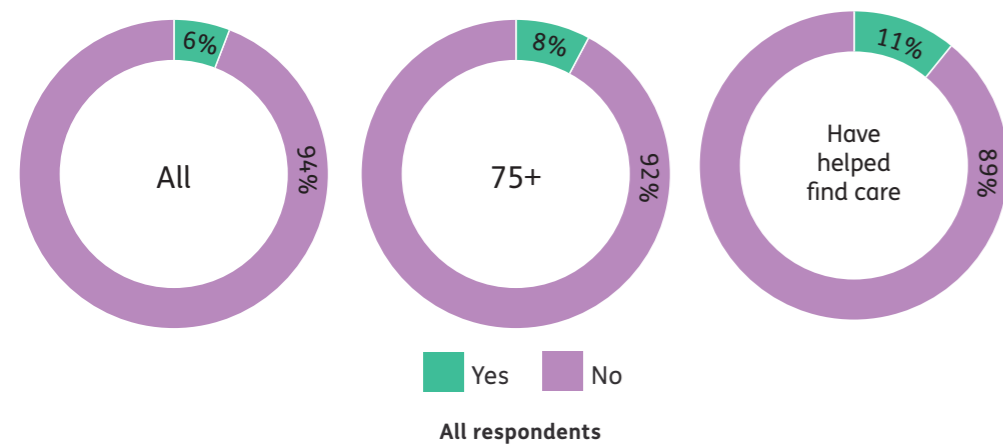
# THE PLAN IS... NOT TO PLAN

Planning for later life is not that unusual – most of us understand the importance of life insurance, saving into private pensions, or making a will. But somehow care rarely seems to make it onto the to do list.

Although people do have aspirations about what kind of care they would like to receive they don't make plans – perhaps because it all seems too difficult, confusing or simply unclear if they'll actually need care.

The uncertainty of what care we might need and how much it might cost makes planning difficult – we don't know if we might die before we need care, or whether our care will end up costing tens or even hundreds of thousands of pounds. What we do know is that the vast majority – including those in the 75+ age group – haven't put in place formal plans to pay for care and are instead relying on being able to find the money if it is needed.

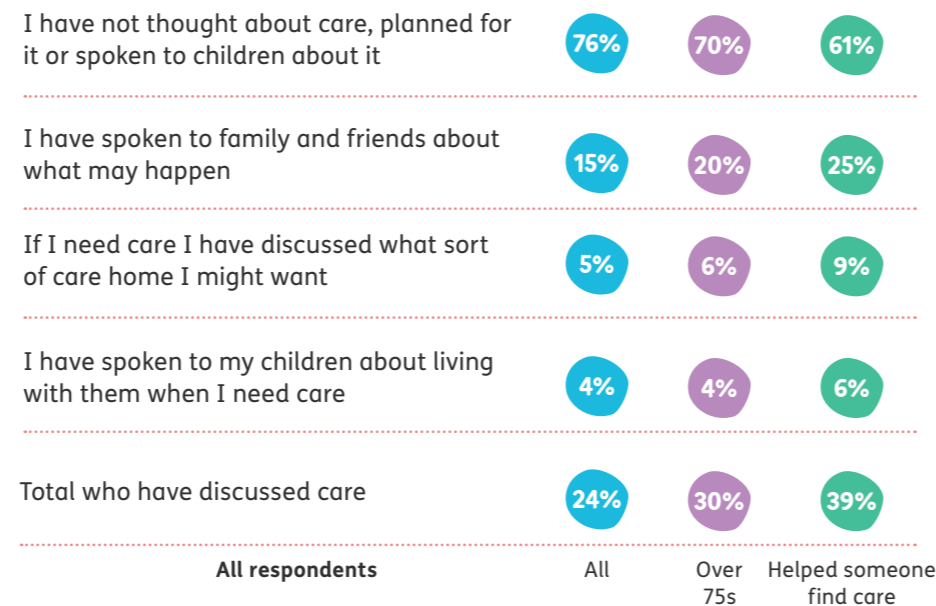
## Have you made any specific provision to cover the cost of care for yourself?



