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WILLIAM LAING

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TRENDS IN THE LONDON CARE MARKET 1994–2024

Trends in the London Care Market 1994–2024

WILLIAM LAING

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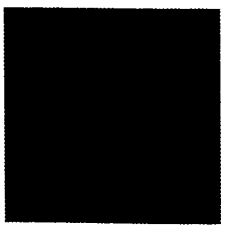

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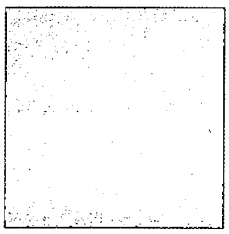

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About the author

William Laing has been the driving force behind Laing & Buisson, the leading provider of authoritative data, statistics and analysis on the UK health, community care and childcare sectors, since its foundation in 1986. During this time he has made some major contributions to the debate on the funding of long-term care. He was the author of *Financing Long Term Care: The crucial debate* (Age Concern 1994), which first proposed the separation of long-term care costs into 'care' and 'hotel' costs. The concept was subsequently adopted by both the Joseph Rowntree Committee of Inquiry, on which William served, and the Royal Commission on Long Term Care.

Summary

Introduction

In 2004, the King's Fund established a Committee of Inquiry to consider care services for older people in London and specifically to find out:

- whether the care system operating in 2004 was meeting the needs and preferences of older Londoners who require care and support because of long-term ill health or disability; *and*
- whether there will be sufficient care services of the right design and quality to meet the needs of older people in London in 20 years.

The committee commissioned research from Laing & Buisson into the operation of the care market over a 30-year period, to examine care market trends between 1994 and 2024, identifying and explaining changes taking place in the demand for and supply of care services in the capital.

Introductory notes

This report highlights significant differences between London and the rest of England. These differences are largely due to inner London's markedly different population profile. In most respects, outer London is similar to England as a whole.

For the purposes of this summary (and for the King's Fund Inquiry as a whole), inner London means the following boroughs: Camden, City of London, Hackney, Hammersmith & Fulham, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth, and Westminster. All the remaining 19 London boroughs are in outer London.

Population statistics and projections in this summary (and in the main report) are usually based on data from the 2001 census. This provides consistency and enables useful comparisons to be made. We are aware of the controversies about the accuracy of the census and the argument that population figures have been underestimated in some parts of London. We are also aware that population figures have been updated and are under review in some boroughs.

Statistics relating to care service activity and expenditure in this summary refer to a 'weighted population'. This means actual numbers adjusted to take account of different levels of need among different populations. The principal adjustments relate to age and deprivation. The main report of which this document is a summary reproduces data relating to both the weighted and the unweighted population.

Almost all the data in this summary and the main report refer to older people who are funded by local authorities to receive services, not to self-payers – that is, older people who use their own assets to buy care services.

London's people

A young population

London is a magnet for young adults, attracted by its unique role as the nation's capital – the principal centre of government, business, financial services, the media and the arts. As they grow older and start families, people tend to move out: from inner London to outer London and from London as a whole to other parts of England. This trend starts at about 30: London experiences a net loss of people aged 30 and over right through to retirement, although there is no sudden rise at retirement age.

This means that London – and especially inner London – has proportionately fewer older people than England as a whole. People aged 65 and over represent 15.9 per cent of England's population, but 12.1 per cent of London's (13.8 per cent in outer London and 10.3 per cent in inner London).

The very old – those aged 85 and over, who are by far the biggest users of care services – make up 1.7 per cent of London's population (1.2 per cent in inner London, 2.0 per cent in outer London), compared with 1.9 per cent in England as a whole.

LOOKING AHEAD

Migration patterns – both into and out of London – seem unlikely to change significantly over the next 20 years.

The proportion of older people in London is forecast to increase a little, though by much less than in England as a whole. The latest projections from the Office of National Statistics suggest that in 2023 older people (that is, those aged 65 and over) will form 20.2 per cent of England's population, but only 12.9 per cent of London's (9.6 per cent in inner London and 15.1 per cent in outer London).

In 2023 very old people (those aged 85 and over) will form 3.7 per cent of England's population, but only 2.1 per cent of London's population (1.4 per cent in inner London, 2.6 per cent in outer London).

Measuring the need for care services

London's relatively low numbers of older people might indicate low demand for care services. However, raw population figures are unreliable indicators of need for, and use of, care services. The high levels of deprivation in many parts of London (especially inner London) have to be taken into account. The Department of Health's weighting for inner London need, used for distributing central government funding, is 33 per cent, with significantly higher weightings for some boroughs – for example, Hackney (64 per cent) and Tower Hamlets (63 per cent). By contrast, the weighting for outer London is virtually the same as for England as a whole.

LOOKING AHEAD

On the basis of these weighted figures, demand for care services in London is projected to increase by 31 per cent between 2004 and 2024: 23 per cent in inner London, 35 per cent in outer London. The projected increase for England is 46 per cent.

Distinctive London factors: minority ethnic groups

Older people from black and minority ethnic groups form a much higher proportion of the population in London than in the rest of England: 9.8 per cent in outer London, 12 per cent in inner London, 2.9 per cent in England. (These statistics are based on the 2001 census, which may significantly understate the number of people from black and minority ethnic groups, particularly in inner London.)

Official statistics suggest that older black and mixed-race black Londoners are more likely to go into a care home than the population as a whole; older Indian, Pakistani and Bangladeshi Londoners are less likely to.

In inner London the proportion of older people from black and minority ethnic groups who receive community-based services is roughly the same as the proportion of the older population as a whole. In outer London fewer do so. The limited statistics available reveal nothing about the intensity of services provided (for example, the average number of hours of home care) for different ethnic groups.

LOOKING AHEAD

Black and minority ethnic people form a large proportion of the middle-aged population (that is, 50- to 64-year-olds):24.8 per cent in inner London; 18.3 per cent in outer London; 5.9 per cent in England. This suggests that London's older non-white population will increase substantially over the next 20 years.

Distinctive London factors: living alone

People who live alone are more likely to use care services – and London (especially inner London) has a far greater proportion of people living alone than elsewhere. Half of all older inner Londoners live alone, 39 per cent of older outer Londoners, and 38 per cent of older people across England.

LOOKING AHEAD

The very limited statistics on this subject project that the number of single-person households in London will increase by 32 per cent between 2001 and 2021. A large number of these will be single older people.

Distinctive London factors: health

Older inner Londoners are slightly less healthy – and therefore slightly more likely to need care services – than older people in England as a whole: 24 per cent of people in inner London are not in good health and have a limiting long-term illness, 20 per cent in outer London and 21 per cent in England.

LOOKING AHEAD

There are no official forecasts of the future health of older people. Some optimistic observers think that improvements in medical technology will compress ill health into the end of life, so reducing the need for long-term care services. The pessimists argue that technological advances merely extend life expectancy without reducing dependency – and that more care services will therefore be needed.

Distinctive London factors: housing

Owner occupiers can normally afford to pay care home fees. This means that the rate of home ownership among older people has a big impact on spending on social services. The proportion of older outer Londoners who own their own home (65 per cent) is slightly higher than the proportion for England as a whole (62 per cent). In inner London, however, only 32 per cent of older people are homeowners.

LOOKING AHEAD

Again, there are no official projections of owner occupation. However, as a larger proportion of younger people are owner occupiers, it is reasonable to anticipate that home ownership will increase among older people. One authority has suggested that home ownership across the country will stabilise at 75 per cent of all people aged over 45 by 2030.

It is best to assume that owner occupation in inner London will remain at about half the national average.

Distinctive London factors: informal care

Informal (or unpaid) care – from family, friends, neighbours – is the bedrock of community care. Without it, services funded from taxation would have to expand massively.

Far more older people receive informal care than receive formal care services. There are no data showing exactly how many, but we do know that 607,000 people across London give informal care – and most of the recipients are older people. Almost 20 per cent of these carers provide more than 50 hours' care every week. In inner London there are 545 informal carers for every 1,000 older people (weighted population), in outer London 680; across England as a whole the total is 626.

LOOKING AHEAD

There are no official projections of informal care. Although some commentators argue that demand for paid care may increase as younger generations of women abandon traditional caring roles, there is no evidence to support this view.

The massive impact that any major reduction in informal care would have casts a 'funnel of doubt' on all predictions of the shape and cost of care services.

Resources and services

Slightly more older people in London receive formal community-based services funded by their local authority than in England as a whole, and rather fewer live in care homes. The figures are:

- **community-based services** (home care, day care, meals on wheels, home adaptations and so on): 92 older people per 1,000 older people (weighted population) in inner London; 91 in outer London; 85 in England.
- **care home places** 24 per 1,000 in inner London; 22 in outer London; 27 in England.

(All these statistics refer to services paid for by the local authority and therefore provided to people with relatively low incomes and savings.)

One-quarter of all the home care provided by the independent sector is purchased by self-payers (that is, by people whose income and/or savings disqualify them for financial support from their local authority).

Home care services

EXTENT

In terms of resources used, home care is the most important of the community-based services. Inner London boroughs commission home care for many more older people than local authorities elsewhere – they have 44 per cent more clients than the average for England, and commission 46 per cent more hours.

That said, many London boroughs ration access to care very strictly. There are four national risk bands, ranging from critical to low: 18 of the 33 London boroughs (six in inner London, twelve in outer London) provide services solely for people in the top two bands; nine do so for people in the top three bands; and none for people in all four bands. (No information is available for six boroughs.)

Small-scale independent businesses provide many of London's home care services. They represent 63 per cent of providers and employ 53 per cent of home care staff.

TRENDS SINCE 1994

Since 1992 local authorities nationally have increasingly concentrated on providing intensive home care services – that is, more contact hours for fewer clients. Between 1998 and 2003 the number of households receiving services in London fell by 26 per cent, while the number of contact hours remained virtually the same. In England, the number of households fell by 14 per cent, while the number of contact hours increased by 19 per cent.

During the same period the proportion of care outsourced to the independent sector in London increased from 58 to 76 per cent (46 to 66 per cent in England).