Most over-45s (76%) have not thought about care or discussed it with family or friends. Even among over-75s who are nearer the age where care needs may become apparent, the care conversation does not seem to be happening with only 30% saying they have discussed it.

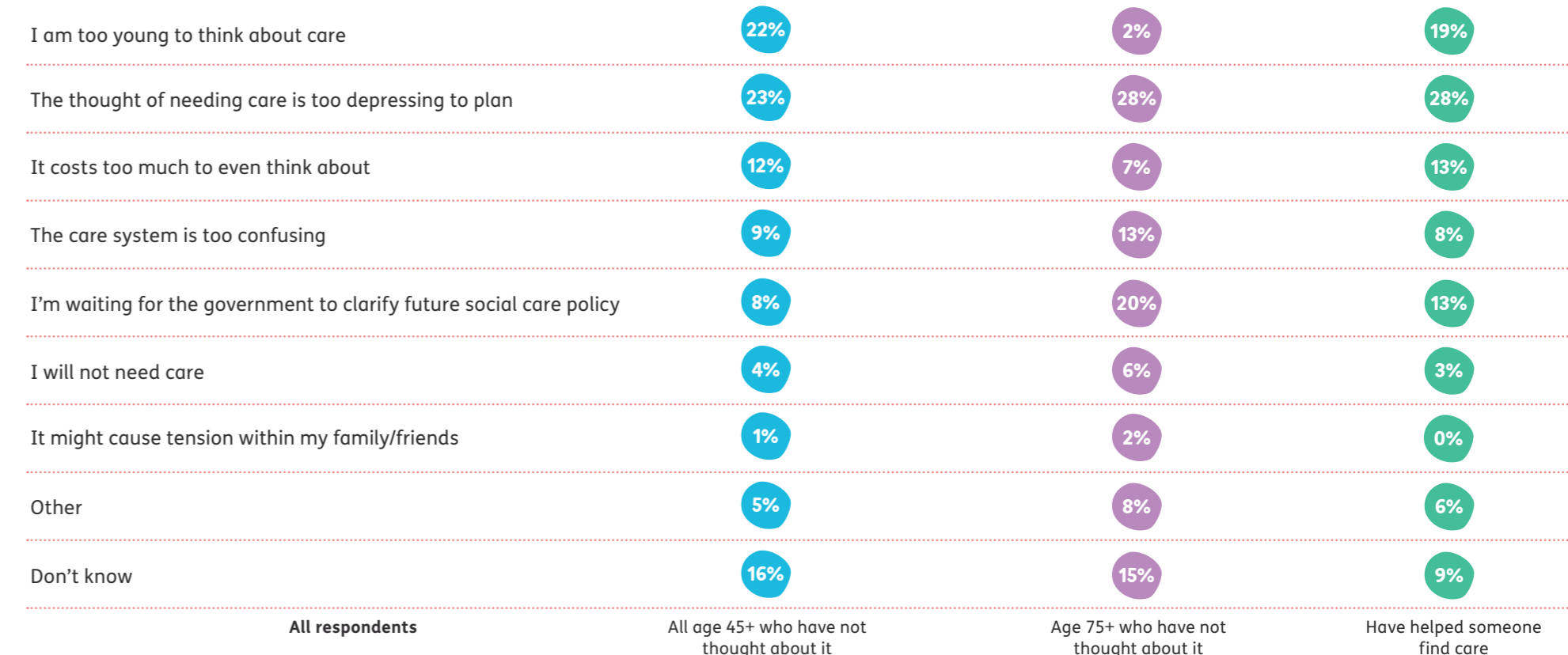
The group most likely to have given it some thought are those who have helped someone find care in the past, perhaps doing so brought home the grim reality of how complex sorting care can be. Even so, only four in 10 had discussed care.

## What thought have you put into planning long-term care?



What is holding people back? Our research looked at why those people who had not discussed care had not had the conversation. Most people believe that the thought of needing care is too depressing to plan. Younger age groups thought they were too young to think about care whereas the over-75s were much more likely to be waiting for the government to clarify its policy.

## What's the main reason you have not thought about care, planned for it, or spoken to your family about it?



# MY HOME IS MY CASTLE... AND MY CARE FUND

Care is an expensive business. If the government is not going to pay out billions of pounds – and few people think that the country will ever be able to afford to pay for everyone who needs care – then people will have to meet some or all of those costs themselves.

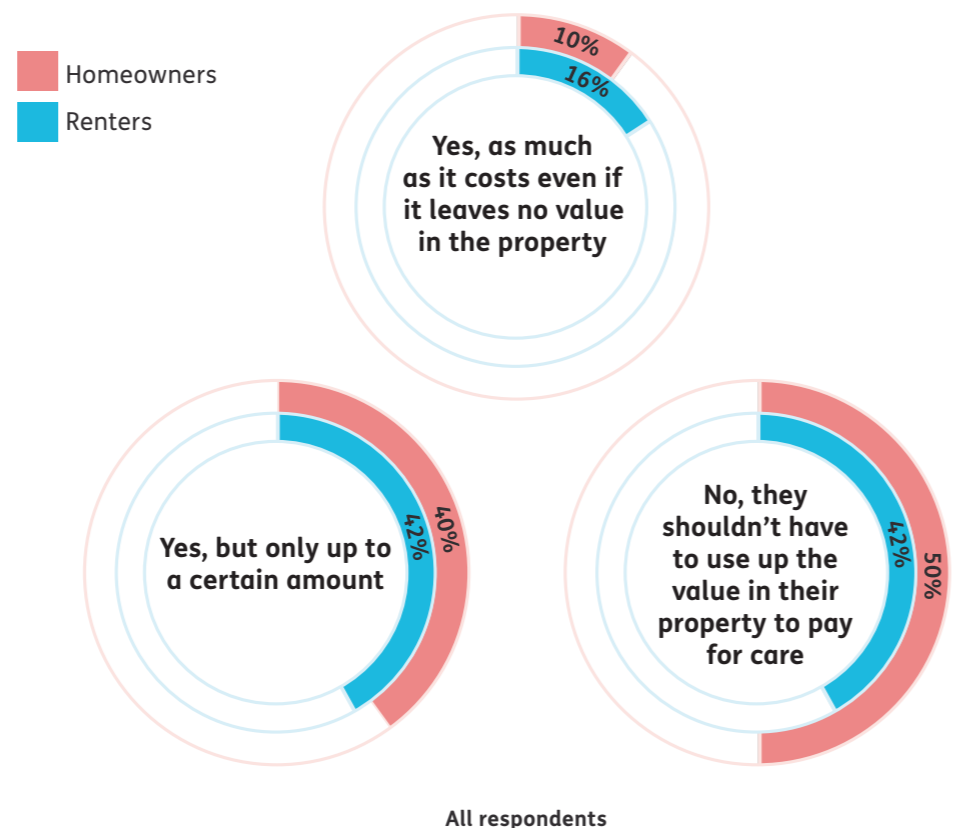
It is estimated that the over-50s hold about 78% of the UK’s privately held housing wealth. Owner-occupiers aged 65-plus were estimated to have net housing wealth of nearly £2.6 trillion.<sup>7</sup>

Even if over the long-term a better way is found to pay for care through a savings or an insurance model, or even by the state picking up the tab, it is difficult to see how the billions held in property by the older generations will not be part of the solution.

Our research found a division between those over-45 homeowners who think that in principle it is fair for someone who owns property to use some or all of its value to pay for care, and those who thought the property value should be protected. Renters are also split, although more likely than homeowners to say all the value should be used.

Among those who said it was fair to use the value of the property, most people had a limit. About a third (32%) of homeowners thought it was fair that up to 25% of the value of the property was used with nearly four in 10 (39%) saying using 25%-50% of the property value was fair.