Care home services

USAGE

Care home places represent the largest single item of social services spending. The bulk of places are purchased from the independent sector.

London boroughs are low users of care homes. Inner London has 14 per cent fewer residents than the average for England, outer London 20 per cent fewer. This difference is in the use of residential care; use of nursing care is the same in London as the rest of England.

These statistics confirm that London boroughs – particularly in inner London – have successfully substituted intensive home care services for residential care.

OUT-OF-BOROUGH PLACEMENTS

Far more older people live in care homes outside their home borough in London than elsewhere: 49 per cent in inner London, 31 per cent in outer London, and just 14 per cent in England as a whole.

At first sight this would suggest that older people (including self-payers) are being denied the opportunity to live in a local care home close to family, friends and their established community. Observers suggest several, sometimes conflicting, reasons for this:

- the small number of care homes in London, caused by high land and labour costs, which in turn lead to high fees that councils and self-payers are unwilling to pay
- the small size of many London boroughs – a home just over the boundary in another borough may in reality still be 'local'; more than half of one borough's out-of-area placements are in neighbouring boroughs
- at least some out-of-borough placements reflect users' choice – they want to move closer to family members who have themselves moved away from London.

CARE HOME CAPACITY

London – especially inner London – has fewer care home places than England as a whole. Inner London has 21.9 places per 1,000 older people; outer London, 38.9; England 47.7. The number of care home places are declining nationally, although the decline in London started in 2000, three years later than the decline in England as a whole.

Care homes are gradually increasing in size, as smaller homes close and larger (but fewer) ones open in their place. The average size in London is 34 places, compared with 31.3 in England.

CARE HOME PROVIDERS

'Corporate' providers (that is, any private- or voluntary-sector provider with three or more homes) are much more significant in London than elsewhere. They provide 67 per cent of inner London's independent care home capacity; 52 per cent in outer London; and 41 per cent in England as a whole. The voluntary sector provides more care homes in London, especially inner London, than elsewhere.

OCCUPANCY RATES

Care home occupancy rates are currently about 93 per cent – about 2 per cent higher than in England.

FEES

Care home fees in London are 20 to 30 per cent higher than in England. Currently they average £600 per week for nursing care and £450 per week for residential care.

WHO PAYS?

One in five residents of inner London care homes pays their own fees. The rest are paid for by public funds. This low proportion is not surprising given the small number of older inner Londoners people who own their home. The outer London self-pay rate of 30 per cent – just under the England average of 32 per cent – is more surprising, given outer London's high level of owner occupation and high property prices. It may be that older people in outer London are sent to care homes outside London.

TRENDS SINCE 1994

The number of older care home residents has been declining across England since 2003/04. The decline in inner London started earlier, in 1999, and may reflect the greater use inner London boroughs make of home care services.

Housing services

EXTRA CARE HOUSING

The Department of Health is promoting extra care housing as an important extension of choice for older people who need care and support.

There are currently between 30,000 and 35,000 extra care units in the UK. This compares with 440,000 people currently living in care homes and 700,000 receiving home care services. Extra care is currently polarised between a larger social rented sector and a smaller private sector, where units are sold leasehold or rented.

There is a significant lack of extra care housing in inner London, mainly because of the shortage of suitable sites for development. Inner London has 25.9 units per 1,000 older people (just 8.5 per cent of which are leasehold or privately rented). In outer London there are 39.1 units per 1,000 older people (17.4 per cent leasehold/privately rented); and in England 44.1 (24.4 per cent).

SUPPORTING PEOPLE

The proportion of older households being funded from the Supporting People budget is the same in inner London and England: 123 households per 1,000 older people. By contrast, outer London boroughs fund 60 per cent of this number: 73 households per 1,000 older people. However, inner London authorities spend well over double the Supporting People funding (£98 per 1,000 older people); outer London boroughs spend £40, and across England the average spend is £44.

Workforce issues

Workforce issues are said to be one of the biggest factors likely to limit the development of care services. There is plenty of anecdotal evidence of severe recruitment and retention problems. However, hard information is scarce.

Vacancy rates for care workers in the public sector are well above the average for London – and for some jobs London has the highest vacancy rate of all the regions. However, staff turnover appears to be no higher in London than elsewhere, and fewer recruitment difficulties are reported than in England as a whole.

The position in the independent sector is less clear cut. Vacancy and turnover rates and recruitment difficulties are higher in London than in England for some jobs, and vice versa for others.

London's care workforce contains people from many ethnic backgrounds – 60 per cent describe themselves as being from a minority ethnic group; the large majority of these are black or black British. By contrast, in every other English region, less than 10 per cent of home care workers describe themselves as being from an ethnic minority.

Looking ahead

Population change alone could increase demand by 23 per cent in inner London and 35 per cent in outer London by 2024. Should the care needs in 2024 be met in the same way as they were in 2004?

CARE HOMES

Some observers argue that traditional care home places should be reduced in favour of community-based services. Others argue that today's care home residents are already so dependent that diverting yet more resources to home care services would neither save money nor enhance people's quality of life.

In addition, there is such a shortage of care home places in London that more investment in traditional care homes is needed to reduce the number of residents placed in homes outside London. Several boroughs are already increasing local care home capacity.

It is therefore reasonable to assume that new care homes will continue to form part of the overall care market in London. Two things are needed to develop care homes:

- land/property at a reasonable price – local authorities could use direct investment or public/private partnerships to encourage providers to build more homes
- skilled staff – the pay and skills base of staff need to be improved.

Home care services

Workforce skills and pay are also major issues in the provision of home care services.

So far, Direct Payments have not been used extensively in London – or elsewhere in England – as a means of funding home care.

Extra care housing

There is little impetus from the Office of the Deputy Prime Minister to develop extra care housing, even though the Department of Health has increased funding in an attempt to encourage this model of care.

Private leasehold extra care housing is not likely to have a significant role in inner London. Relatively few older inner Londoners own their homes – essential if you want to buy an extra care unit – and housing developments for younger people will crowd out extra care developments in the competition for available sites.

Prospects in outer London are better, at least in theory, since more older people there are owner occupiers, and the market for land may be less competitive. That said, service charges (£5,000 per year or more) put extra care housing out of the reach of all but a minority of older people.

Home owners who receive social security benefits can buy extra care housing by rolling their benefits into a mortgage, but so far no one has done this in London.

Planning barriers, especially the absence of clear guidance from central and regional government, are a major hurdle for the development of extra care housing in London – and in England generally. Public sector land banks could be used for large-scale (and therefore less costly) mixed developments. The Greater London Authority could play a role in facilitating extra care housing through the planning system.

Spending on care services

An estimated £1,614 million was spent on care services for older people in London in 2004. This represents spending by the statutory sector – local authorities and the NHS – and private individuals. The total breaks down as follows:

- local authorities: £1,173 million – 72.7 per cent
- NHS: £176 million – 10.9 per cent
- private individuals: £265 million – 16.4 per cent.

Local authorities charged users £196 million for the care services they received. Taking account of this sum reduces the local authority share of spending to 60.5 per cent and increases the private share to 28.6 per cent (NHS share remains the same).

Local authority expenditure

Average net spending per older person (weighted population) is as follows:

- all social services authorities in England: £727
- inner London boroughs: £1,063 – 46 per cent higher than the England average
- outer London boroughs: £852 – 17 per cent higher.

Two factors have to be taken into account in considering these differences:

- the higher cost of providing services in London
- the lower receipts from charges in inner London increasing net costs to local authorities of providing the service. Income from charges for home care was only 6 per cent of gross expenditure on these services in inner London, compared with 12 per cent in outer London and in England as a whole.

The critical question is whether higher spending by the London boroughs fairly reflects higher costs and lower receipts from charges. There are two arguments, each leading to a different conclusion.

- On the one hand, the Department of Health's Formula Spending Share (FSS) weightings for cost of services and income of service users suggest that, in 2003/04, London boroughs should have spent 56 per cent more than the England average, rather than the additional 46 per cent they did spend. This suggests that London boroughs are underspending on services for older people.
- Laing & Buisson, however, calculates that the FSS cost allowance – set at 29 per cent above the England average – is too high, and that it should be between 20 and 25 per cent. This suggests that London boroughs have been given more money than they need to compensate for the higher costs of care in London.

TRENDS IN LOCAL AUTHORITY EXPENDITURE

Spending on services for older people has been rising since the late 1990s – but more slowly in inner London than in outer London and in England as a whole. Between 1998/99 and 2003/04, the average annual spending increase was 7.3 per cent in England, 6.3 per cent in outer London and 3.8 per cent in inner London. In 2003/04, the latest year for which data are available, the average spending increase was 9.5 per cent in England, 8.2 per cent in outer London and 5.6 per cent in inner London.

One reason for the differences in average spending increase is that in 2002/03 authorities outside London spent a lot more on care home places, partly because of changes in the way they were funded and partly because they allowed care

homes to increase their prices. London boroughs use care homes less and had never forced home fees as low as provincial authorities had. That said, expenditure on home care services has increased in authorities across England faster than in London authorities.

Private expenditure

Generally, self-paying users of home care services – whether provided by the local authority or by the private sector – pay for them out of income, or sometimes savings.

This is not the case with fees for care homes. The bulk of these are paid for from the proceeds of the sale of the individual's home, sometimes supplemented by funding from relatives.

Home ownership is therefore a particularly important factor in the availability of private funds to pay for care. Many Londoners have substantial funds tied up in their homes. Properties in inner London are the most valuable (£301,000 on average in 2004, compared with £159,000 in England), but the rate of owner occupation is lower there. In outer London rates of home ownership are slightly higher than in England, and property prices are relatively high (an average £223,000 in 2004); about 90 per cent of this property is unmortgaged.

There are two ways in which housing equity can be released to fund care in retirement:

- inheritance – the next generation (which itself will already be retired or not far off retirement) inherits a property and then sells it, releasing assets to supplement retirement income and spend on care services.
- equity release – by which homeowners gain an income based on the equity tied up in their property. The two constraints on equity release are that many older people want to pass on their assets (that is, the value of their house) to their children; and that the equity release providers charge high interest rates.