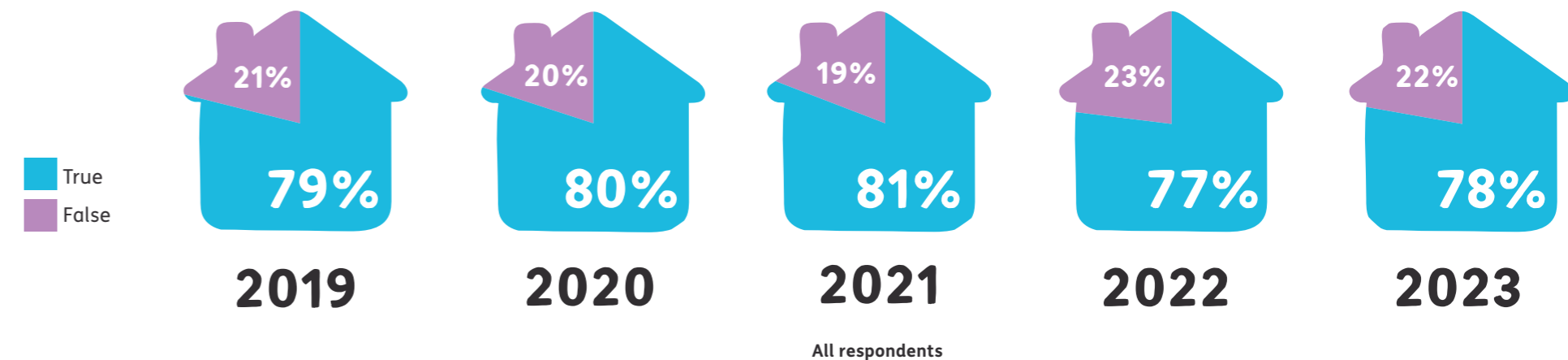
Do you think it’s fair that the value of someone’s house is used to pay for their later life care fees?



It is a sensitive subject, politically at least. In its 2019 General Election manifesto<sup>8</sup>, the Conservative Party stated that one condition of its social care policy would be that “nobody needing care should be forced to sell their home to pay for it”. The political rhetoric doesn’t appear to have sunk in.

Technically, nobody can be forced to sell a home during their lifetime due to an option called a Deferred Payment Agreement (see below).

True or false - you can be forced to sell your home to pay for care



### Bridging the gap - how some homeowners can defer paying care costs

Current rules mean that instead of selling a home, some homeowners needing residential (those with savings below the £23,250 upper means-test threshold) can ask their local council to fund their care costs via a loan called a Deferred Payment Agreement (DPA). The loan is usually secured against the value of their home at a fixed interest rate to be repaid after their death. In many cases some or all of the repayment ultimately comes from the sale of their home.

Official figures show that 2,645 were agreed with councils in England in 2021-22. In total 6,865 DPAs were outstanding to a total value of nearly £263 million, an average value of £38,000 each.<sup>9</sup>

# SPOTLIGHT ON CARE AT HOME

**Our research points to a strong desire for familiarity and to maintain independence for as long as possible through later life. People much prefer the idea of receiving care in their own home, should they need it, rather than going into a residential care home.**

This raises questions about how suitable our homes will be for us to live in as we age. This is a huge question that directly impacts on quality of life and independence of older people, allowing them to maintain a sense of autonomy and dignity.

It covers dozens of different factors ranging from accessibility for those with mobility issues, proximity to family and friends, availability of key services such as

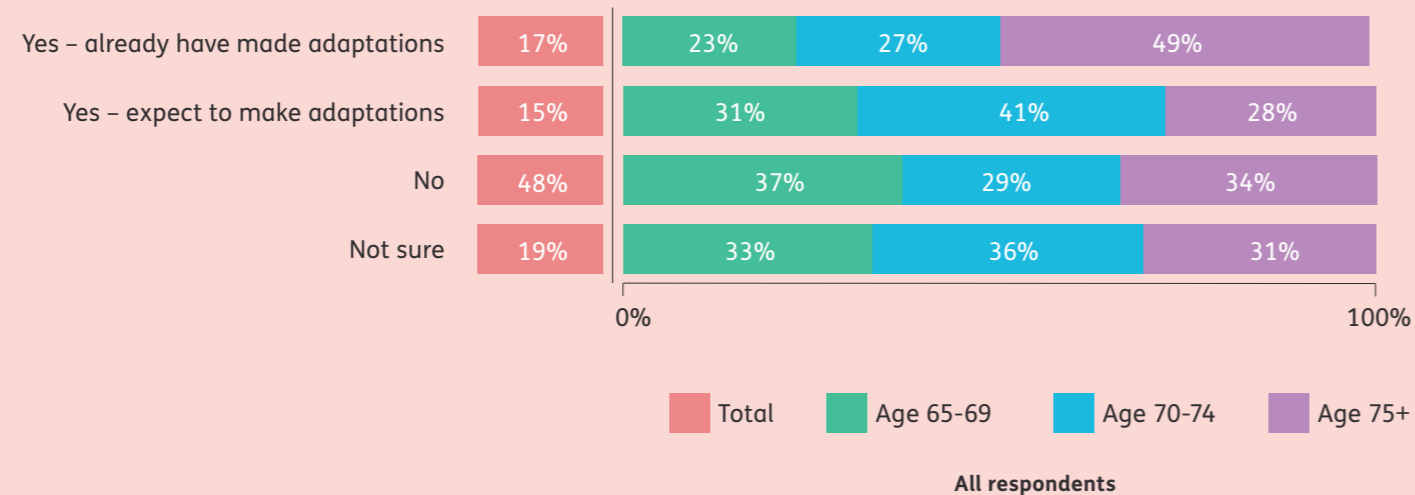
health and social care, shopping and transport links, energy-efficiency, safety, and internal design and room layout.

Alongside this year's core Care Report questions, we quizzed 1,000 homeowners aged over-65 about what consideration they had given to their future care needs when buying their current property and what adaptations they have made or expect to make.\*

Although most people would prefer to receive care at home, only one in five (19%) said they had considered the possibility of receiving care at home when they bought their property. The proportion was slightly higher (26%) among those who had experience of finding a care home for a partner or relative.

- 65% agreed that they would be happy to have carers in their home.
- 66% agreed that they did not want to go into residential care.
- The over-75s are the most likely to say they would be happy to have carers at home but also the most likely to say they do not want to go into a care home.

**Have you or are you expecting to make adaptations to your property to make it fit for receiving care in your own home?**



## Home adaptations

Overall, nearly one in six (17%) had already made adaptations, the number rising with age, and a similar number were expecting to do so in the future. Around half weren't expecting to make adaptations and a significant number were not sure.

Of those who had made adaptations, the most common changes were reconfiguring bathrooms (69%) and installing rails to aid stability (63%). Around one in six (16%) said they had moved bathrooms or bedrooms to the ground floor while nearly one in 10 mentioned (10%) they had installed a stair lift. Other adaptations mentioned included providing accommodation for a live-in carer (3%), plus hoists for baths or bedrooms, adapting doors and adding ramps.

Of those who knew the cost of the changes they had made, three-quarters (76%) said they had spent less than £10,000 on the adaptations, with 15% spending between £10,000-£20,000.

What were the plans for those who weren't expecting to make any adaptations? Nearly three-quarters 74% said they were not expecting to move home should they need care, with only 2% expecting to move home, leaving 24% unsure.

## THE COST OF ADAPTING YOUR HOME

**15% SPENT BETWEEN £10,000-£20,000**

**76% SPENT LESS THAN £10,000**



**The role of professional advice**

The majority of over-45s have not made any plans for care. Even among those who had experience of helping a relative or partner find a care home, only one in six (17%) said they had subsequently made care plans for themselves. For a small number, the experience actually put them off making plans.