In its 2004 report the Pension Commission argued that inheritance will be the main mechanism for funding pensions in the future. However, a 2005 report from the Actuarial Profession is more optimistic about equity release, and projects a quadrupling of new business (to £4 billion) by 2031.

Even if equity release becomes more popular, there is no guarantee that the money will be used to buy care services. If it is used to fund consumption in early old age, it may even reduce the amount of money available to spend on care later.

Other sources of wealth for funding retirement are not particularly promising. Londoners' savings are higher than elsewhere in England, but still fairly low. Only 17 per cent of pensioner couples and 9 per cent of single pensioners in London have savings of £50,000 or more. Almost half (49 per cent) of single pensioners and 34 per cent of pensioner couples have no savings at all or less than £1,500.

The quality of care

Home care services

A survey in 2002/03 of home care users revealed varying degrees of satisfaction with the services provided. In inner London 86 per cent of respondents said that

care workers always or usually come at convenient times, but only 55 per cent said that they were extremely or very satisfied with the overall help they receive from social services. The inner London ratings are on a par with those for England as a whole. Outer London's are significantly lower.

Respondents from black and minority ethnic groups are significantly less satisfied. The relatively high proportion of non-white residents in inner London boroughs means that services there performed particularly well.

Provision in care homes for black and minority ethnic groups

A survey of care homes carried out by Laing & Buisson in 2004 shows that 16 per cent offered 'specific' services for residents from black and minority ethnic groups – for example, to meet dietary and religious preferences. Although it could be argued that 16 per cent is not very high, it is much higher than the 1 per cent of homes in both Birmingham and Greater Manchester (both of which have significant non-white populations) that offer these services.

Special provision for people with dementia

There is a national shortage of services for people with dementia. The situation in London is no worse than in the rest of England: 13.4 per of care homes in London and 12.5 per cent in England are registered to provide services for people with dementia. In London 4 per cent of home care providers claim to provide services specifically for people with dementia (6 per cent in England).

Conclusion

This publication has offered important demographic information to allow planners to predict trends in the care market for older people in London. It also presents a composite statistical picture of the number (or rate) of older people receiving different types of service in the spectrum of care, from informal care to continuing care provided by the NHS.

The report has identified barriers to better or more accessible care and considers why the barriers exist. Some of the issues discussed are:

- **the scarcity of local care home capacity in London and excessive placement of Londoners in care homes outside London**

This scarcity may be in part be a result of the market pricing land out of the reach of care home providers. Fundamentally, it reflects the fact that commissioners and self-paying consumers and their families, by selecting less expensive homes outside London, signal to providers that it is not worth competing for high-cost sites in London for care home development.

- **the low level of extra care provision in London, particularly inner London, and slow development of this form of provision**

This small, niche sector of the property development market has attracted only a handful of players and lack of competition keeps prices high. However, the main reason for lack of development is the failure of Office of the Deputy Prime Minister to provide clear guidance to planning authorities on the role and status of extra

care. All extra care developers report that planning is the single largest obstacle they face.

- **recruitment and retention of trained staff**

Public sector commissioners, private purchasers and providers have got themselves into a position where the ruling prices are inadequate to sustain desired workforce stability and skill levels. Better pay is likely to be an essential part of the solution.

- **equity release and long-term care insurance**

For the Actuarial Profession's projections of future growth to be achieved, it is probably necessary for one or more of the major mortgage providers to enter the market. Greater competition may then lead to wider choice and better mortgage deals. Few options for long-term care insurance are now available to consumers. Financial services organisations had invested heavily in developing the market, but the verdict of consumers was that the price was too high for the benefits offered.

Introduction

This study was commissioned to inform the King's Fund Care Services Inquiry, which was set up in response to concerns about the quality, appropriateness and adequacy of care services for older people in London.

Specifically, the Inquiry was established to find out:

- whether the care system operating in 2004 is meeting the needs and preferences of older Londoners who require care and support because of long-term ill health or disability; *and*
- whether there will be sufficient care services of the right design and quality to meet the needs of older people in London in 20 years.

The report of this inquiry, *The Business of Caring*, was published in June 2005. Detailed information is available at www.kingsfund.org.uk/resources/publications/the_business_of.html

This study examines, in some detail, past, present and future trends in the London care market, identifying and explaining changes taking place in the demand for and supply of care services in the capital.

Laing & Buisson, in researching these trends, sought to answer the following questions:

- How did the care market change between 1994 and 2004, and why did these changes take place?
- How does the current (2004) care market in London compare with care markets in the rest of England?
- How do care markets within London differ? Which areas of London seem to be responding well or poorly to their older residents' needs for care and support?
- How does the London care market affect care markets in surrounding counties?
- How might conditions in the London care market change between 2004 and 2024? To what extent is there likely to be a gap between the demand for care and the services available, given the trends identified above?

1 London's demographic profile

Definitions of inner and outer London

Most of the major disparities between London and England highlighted in this report are attributable to inner London, which has a markedly atypical demographic profile. Outer London, in contrast, is much closer in most respects to England as a whole.

The Office for National Statistics (ONS) definitions of inner and outer London have been used (*see* Table 1 below). It should be noted that these differ from the Department of Health definitions, which are based on Audit Commission regions. The ONS classifies the boroughs of Haringey and Newham as part of inner London and Greenwich as part of outer London, the Department of Health vice versa. In this report, Department of Health data have been adjusted, where relevant, to the ONS definitions of inner and outer London.

TABLE 1: INNER AND OUTER LONDON BOROUGHS

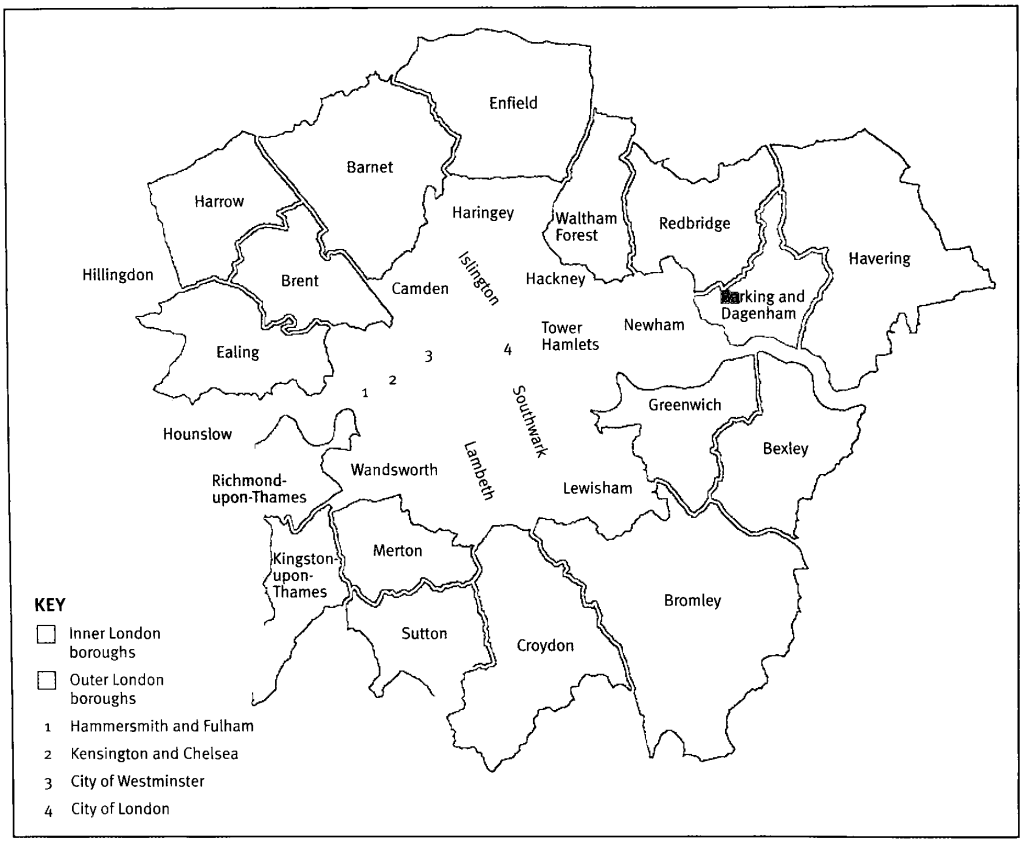
Inner London	Outer London
Camden	Barking and Dagenham
City of London	Barnet
Hackney	Bexley
Hammersmith & Fulham	Brent
Haringey	Bromley
Islington	Croydon
Kensington and Chelsea	Ealing
Lambeth	Enfield
Lewisham	Greenwich
Newham	Harrow
Southwark	Havering
Tower Hamlets	Hillingdon
Wandsworth	Hounslow
Westminster	Kingston upon Thames
	Merton
	Redbridge
	Richmond upon Thames
	Sutton
	Waltham Forest

Source: Office for National Statistics

Age profile

London's youthful demographic profile reflects its unique position as the nation's capital. As the principal centre of government, business, financial services, the media and the arts, London is a magnet for young adults. However, as they grow older and form families and the relative attractions of the capital diminish, they tend to move out. In recent decades there has been a net migration of people out

MAP OF THE LONDON BOROUGHS



of London at all ages over 30. At younger ages inner Londoners tend to drift to outer London, while Londoners in general move out of London, mostly to destinations in England. Around retirement, the pattern of dispersal is further afield – to people's roots in the provinces, for example. But there is no sudden rise in outward migration from London around retirement. There is also migration from London out of the UK, but this is relatively insignificant in overall numbers.