But there is one significant exception. In cases where the person they helped was also supported by a professional adviser, nearly half (49%) said they had gone on to make their own care plans.

Professional advisers play an important role in helping people envisage the future and the majority take into account the value of most of their clients' homes when retirement planning. It is usually a major asset and the value can impact future income and estate planning.

More than half (56%) of advisers we asked said that they took into account the value of a client's property when planning for their retirement.

Do professional advisers also ask specifically about how the home will fit into care plans? Our survey of 200 adviser firms<sup>†</sup> found that in the majority of cases, care is a part of the planning conversation.

Seven in 10 (71%) said they ask all clients whether they plan to stay in their home through retirement with another quarter (27%) saying they ask most clients.

Nearly nine in 10 also ask clients if they have preferences where they would like to receive care and will question the suitability or adaptability of their current homes in later life.

Do you consider the value of your client's property when planning for their retirement?



Do you ask any of your clients whether they intend to stay in their property during retirement?



Do you ask any of your clients about their preferences for receiving care – either in their own home or a residential care home – should they need it?



If your clients express a preference for receiving care in their own homes should they need it, do you ask how suitable/adapted their homes are?



All adviser firms

Yes, all of them    Yes, some of them    No

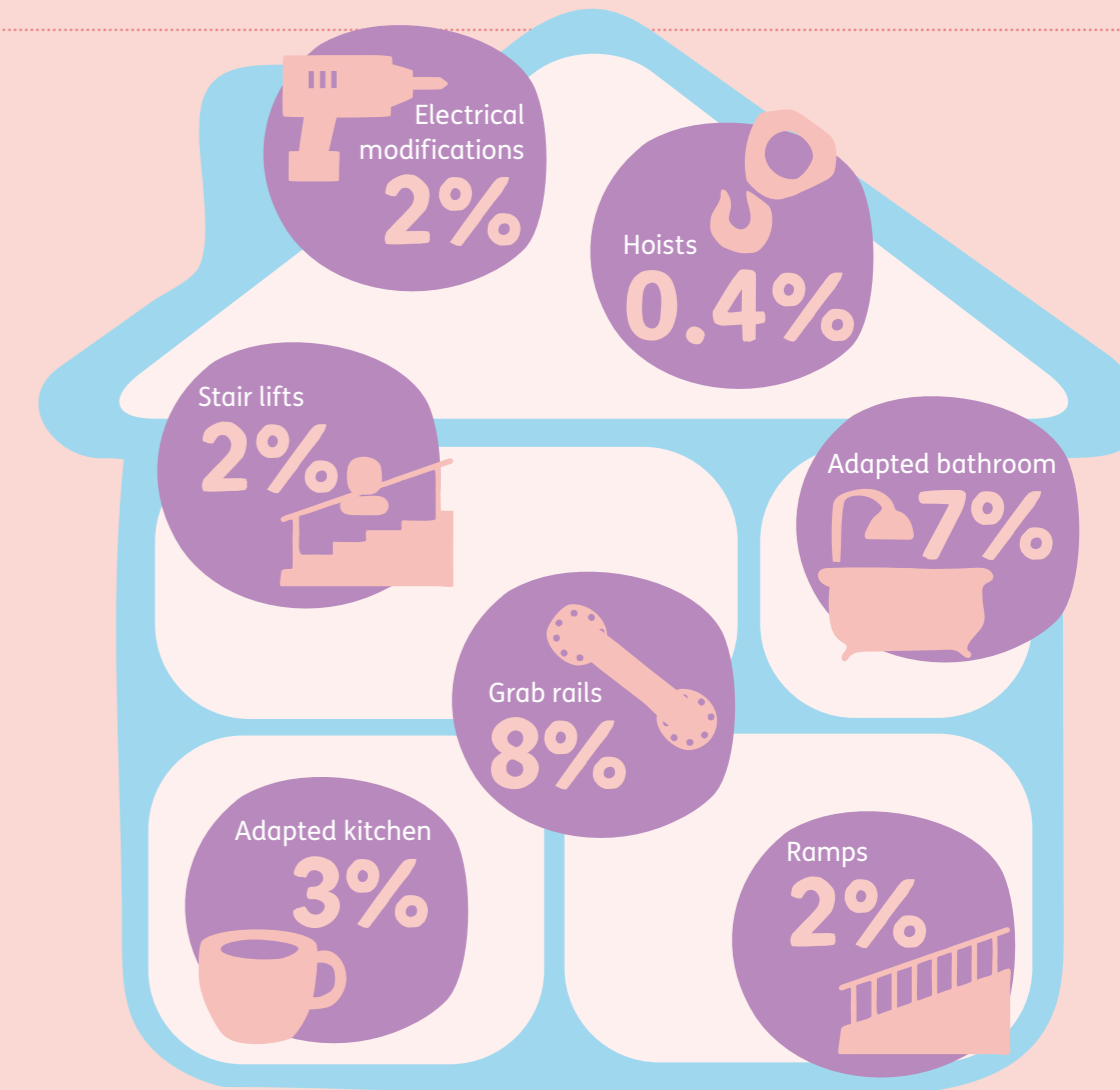
**What is an accessible home?**

According to the English Housing Survey<sup>10</sup> an accessible home is one that meets four main criteria to make it visit-able for most people, including wheelchair users. Of the 24 million homes in England, fewer than one in 10 (9%) meet all four criteria. The proportion of homes meeting each individual criteria are:

- 19% have **level access to the main entrance** - no steps between the gate or pavement;
- 27% have a **flush threshold** – a main entrance door free of obstruction greater than 15mm in height;
- 32% have **sufficiently wide doorways and circulation space**;
- 66% of homes have a **toilet at entrance level**.

About 2.3 million English homes had at least one adaptation for a person with a disability.

- Grab rails 8% - 1.8 million homes
- Stair lifts 2% - 505,000 homes
- Ramps 2% - 413,000 homes
- Hoists 0.4% - 108,000 homes
- Electrical modifications 2% - 410,000 homes
- Adapted bathroom 7% - 1.7 million homes
- Adapted kitchen 3% - 634,000 homes



## CONCLUSION

**The Care Report 2023 provides information and insight into people's knowledge and attitudes towards the funding of long-term care.**

What is clear is that we remain a long way from having a social care system fit for the 21st Century.

Policy paralysis comes at a cost. It's hard for people to plan when they are confused about what support the State will provide and what responsibilities they are expected to shoulder for themselves. Planning becomes impossible when promised policies are never delivered.

Our politicians have long been aware of an urgent need for change.

“The present situation cannot go on much longer. People are entitled to security and dignity in their old age, so we must find a way in which to fund long-term care which is fair and affordable both for the individual and for the taxpayer.”

“The current system is mean, inequitable and the quality of care is often inadequate... But there is a consensus that the status quo is unacceptable. Failure by the Government to act urgently would be a serious dereliction of duty.”

These points remain as fresh today as when they were first made. The first is from Labour Health Secretary Frank Dobson in 1997 when announcing a royal commission on long-term care chaired by Sir Stewart Sutherland. The second the House of Commons Health Select Committee response to that commission's proposals in 1999.

Those proposals did not find favour and were ultimately rejected. The thing that is most surprising and depressing is that, despite the obvious urgency back then, no government since then has implemented an alternative. That is a quarter of a century of lost opportunity.

Our Care Report always prefers to conclude by looking forward to a brighter future rather than dwelling on the failures of the past.

At a time when every political party is busy preparing the ground for the next General Election, here is our call to action – refine your Social Care policies and place them front and centre of your manifesto promises.

No-one is expecting a miracle cure. But there is no reason not to put in place a solid foundation on which people can start to plan for their future care needs. Improving social care is not an insurmountable problem, but the longer it's left the worse it will get.