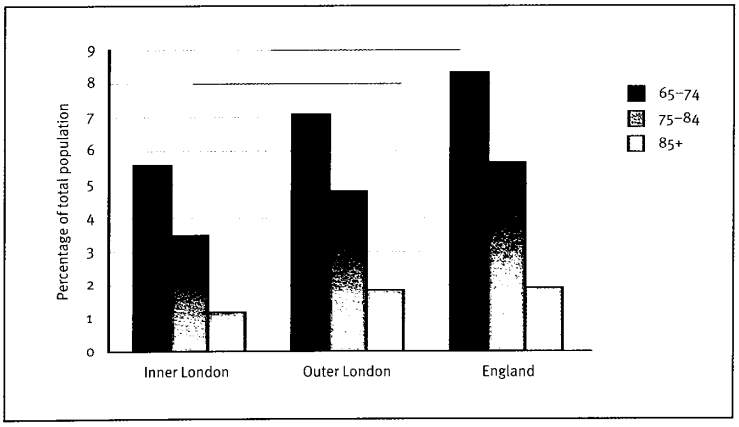
This means that London has proportionately fewer older people than England as a whole – particularly inner London, where people aged 85 and over formed just 1.2 per cent of the population in 2001, compared with 1.9 per cent in England as a whole (*see* Table 2 and Figure 1 overleaf). Tower Hamlets has the lowest proportion, 0.8 per cent, of people aged 85 and over of all the London boroughs (*see* Appendix Table 35). Outer London's age profile falls between inner London's and England's.

TABLE 2: DETAILED AGE PROFILE OF OLDER PEOPLE, LONDON AND ENGLAND, 2001

	Per cent of resident population			
	All 65+	**65–74**	**75–84**	**85+**
Inner London				
Males	4.4	2.6	1.4	0.3
Females	5.9	2.9	2.1	0.9
Total	**10.3**	**5.5**	**3.5**	**1.2**
Outer London				
Males	5.7	3.3	1.9	0.5
Females	8.1	3.8	2.9	1.3
Total	**13.8**	**7.1**	**4.8**	**1.8**
Greater London				
Males	5.2	3.1	1.7	0.4
Females	7.2	3.5	2.6	1.1
Total	**12.4**	**6.5**	**4.3**	**1.6**
England				
Males	6.7	3.9	2.2	0.5
Females	9.2	4.4	3.4	1.4
Total	**15.9**	**8.3**	**5.6**	**1.9**

Source: 2001 census, Office for National Statistics

1 AGE PROFILE, LONDON AND ENGLAND, 2001



Source: 2001 census, Office for National Statistics

Despite their small numbers, the very oldest age groups are the biggest consumers of care services, because rates of disability and dependence escalate so rapidly with increasing old age. The proportion of people using home care services is about 10 times higher in the 85 and over age group than it is in the 65–74 age group; for care home services it is about 20 times higher (*see* Table 3 overleaf).

TABLE 3: USE OF CARE SERVICES BY AGE GROUP

		65–74	75–84	85+
Percentage of London population[1] in receipt of local authority funded home care services, 2003[2]	Inner London	3.6	10.4	25.1
	Outer London	1.4	5.1	18.0
	Greater London	2.1	6.7	20.1
	England	1.5	5.1	14.5
Percentage of UK population[1] living in residential homes or hospitals, 2004[3]	UK	0.9	4.3	20.7

[1] Population unadjusted for deprivation (see pp 7–8).

[2] Department of Health RAP (referrals, assessments and packages of care) statistics.

[3] Laing & Buisson. Includes people in nursing and residential homes and NHS long-stay geriatric and psycho-geriatric units.

Projections to 2024

Demographers see no reason to suppose that the major established patterns of inward and outward migration will change in the next 20 years, though the differing migration patterns of black and ethnic minority populations will have to be factored in. London's demographic profile is therefore projected to remain relatively young.

Table 4 below shows the latest, principal 2003-based sub-national population projections from ONS. A substantial increase in older Londoners is projected over the next 20 years, though it will be proportionately less than for older people in England as a whole. These projections must be treated with caution. The previous, 1996-based sub-national population projections envisaged virtually no increase at all in inner London's older population over the following 20 years, and only a small

TABLE 4: PROJECTED DEMOGRAPHIC PROFILE OF LONDON AND ENGLAND, 2003–28

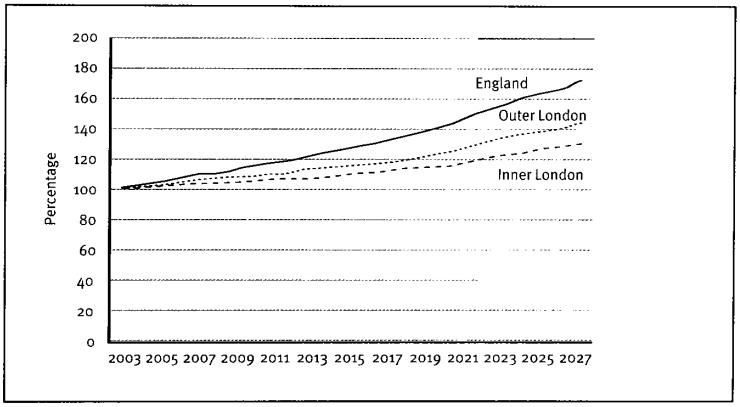
		2003 (000s)	2008 (000s)	2013 (000s)	2018 (000s)	2023 (000s)	2028 (000s)
England	<65	41,909	42,633	42,759	43,101	43,430	43,344
	65–74	4,159	4,304	5,020	5,471	5,431	5,902
	75–84	2,852	2,873	3,037	3,274	3,924	4,293
	85+	936	1,114	1,244	1,404	1,618	1,858
	All ages	**49,856**	**50,923**	**52,059**	**53,249**	**54,403**	**55,397**
Greater London	<65	6,489	6,720	6,908	7,095	7,245	7,318
	65–74	467	457	500	541	560	633
	75–84	316	307	313	321	361	393
	85+	108	120	127	137	152	166
	All ages	**7,380**	**7,604**	**7,847**	**8,094**	**8,319**	**8,510**
Inner London	<65	2,612	2,735	2,848	2,951	3,029	3,070
	65–74	153	148	155	164	173	201
	75–84	99	95	95	97	105	112
	85+	32	35	37	39	43	46
	All ages	**2,896**	**3,013**	**3,134**	**3,251**	**3,350**	**3,430**
Outer London	<65	3,877	3,986	4,060	4,144	4,217	4,248
	65–74	313	309	345	377	387	433
	75–84	217	213	218	224	256	281
	85+	76	84	90	98	109	120
	All ages	**4,483**	**4,592**	**4,713**	**4,843**	**4,969**	**5,081**

Source: Office for National Statistics. Principal 2003-based sub national population projections

increase in outer London. Small changes in assumptions can make a major difference to future projections.

Figure 2 below demonstrates the possible impact of the most recent population projections on future demand for care services by applying current age-specific care home usage rates to projected future populations. On this basis, London can look forward to a 31 per cent increase in volume of demand over the 20 years from 2004 to 2024 (23 per cent in inner London, 35 per cent in outer London); the parallel increase across England is 46 per cent.

2 PROJECTED[1] VOLUME OF DEMAND FOR CARE FOR OLDER PEOPLE, 2003–27



[1] Projected by applying 2004 age-specific usage rates for care homes for older people to projected future populations.

These figures are purely illustrative. ONS population projections themselves may turn out to be inaccurate; in addition, the simplifying assumption of constant age-specific service usage rates may prove to be wide of the mark. Among other recent studies, Wittenberg *et al* (2001) projected demand for long-term care for older people in England to 2031 using a similar base case in which age- and gender-related dependency rates were assumed to remain unchanged. Further analysis by the authors showed that future demand is sensitive to both the numbers and the dependency levels of older people.

Need/deprivation weighting of older populations

Other things being equal, London's relatively small population of older people (that is, aged 65 and over) might be expected to make it easier to meet the capital's demand for care services. But other characteristics of London's older population – in particular, the high levels of deprivation in many parts of London, notably in some inner London boroughs – reduce this apparent advantage. This is demonstrated by the population weightings the Department of Health uses to adjust for need when it allocates funding for older people's personal social services to individual local authorities by means of Formula Spending Share (FSS) calculations.

According to FSS calculations, inner London's need for government funding for older people's social services is 33 per cent higher per older person (*see* Table 5 overleaf) than for England as a whole. (This calculation excludes the effects of

differential service costs, users' ability to pay charges, and the 'sparsity' factor.) London boroughs with the highest relative needs include Hackney (+64 per cent), Tower Hamlets (+63 per cent), Newham (+53 per cent) and Islington (+50 per cent) (*see* Table 36, p 69). In contrast, outer London's deprivation/need weighting hardly differs at all from England's as a whole.

TABLE 5: RELATIVE NEED FOR PERSONAL SOCIAL SERVICES FOR OLDER PEOPLE

	Unweighted 65+ population 2005/06	Weighted 65+ population 2005/06[1]	Ratio of weighted to unweighted population
Inner London	283,969	378,278	1.33
Outer London	597,446	589,523	0.99
Greater London	881,415	967,801	1.10
Metropolitan boroughs	1,684,907	1,997,657	1.19
England	7,756,328	7,756,328	1.00

[1] Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

In the rest of this report, London appears to be relatively well resourced and to offer a relatively high level of care services per person in comparison with other metropolitan areas and with England as a whole. London's apparent advantage is diminished, though not eradicated, when indicators of resources and service provision are normalised against population adjusted for need. In the absence of any other validated model, this report has normalised service levels using FSS deprivation/need adjusted population as the denominator. However, this raises the key question of whether the FSS model accurately or fairly reflects the differences in needs between populations in different areas.

While this report was being prepared, it was argued that the King's Fund Care Services Inquiry was not an appropriate forum to debate FSS in London. However, our view is that the issue of how to compare London with the remainder of England is so central to the remit of the research that it cannot be ignored. This report cannot usefully comment on the 'fitness for purpose' of the current FSS formula, the details of which are currently being reviewed in the light of new research. But it is important to note that many of the conclusions it draws depend on the FSS providing at least a reasonable measure of relative need.

Of lesser importance, it should be noted that both the FSS weighted and unweighted 65 and over populations used for normalisation are estimates for the year 2005/06, while measures of resource and service use relate mainly to the years 2002 to 2004. However, age profiles did not change significantly over this period, and any errors introduced by discrepancies in time will be minor.