## RESEARCH FOR THIS REPORT

**This report is the 11th in our series of Care Reports designed to provide a snapshot of what people aged 40 and older in England and Northern Ireland know and think about the later life care system.**

In the course of our research we have conducted consumer polling with around 23,000 people. Unless a footnote references an external source, the data we use in this report is taken from our own online research conducted in 2023. Where we have used our own historical research data from 2012 - 2022 we mark which year's data we reference. Note on the data presented: In some instances, the sum column/row values don't add up to exactly 100% because of rounding.

**We conducted research in 2012-2023 as follows.**

**2023** – online survey among 2,500 adults aged 45 years and older in England and Northern Ireland, conducted 31 July -9 August 2023 by Opinium.

\* **2023** – supplementary data: online survey among 1,400 UK homeowners aged 65 years and older, conducted 7-15 August 2023 by Opinium.

† **2023** – supplementary data: online survey among 200 IFAs in the UK, conducted 10-15 August 2023 by Opinium.

**2022** – online survey among 1,000 adults aged 45 years and older in England and Northern Ireland, conducted 7-11 July 2022 by Opinium.

**2022** – supplementary data: online survey among 1,087 adults aged 45 years and older in England and Northern Ireland, conducted 8-12 July 2022 by Opinium.

**2022** – supplementary data: online survey among 207 IFAs in the UK conducted 7-13 July 2022 by Opinium.

**2021** – online survey among 1,000 adults aged 45 years and older in England and Northern Ireland, conducted 7-13 April.

<sup>1</sup> Nuffield Trust and The Kings Fund – The British Social Attitudes: (2023)

<sup>2</sup> ONS, national population estimates

<sup>3</sup> ONS national population projections

<sup>4</sup> UK Government Policy Paper: Build Back Better – Our plan for health and social care (2021)

<sup>5</sup> HM Treasury: Autumn Statement, 17 November 2022

<sup>6</sup> LaingBuisson, Care homes for older people, UK Market Report – 33rd edition (2023)

**2021** by Opinium. 2021 – supplementary data: online survey among 1,014 adults aged 45 years and older in the UK, conducted 13-18 May 2021 by Opinium.

**2021** – supplementary data: online survey among 214 IFAs in the UK conducted 14-17 May 2021 by Opinium.

**2020** – online survey among 1,002 adults aged 45 years and older in England and Northern Ireland, conducted 30 January -3 February 2020 by Opinium.

**2020** – Covid-19 supplementary data: online survey among 1,000 adults aged 45 years and older in England and Northern Ireland, conducted 4-7 May 2020 by Opinium.

**2019** – online survey among 1,001 adults aged 45 years and older, conducted 4-11 March 2019 by Opinium.

**2017** – online survey among 1,088 adults aged 45 years and older in England and Northern Ireland, conducted September 2017 by Opinion Matters.

**2016** – online survey among 1,005 adults aged 40 years and older in England and Northern Ireland, conducted April 2016 by Opinion Matters.

**2015** – online survey among 1,592 adults aged 40 years and older in England and Northern Ireland conducted, December 2014 by Opinion Matters.

**2014** – online survey among 1,005 adults aged 40 years and older. 2013 – online survey among 841 adults aged 45 years and older.

**2012** – online survey among 894 adults aged 40 years and older.

<sup>7</sup> Savills, March 2023, 'Housing wealth held by over 65s hits record high of over £2.6 trillion'

<sup>8</sup> Conservative General Election Manifesto (2019)

<sup>9</sup> NHS Deferred Payment Agreements 2021-2022

<sup>10</sup> Department for Levelling Up, Housing & Communities – English Housing Survey, Older people's housing



## ABOUT JUST

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Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage more than £26 billion of customers' retirement savings and has helped customers release over £6.5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

## FURTHER INFORMATION

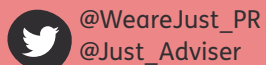
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