Possible changes in deprivation by 2024

The Government has given high priority to programmes designed to alleviate disadvantage. It remains to be seen whether these will pay off over the next 20 years by reducing deprivation and therefore the need for substantially higher personal social services resources per person in inner London.

Ethnic minorities

Most black and minority ethnic people in England live in London and in other metropolitan areas; few live in the shire counties. The need for culturally sensitive services has a significant impact on the range of care provision required in London. It also affects the volume of provision required. This is because some ethnic groups are much more likely to use residential care services.

The 2001 census found that black and minority ethnic groups make up a significantly higher proportion of the older population in inner London than in outer London; the exception is of older people of Indian origin, who are heavily concentrated in west and north-west outer London. Overall, the 2001 census revealed that 12 per cent of Greater London's older population is non-white (9.8 per cent in outer London, 16.5 per cent in inner London), compared with only 2.9 per cent in England as a whole (*see* Table 6 below).

The headline conclusion that black and minority ethnic people are heavily concentrated in inner London is not in doubt. The exact size of London's black and minority ethnic population is a matter of debate because of concerns about the under-enumeration of some population groups in the 2001 census, particularly in London. The 2001 census was followed by a sample re-enumeration, the Census Coverage Survey (Pereira 2002). This showed that, while the census response rate

TABLE 6: PERCENTAGE OF OLDER RESIDENT POPULATION BY ETHNIC GROUP, 2001

	Inner London	Outer London	Greater London	England
White:				
British	69.6	82.4	78.3	93.4
Irish	6.9	4.1	5.0	2.0
Other	7.0	3.7	4.7	1.7
Total	**83.5**	**90.2**	**88.0**	**97.1**
Mixed:				
White and black Caribbean	0.4	0.1	0.2	0.1
White and black African	0.1	0.0	0.1	0.0
White and Asian	0.3	0.3	0.3	0.1
Other	0.3	0.2	0.2	0.1
Total	**1.1**	**0.6**	**0.8**	**0.3**
Asian or Asian British:				
Indian	2.2	4.3	3.6	0.9
Pakistani	0.6	0.6	0.6	0.4
Bangladeshi	1.5	0.1	0.6	0.1
Other	0.7	0.8	0.8	0.2
Total	**5.0**	**5.8**	**5.6**	**1.6**
Black or black British:				
Black Caribbean	7.2	2.1	3.7	0.8
Black African	1.6	0.5	0.8	0.1
Other	0.3	0.1	0.2	0.0
Total	**9.1**	**2.7**	**4.7**	**0.9**
Chinese or other ethnic groups:				
Chinese	0.7	0.4	0.5	0.1
Other[1]	0.7	0.3	0.4	0.1
Total	**1.4**	**0.7**	**0.9**	**0.2**

Source: 2001 census

[1]The 'other' group includes people from Mauritius, the Philippines and Sri Lanka.

was 94 per cent across England and Wales, in outer London it was 90 per cent, and in Inner London it fell to 78 per cent. In principle, any under-enumeration should have been corrected in the published census tables, and for the 2001 census these were adjusted to take account of the Census Coverage Survey. But the concern remains that black and minority ethnic populations in particular may still be significantly underestimated. This 'health warning' should be borne in mind when interpreting the analysis of census data.

Black and minority ethnic groups can differ quite markedly from white groups in their usage of care services. Table 7 below shows the likelihood of entering a care home by different ethnic groups. (The data have been calculated by combining 2001 census data with data on care home populations independently derived by Laing & Buisson. Note that the index numbers are unadjusted for factors – deprivation, living alone, absence of informal care and so on – that may predispose people to enter a care home.) Black and mixed race black ethnic elders are much more likely to enter a care home than older people generally; this applies whether the calculations are made for London or for England and Wales. In contrast, Pakistani

TABLE 7: LIKELIHOOD OF BEING RESIDENT IN A CARE HOME BY ETHNIC GROUP

	Percentage share of London's population aged 65 and over	Index[1] of care home usage London	Index[1] of care home usage England and Wales
White:			
British	69.6	73	99
Irish	6.9	102	110
Other	7.0	96	112
Mixed:			
White and black Caribbean	0.4	177	200
White and black African	0.1	155	266
White and Asian	0.3	96	127
Other	0.3	130	138
Asian or Asian British:			
Indian	2.2	56	101
Pakistani	0.6	55	41
Bangladeshi	1.5	22	53
Other	0.7	93	128
Black or black British:			
Black Caribbean	7.2	134	148
Black African	1.6	158	245
Other	0.3	125	139
Chinese or other ethnic groups:			
Chinese	0.7	57	121
Other	0.7	218	602
ALL ETHNIC GROUPS	100	77	100

Source: 2001 census

[1]Index = actual numbers of people aged 65 and over resident in care homes, excluding resident staff, divided by the expected numbers, multiplied by 100. Expected numbers calculated by applying national age-specific rates of residency in care homes (Table 3) to the population of the given ethnic group and then applying a normalisation factor to make the England and Wales Index equal 100. The normalisation factor of 0.83 is necessary to reconcile Laing & Buisson's independently estimated numbers of care home residents with the numbers reported in the 2001 census. The census understates residents in care homes because, in the absence of specific confirmation of permanent residency, residents who have been living in the home for less than six months may have been classed as living at their former address.

and Bangladeshi elders are much less likely to enter a care home; Indian elders too have a low propensity to be in care homes in London, though an average propensity in England and Wales as a whole.

Such official statistics as are collected do not reveal whether there are similar differences in the use of community-based services by different ethnic groups. The Department of Health's RAP (referrals, assessments and packages of care) reports provide some analysis of service usage by ethnic group. However, the numbers of clients receiving community packages by ethnic group and age are not available; even if they were, the question of the intensity of use – for example, the number of hours of domiciliary care per user – would be left unanswered. There are two relevant performance indicators in the government's Performance Assessment Framework (PAF) for social services, extracts from which are set out in Table 31 (*see* p 49). These are:

> *Ratio of the percentage of older service users receiving an assessment or review that are from minority ethnic groups to the percentage of older people in the local population that are from minority ethnic groups*

and

> *Ratio of the percentage of older service users receiving services following an assessment or review that are from minority ethnic groups to the percentage of older service users. assessed or reviewed that are from a minority ethnic group.*

Taken together, the RAP and PAF indicators suggest that older people from black and minority ethnic groups in inner London are more likely than their white peers to receive an assessment, but less likely to receive a service after their assessment. From this it follows that the proportion of older people from minority ethnic groups in inner London who were actually receiving services in March 2004 was roughly the same as the average for older population of inner London as a whole (unadjusted for any need or disadvantage factors). However, the PAF statistics suggest that older people from black and minority ethnic groups living in outer London are less likely to be receiving services than older people in outer London as a whole.

Projections to 2024

Unless migration patterns change significantly, black and minority ethnic elders will increase as a proportion of London's older population over the next 20 years. This is mainly because of the ageing of the current cohort of 50- to 64-year-olds, who make up a larger proportion of their age group than their seniors do of theirs (*see* Table 8 overleaf).

At the time of writing, demographers at the Greater London Assembly (GLA) were preparing population projections by age and ethnic group for London down to borough level. These are expected to indicate a substantial future increase in the number of elders from black and minority ethnic groups.

If the trend continues for black and minority ethnic elders to be more likely than average to enter a care home, demand for care services in London will be higher than the projection in Figure 2 (*see* p 7).

TABLE 8: PERCENTAGE OF RESIDENT POPULATION AGED 50–64 BY ETHNIC GROUP, 2001

	Inner London	Outer London	Greater London	England
White:				
British	58.3	71.6	67.2	91.0
Irish	6.6	4.8	5.4	2.0
Other	10.3	5.3	7.0	2.1
Total	**75.2**	**81.7**	**79.6**	**95.1**
Mixed:				
White and black Caribbean	0.3	0.2	0.2	0.1
White and black African	0.3	0.1	0.2	0.0
White and Asian	0.4	0.4	0.4	0.1
Other	0.5	0.3	0.4	0.1
Total	**1.5**	**1.0**	**1.2**	**0.3**
Asian or Asian British:				
Indian	3.0	7.2	5.8	1.5
Pakistani	1.2	1.5	1.4	0.6
Bangladeshi	2.3	0.3	1.0	0.2
Other	1.3	1.8	1.6	0.3
Total	**7.8**	**10.8**	**9.8**	**2.6**
Black or black British:				
Black Caribbean	7.2	3.0	4.4	0.9
Black African	4.5	1.4	2.5	0.4
Other	0.4	0.2	0.3	0.1
Total	**12.1**	**4.6**	**7.2**	**1.4**
Chinese or other ethnic groups:				
Chinese	1.2	0.8	1.0	0.3
Other	2.2	1.1	1.4	0.3
Total	**3.4**	**1.9**	**2.4**	**0.6**

Source: 2001 census

Living alone

Living alone is a major risk factor for using care services. Older Londoners are significantly more likely to live alone than their peers elsewhere. The disparity between the capital and the remainder of England is once again almost entirely attributable to inner London, where half of people aged 65 and over live alone compared with 38 per cent in England (*see* Table 9 below). The proportion of single-person older households is one of the factors that feeds into the FSS population weighting (*see* Table 5, p 10).

TABLE 9: SOLO OLDER LONDONERS, 2001

	Single-person households as percentage of population in age group			
Age	**Inner London**	**Outer London**	**Greater London**	**England**
65–74	49	34	39	32
75–84	49	42	44	42
85+	57	52	54	50
All 65+	50	39	43	38

Source: 2001 census

Projections to 2024

In the absence of any official projections of household composition by age, it is not possible to say whether the proportion of older people who live alone is likely to increase in London and elsewhere, and if so by how much.

Such household projections as are produced by the Office of the Deputy Prime Minister indicate a 15 per cent increase in all households in London between 2001 and 2021. This includes a 32 per cent increase in single-person households, a large component of which will be single older people. The corresponding increases for England as a whole are 15 per cent and 37 per cent.

Health and limiting long-term illness

Older people living in inner London are somewhat more likely to need care services as a consequence of poor health (*see* Table 10 below). However, the disparity between inner London and England is less than for other population attributes. Older people in outer London are slightly healthier than the average for England. Health and limiting long-standing illness is another factor that feeds into FSS population weighting (*see* Table 5, p 10).

TABLE 10: HEALTH AND LIMITING LONG-TERM ILLNESS AMONG OLDER LONDONERS, 2001

	Percentage of people in households who were not in good health *and* who had a limiting long-term illness			
Age	**Inner London**	**Outer London**	**Greater London**	**England**
65–74	21	16	18	17
75–84	26	23	24	24
85+	33	31	32	32
All 65+	24	20	21	21

Source: 2001 census

Projections to 2024

There are no official projections of the health status of Britain's older population. Continuing rapid advances in medical technology may have an impact on future care needs, although 20 years is a short timescale for major changes to occur.

Some observers think that the cumulative effect of modern medical technology will be to compress morbidity into an ever-shorter period at the end of the natural lifespan. This optimistic theory implies that – other things being equal – the need for long-term care services will fall. The contrary – pessimistic – theory holds that the impact of medical technology is to extend life expectancy without reducing dependency in later years. This theory implies that the future need for care services will increase. The most recent British review (Health Statistics Quarterly 2002) reaches a relatively pessimistic conclusion based on different measures of 'healthy life' derived from General Household Survey questions. These indicate that healthy life expectancy increased significantly between 1981 and 1999 but not as fast as total life expectancy. This means that although people are living longer, they also experience more years of poor health.

Housing

Inner and outer London are strikingly polarised in terms of older people's housing tenure. In outer London, the rate of owner occupation among older people is higher than the national average. By contrast, in inner London owner occupation is about half the national average (*see* Table 11 below). This pattern reflects the high price of property in inner London and the dominant influence of younger owner occupiers, who tend to leave London before they grow old, selling their property to the generation immediately below them; people who stay and age in inner London tend to be renters.

TABLE 11: OWNER OCCUPATION AMONG OLDER LONDONERS, 2001

	Percentage of owner-occupied households, with or without a loan/mortgage			
Household type	Inner London	Outer London	Greater London	England
Lone males 65–74	27	58	44	55
Lone males 75–84	27	59	46	56
Lone males 85+	24	57	46	57
Lone females 65–74	34	65	53	62
Lone females 75–84	29	61	51	57
Lone females 85+	25	54	45	52
2 or more people, all pensioners, any aged 75 and over	46	79	70	76
Weighted average: all above household types	32	65	53	62

Source: 2001 census.

Owner occupation has an important impact on net local authority expenditure on social services. Owner occupiers can normally afford to pay care home fees, which represent the biggest charge on social services budgets. Conversely, the lower number of older owner occupiers in inner London means that local authorities there have to meet a greater proportion of care home fees. In addition, unless the rate of owner occupation in inner London increases during the next 20 years, the pool of housing equity potentially available to fund care services privately will continue to be much lower there than in outer London or in England as a whole (*see* page 51).

Projections to 2024

Although there are no official projections of housing tenure, rates of owner occupation among older people at risk of needing care services are expected to increase across the country as a whole as the beneficiaries of the expansion of owner occupation in recent decades move into advanced old age. The first report of the Pensions Commission published in December 2004 (Turner 2004) suggests that owner occupation (equity from which might be used to fund pensions) will have reached a steady-state penetration of about 75 per cent by 2030 across all age bands above 45.

However, inner London is clearly a special case. It would be prudent to assume that owner occupation there will remain about half the national average; owner occupiers tend to move out before they are old, leaving a residual older population containing a much higher than average number of renters.

Informal (unpaid) care

Many more older people receive informal (or unpaid) care than receive formal, paid care services. Informal care is thus the bedrock of community care. Without it, tax-funded services would have to be expanded massively in order to deliver a similar level of support.

There are no data series comparing the number of older Londoners receiving informal care services with other parts of England. The *Family Resources Survey* (Department of Work and Pensions 2004) collects data on informal care recipients by age, but sample numbers are too small for regional analysis. However, the 2001 census does show the number of people who give unpaid care. Since most recipients of unpaid care are older people, and since most unpaid care is provided in the immediate locality of the care giver, the census data provide a good proxy indicator of the amount of informal care available to older Londoners.

The migration of family members away from London might lead one to expect that London is poorly served with unpaid carers for the remaining older people. On the other hand, the relatively small number of older people in London might lead to the opposite expectation – that the remaining older people would be well served. Once again, the 2001 census reveals a major disparity between inner and outer London (*see* Table 12 below).

On any measure, outer London is well served with informal care. It has more informal carers per 1000 people aged 65 and over than the average for England (based on both the unweighted and the deprivation weighted population). On the other hand, inner London has a significantly higher than average provision of informal carers (+14 per cent) on the basis of its unweighted 65 and over population. But this turns into a significant deficit (-13 per cent) if the FSS age and deprivation-weighted population is used as the denominator.

TABLE 12: INFORMAL CARERS, 2001

	Inner London	Outer London	Greater London	England
Hours of unpaid care per week	**Number of unpaid carers**			
0–19 hours	136,000	280,000	416,000	3,331,000
20–49 hours	27,000	45,000	72,000	528,000
50+ hours	43,000	76,000	119,000	996,000
All unpaid carers	**206,000**	**401,000**	**607,000**	**4,855,000**
	Unpaid carers per 1000 unweighted 65+ population[1]			
0–19 hours	479	468	472	429
20–49 hours	96	75	82	68
50+ hours	151	127	135	128
All unpaid carers	**726**	**671**	**689**	**626**
	Unpaid carers per 1000 weighted 65+ population[2]			
0–19 hours	360	477	430	429
20–49 hours	72	76	75	68
50+ hours	113	129	123	128
All unpaid carers	**545**	**680**	**627**	**626**

Source: 2001 census

[1]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2] Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

Projections to 2024

There are no official projections of the number of informal carers, either at national or sub-national level. Some commentators have argued that the demand for paid care may increased significantly as women abandon their traditional role as providers of informal care; important factors here include increased rates of divorce and remarriage, smaller family sizes, greater labour mobility, and more employment opportunities for women. However, the report of the Royal Commission on Long Term Care (1999) found little evidence to support such alarmist predictions in its exhaustive review of the literature.

There is no doubt that relatives are the unpaid bedrock of care in Britain. If they decided to withdraw from providing informal care, this would, over time, have a massive and continuing impact on the future shape and cost of long-term care. This is the 'funnel of doubt' that continues to bedevil all projections of the future cost and shape of paid care services.

2 Resources and services

People receiving care services

This section presents a composite statistical picture of the number (or rate) of older people receiving different types of service in the spectrum of care, from informal care to continuing care provided by the NHS.

There are several gaps where reliable data do not exist:

- There is no source of information on the number of people who purchase their own community-based care privately. Laing & Buisson's 2004 survey of home care providers (Laing & Buisson 2005) estimated that private payers account for about one-quarter of providers' gross income across England and also in London. But home care is just one of a range of community-based services, and this evidence is not strong enough to estimate the number of clients in London who pay for their own community-based services.
- There do not appear to be any data in the public domain on privately purchased aids and adaptations, though the market may be quite substantial.
- There is no statistical series on NHS purchase of (non-health) home care services from the independent sector. However, Laing & Buisson's 2004 survey of home care providers found that income derived direct from the NHS was small (about 7 per cent in London and 2 per cent in England as a whole); any joint NHS/Social Services purchasing where the local authority is the lead purchaser is counted under local authority purchasing.
- There is no reliable basis for estimating the number of Londoners who pay privately for care homes. Laing & Buisson has published national estimates, which it believes are reliable. The same methodology cannot be used for people originating in London because of the unknown proportion of former London residents who move into care homes outside London, which are less expensive and may also be closer to relatives.
- There is also limited information about NHS continuing care services. The Department of Health's data on bed availability and occupancy list NHS patients classified as 'general and acute elderly' and as 'long-stay elderly mentally ill' for London as a whole. But the composite 'general and acute elderly' category does not allow those patients who are receiving continuing care, as opposed to acute, short-term care, to be identified. In addition, provision for inner and outer London cannot be calculated on the basis of the NHS boundaries used. Nor is it possible to identify the number of Londoners receiving NHS-funded continuing care in independent-sector care homes inside or outside London.

Table 13 overleaf presents a statistical picture of care services on the basis of unweighted 65 and over populations, Table 14 (*see* p 21) on the basis of 65 and over populations weighted for age and deprivation (as per the Formula Spending Share (FSS)). The frequency of 'N/A' (not available) in each table bears witness to the gaps in data.

TABLE 13: NUMBER OF OLDER PEOPLE RECEIVING CARE PER 1000 OLDER PEOPLE (UNWEIGHTED POPULATION)

Service type	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	Rate per 1000 unweighted[1] 65+ population				
Informal (unpaid) care 2001	16% above England[2]	7% above England [2]	10% above England [2]	N/A	
Clients receiving local authority funded community-based services 2003[3]	122	90	100	N/A	85
Clients receiving privately paid community-based services	N/A	N/A	N/A	N/A	30 (estimate)
Care home residents supported by local authorities 2004	31	22	25	33	27
Privately paying care home residents	N/A	N/A	N/A	N/A	13
NHS hospital patients, general and acute elderly 2004[4]	N/A	N/A	4.2	N/A	3.2
NHS hospital, elderly mental illness long-stay 2004[4]	N/A	N/A	0.8	N/A	0.5
Care home residents supported by the NHS 2004	N/A	N/A	N/A	N/A	2.3
TOTAL	**N/A**	**N/A**	**N/A**	**N/A**	**161 (estimate)**

[1]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2]See Table 12, p 17 (calculated on all unpaid carers).

[3]Department of Health, RAP (referrals, assessments and packages of care) statistics, 2002/03.

[4]Department of Health, *Hospital Bed Availability and Occupancy*, 2003/04.

The following broad conclusions can be drawn:

- **Based on a rate per 1000 unweighted population** Inner London is well above the national average in terms of the number of older people receiving community-based care services (at least those that are publicly funded). It is also above the national average for the numbers of older people being supported by the state in care homes and (probably) also in NHS continuing care beds. Outer London, by contrast, is slightly above the national average for people receiving community-based care services and significantly below the national average for people in care homes.

- **Based on weighted (FSS) population normalisation** (in principle a better basis for comparison) The differences between inner and outer London in community-based services largely disappear. The exception is informal care, where outer London is much better served than inner London. For formal care services, London as a whole remains a little above the national average in terms of the number of older people receiving local authority funded community-based care services. (It should be noted that the use of the cover-all statistic 'people receiving community-based care services' masks London's more frequent and more intensive use of home care, the most important of these community services – *see* Table 15, p 22.) London is also significantly below the England average for the number of older people supported by local authorities in care homes, whether in or outside the capital (23 supported residents per 1000 65 and over population, 27 per 1000 for England); the gap is reduced a little when NHS continuing care is added to care in other residential settings.

Whichever approach to population normalisation is used, the balance of commissioning in London boroughs tends towards community-based care services rather than residential services. Within community-based care services, residential rather than home-care services are the more important element.

TABLE 14: NUMBER OF OLDER PEOPLE RECEIVING CARE PER 1000 OLDER PEOPLE (WEIGHTED POPULATION)

Service type	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	Rate per 1000 weighted[1] 65+ population				
Informal (unpaid) care 2001	13% below England[2]	9% above England [2]	Same as England[2]	N/A	
Clients receiving local authority funded community-based services 2003[3]	92	91	91	N/A	85
Clients receiving privately paid community-based services	N/A	N/A	N/A	N/A	30 (estimate)
Care home residents supported by local authorities 2004	24	22	23	28	27
Privately paying care home residents	N/A	N/A	N/A	N/A	13
NHS hospital patients, general and acute elderly 2004[4]	N/A	N/A	3.8	N/A	3.2
NHS hospital, elderly mental illness long-stay 2004[4]	N/A	N/A	0.8	N/A	0.5
Care home residents supported by the NHS 2004	N/A	N/A	N/A	N/A	2.3
TOTAL	**N/A**	**N/A**	**N/A**	**N/A**	**161 (estimate)**

[1] Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

[2] See Table 12, p 17 (calculated on all unpaid carers)

[3] Department of Health, RAP (referrals, assessments and packages of care) statistics, 2002/03.

[4] Department of Health, *Hospital Bed Availability and Occupancy*, financial year 2003/04.

Home care services commissioned by local authorities

Home care is the most important, and most expensive, of the community-based services offered by local authorities. Focusing on home care alone brings out more strikingly the contrast between inner and outer London.

Compared on the basis of age and deprivation weighted 65 and over populations, outer London boroughs differ little from the Metropolitan boroughs or England as a whole in the numbers of clients and in the number of contact hours commissioned. Inner London boroughs, by contrast, commissioned 46 per cent more contact hours (per unit population) than English councils as a whole for 44 per cent more clients (per unit population) in 2003 (*see* Table 15, p 22). The highest levels of home care commissioning were reported by Camden (88 per cent more contact hours per person than the England average) and Hammersmith & Fulham (81 per cent above) – *see* Table 38, p 69. No inner London borough commissioned fewer home care hours than the England average.

Both inner and outer London outsource much of their home care to independent-sector providers: 76 per cent on average for Greater London compared with 66 per cent for England as a whole. Four boroughs contract out 100 per cent of their home care: Barnet and Brent in outer London, Southwark and Westminster in inner London (*see* Table 38, p 69).

There is a partial mismatch between the numerators and the denominators used to calculate these statistics. The numerators (clients and contact hours) relate to all ages and types of client, while the denominator (population) relates only to people

TABLE 15: HOME CARE COMMISSIONED BY LOCAL AUTHORITIES PER 1000 OLDER PEOPLE IN SURVEY WEEK IN 2003

	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	Unweighted 65+ population[1]				
Clients	92	46	61	61	48
Contact hours	781	427	541	518	401
	Weighted 65+ population[2]				
Clients	69	47	56	51	48
Contact hours	586	433	493	437	401
	Percentage of contact hours outsourced to the independent sector				
	74	79	76	N/A	66

Source: HH1 returns to the Department of Health

[1] Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2] Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

aged 65 and over. But this should not affect the conclusions, since the great majority of home care clients and contact hours relate to people aged 65 and over.

Although they deliver a higher than average amount of home care services to their older populations, many London boroughs tightly ration access to services. National guidance on the Fair Access to Care Services (Department of Health 2002) policy requires local authorities to use an eligibility framework based on four risk bands:

- 1, critical, when life is or could be threatened
- 2, substantial, when an individual has or will have only partial choice and control over the immediate environment
- 3, moderate, when there is or could be some inability to carry out several daily routines
- 4, low, where there is inability to carry out one or two daily routines.

An investigation of eligibility criteria in use at the end of 2004, using web sites and other public information sources, found the following:

- of the 14 inner London boroughs
  - 6 limited eligibility to bands 1 and 2: Camden, Hackney, Haringey, Lewisham, Newham, Tower Hamlets
  - 4 extended eligibility to bands 1, 2 and 3: City of London, Kensington and Chelsea, Southwark, Westminster
  - 4 were unknown: Hammersmith & Fulham, Islington, Lambeth, Wandsworth.
- of the 19 outer London boroughs:
  - 12 limited eligibility to bands 1 and 2: Brent, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hillingdon, Hounslow, Merton, Redbridge, Waltham Forest
  - 5 extended eligibility to bands 1, 2 and 3: Barking and Dagenham, Bromley, Kingston upon Thames, Richmond upon Thames, Sutton
  - 2 were unknown: Barnet, Bexley.

Corresponding information for councils elsewhere in England is not available; in any case, it would have limited value for comparative purposes since, while the eligibility bands are labelled consistently across England, the allocation of clients to each band is subject to local interpretation, as it is in London.

The independent home care sector and privately purchased home care

Corporate and small business activity in London

Laing & Buisson's surveys of home care providers are one of the few sources of information on the structure of the home care sector. The latest survey, carried out in October 2004, revealed a highly fragmented sector (Laing & Buisson 2005). Seventy-three per cent of respondents across England, employing 71 per cent of home care workers, reported that they were not part of a larger group, that is, they were independent, small-scale operators. These figures include both for-profit (the great majority) and not-for-profit providers. The number of respondents in London was small (27), which means that the results must be treated with caution. That said, small-scale operators were still in the majority: 63 per cent of the respondents employing 53 per cent of home care workers. Although there are consolidating forces at work and the level of corporate penetration is expected to increase, the home care sector can still be characterised as a fragmented sector of the service economy.

Private (self-pay) demand in London

Laing & Buisson's 2004 survey found that privately purchased home care accounts for the same proportion (about 25 per cent) of the care hours provided by the independent sector in both London and England as a whole (*see* Table 16 below). Since local authorities purchase more home care per person in London than in England, this implies that more hours of home care per person are privately purchased in London than the England average.

TABLE 16: INDEPENDENT SECTOR HOME CARE HOURS BY FUNDING SOURCE, 2004

	Local authority	NHS	Private	Other[1]	Total
London					
Hourly paid	46%	7%	15%	21%	88%
Live-in	2%	0%	10%	0%	12%
Total hours	**48%**	**7%**	**25%**	**21%**	**100%**
England					
Hourly paid	67%	2%	9%	2%	79%
Live-in	4%	0%	15%	1%	21%
Total hours	**71%**	**2%**	**24%**	**3%**	**100%**

Source: Laing & Buisson Survey of independent-sector home care providers 2004

[1]'Other' includes hours provided to clients who are receiving both local authority funded and self-paid services where the division of payment responsibility is not wholly clear but where the local authority is likely to be the principal payer.

The survey also found that 'live-in' care accounts for a smaller proportion of all privately purchased home care in London than across England.

Results from another survey, *Who Cares Now?* (McClimont and Grove 2004), found that private purchasers accounted for only 18 per cent of hours purchased from independent-sector home care providers, which is significantly lower than Laing & Buisson's 25 per cent. The difference may be due to response bias, which could have affected both surveys. However, this survey does not provide separate data for London.

Trends in home care services since 1994

Figures 3 (below) and 4 (*see* p 23) and Table 17 (*see* p 23) show recent trends in home care commissioned by local authorities. However, there is no reliable information on trends in the smaller, privately paid home care sector over the last 10 years. The local authority time series is derived from HH1 forms returned by Councils with Social Service Responsibilities (CSSRs) to the Department of Health since 1992; these cover home help and home care services commissioned during a survey week in September or October each year. There are some concerns about the accuracy of the returns. For example, it is known that the volume of service commissioned may differ from the volume actually delivered. In the early years, returns by some councils, including London boroughs, fluctuated so widely as to cast doubt on their validity. However, the returns since 1998 are believed to be reasonably reliable.

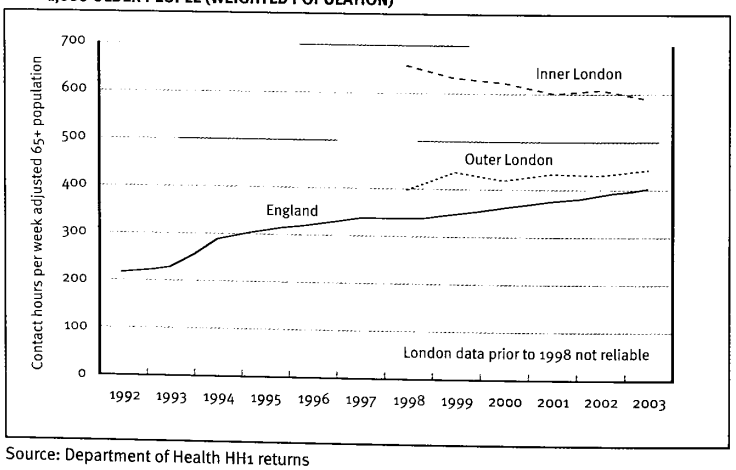
Since 1992, there have been three national trends:

- outsourcing of local authority funded home care services to independent sector providers. Starting from less than 5 per cent in 1992, the independent sector's share of local authority funded contact hours rose to 76 per cent in London in September 2003, and 66 per cent in England.
- an increase in the number of home care contact hours commissioned by CSSRs
- a decrease in the number of clients (or households) who receive services.

This reflects the fact that CSSRs are prioritising intensive home care services – both as an alternative to residential care and also in order to meet central government performance targets – at the expense of low-level home help services.

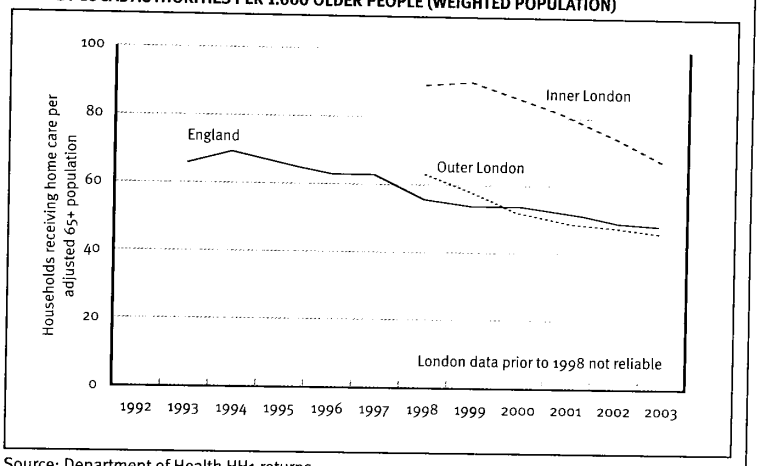
During the last five years for which data are available (1997/98 to 2002/03), England as a whole has been catching up with the rate of home care commissioning in the London boroughs. Across England, the number of contact hours commissioned increased by 19 per cent between 1998 and 2003. In the same period, London boroughs' contact hours were relatively static, falling by 4 per cent in inner London and rising by 3 per cent in outer London. While the number of

3 WEEKLY TOTALS OF HOURS OF HOME CARE COMMISSIONED BY LOCAL AUTHORITIES PER 1,000 OLDER PEOPLE (WEIGHTED POPULATION)



Source: Department of Health HH1 returns

4 NUMBER OF HOUSEHOLDS RECEIVING HOME CARE SERVICES EACH WEEK COMMISSIONED BY LOCAL AUTHORITIES PER 1,000 OLDER PEOPLE (WEIGHTED POPULATION)



Source: Department of Health HH1 returns

TABLE 17: HOME CARE COMMISSIONED BY LOCAL AUTHORITIES, AND PERCENTAGE OF OUTSOURCED CONTACT HOURS, 1998–2003

	Inner London	Outer London	Greater London	England
Year	**Number of households receiving home care services**			
1998	33,668	37,407	71,075	437,200
1999	34,235	34,290	68,525	421,000
2000	32,070	30,656	62,726	415,800
2001	30,130	28,780	58,910	399,900
2002	27,810	28,020	55,830	383,200
2003	25,500	27,100	52,600	376,000
	Number of contact hours per week			
1998	247,456	232,072	479,528	2,607,500
1999	252,256	253,038	505,294	2,684,300
2000	247,851	242,926	490,777	2,791,300
2001	236,700	251,460	488,160	2,881,500
2002	244,250	252,440	496,690	2,983,200
2003	237,900	239,100	477,000	3,113,000
	Percentage of contact hours outsourced to independent sector			
1998	N/A	N/A	N/A	46
1999	58	57	58	51
2000	66	67	66	56
2001	73	69	71	60
2002	76	76	76	64
2003	74	79	76	66

Source: Department of Health HH1 returns

households receiving home care services across England fell by 14 per cent between 1998 and 2003, the number fell faster in London: by 24 per cent in inner London and 28 per cent in outer London.

England has already overtaken outer London in the number of home care clients served per 1000 older people (age and deprivation adjusted) – *see* Table 15, p 22. At the current rate of change, England could soon overtake outer London in contact

hours per 1000 people as well. Inner London is also losing ground, though it still remains well ahead in terms of both clients and contact hours per 1000 people (age and deprivation adjusted).

Care home services commissioned by local authorities

Care home placements represent the largest single item in local authorities' expenditure on care services for older people (*see* Table 27, p 45). The bulk of services are purchased from the independent sector.

Each year the Department of Health publishes information on the number of care home residents funded by local authorities, by client group, at local council level, in the data series *Community Care Statistics: supported residents (adults)*. Comparison on the basis of age and deprivation weighted 65 and over populations confirms that London boroughs are low users of care homes; inner London boroughs support 11 per cent fewer older people in care homes than the average for England, outer London boroughs 19 per cent fewer (*see* Table 18 below). The boroughs that commission the fewest care home placements are Kensington and Chelsea (in inner London) and Brent, Croydon and Harrow (in outer London); all these support about 37 per cent fewer older people in care homes than the average for England (*see* Table 37, p 68).

The difference between London and England is almost entirely because London boroughs commission less residential care. In contrast, London boroughs commission the same amount of nursing care as England as a whole. This fits neatly with the view that London (or, rather, inner London) has succeeded in substituting intensive care home services for residential care for those people who are not so dependent as to need nursing care. In outer London the volume of home care councils commission does not differ significantly from England (*see* Figure 3, p 22). This may be because outer London boroughs manage with less residential care because of the relatively high levels of informal care available for older people (*see* Table 12, p 15).

TABLE 18: LOCAL AUTHORITY SUPPORTED CARE HOME RESIDENTS AGED 65+ PER 1000 OLDER PEOPLE, MARCH 2004

	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	Number supported per 1000 unweighted 65+ population[1]				
Nursing care	12	8	10	11	9
Residential care	19	14	15	22	19
Nursing and residential care	31	22	25	33	27
	Number supported per 1000 weighted 65+ population[2]				
Nursing care	9	8	9	9	9
Residential care	14	14	14	19	19
Nursing and residential care	24	22	23	28	27

Source: Department of Health, *Community Care Statistics: supported residents (adults)*

[1] Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2] Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

Out-of-borough placements

Table 19 below confirms that London boroughs place a much higher proportion of older residents in care homes outside their boundaries than councils in other parts of England: 49 per cent of care home residents from inner London boroughs and 31 per cent from outer London boroughs, compared with 14 per cent for councils throughout England. The highest out-of-borough placement rates are in Hammersmith & Fulham (88 per cent), Tower Hamlets, and Southwark (*see* Table 37, p 68).

TABLE 19: CARE HOME RESIDENTS PLACED IN HOMES OUTSIDE THEIR LOCAL AUTHORITY BOUNDARIES

	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	All residents placed outside local authority boundaries (other than those with mental health problems and learning disabilities) as a percentage of all placements of people aged 65+				
2004	49	31	38	14	14
	Elderly and physically/sensorily disabled residents of residential and nursing homes placed outside local authority boundaries as a percentage of all placements of that client group				
1994 residential	26	19	22	6	7
1994 nursing	68	48	57	19	14
1994 residential + nursing	33	23	27	9	9

Source: Department of Health, *Community Care Statistics: supported residents (adults)*

The relatively low level of care home provision in London (*see* Table 18 opposite), especially inner London, is one reason why so many care home residents are living in homes outside their borough. This in turn is a function of high land and labour costs, which neither councils nor privately funded residents are willing to pay for. This clearly raises the question of whether people are being denied the choice of entering a local care home and are being required to enter a care home distant from their friends and family because that is all that exists. Several social services contracting and commissioning managers across London gave their views on these statistics in an email survey. Their responses do not necessarily tell the whole story; probably the only valid way of resolving the issue would be to interview the residents and/or relatives concerned, which was beyond the remit of this report. Nevertheless the commissioning managers made some useful points:

- One reason for a high proportion of out-of-borough placements may be the small geographical size of London boroughs. Some placements in neighbouring boroughs may in reality be 'local'. The Contract Manager at Westminster, for example, which has block contracts for nursing care beds in Lambeth and Wandsworth, stated that service users who go to the south London homes tend to come from the south of Westminster, and have more affinity with south London than with (say) Harrow Road in the north of the borough, where Westminster's own large PFI home is situated. Similarly, Westminster has block contracts for beds in a home on the Camden side of a street that forms the boundary between Westminster and Camden. The Commissioning Manager of Sutton in south London made a similar point: over 50 per cent of Sutton's out-of-borough placements are in adjoining boroughs. Sutton is also working actively to develop partnerships with local care homes and to secure beds there; this includes supporting planning applications to enable homeowners to expand their business in line with the borough's commissioning strategy.

- Some London boroughs also emphasise that many out-of-borough placements are user-led. The Purchasing Manager for Redbridge, on the Essex border, reported that a large number of people request placements in the home counties, most commonly Essex, mainly because they want to be close to their

families, who have moved out of London for a variety of reasons (often the high cost of housing). Similarly, the Group Procurement Manager at Waltham Forest stated that out-of-borough placements are a result of user choice, and often reflect demographic changes (for example, younger generations moving eastwards and northwards). These lead older people to look for placements in Essex and Hertfordshire so as to be closer to their children and other family members. The Group Procurement Manager also pointed out that Waltham Forest has always had flourishing residential care homes and that social services considers that out-of-borough placements reflect a strengthening of user choice, rather the reverse.

Table 19 (*see* p 25) also illustrates the changes in 'out-of-area' placements between 1994 and 2004. A complete time series has not been presented because of changes in definitions over the period and because of concerns about the accuracy of data reported by some councils. Bearing in mind these caveats, the following conclusions can be drawn:

- Out-of-area placements are a specific London issue. These placements were about three times higher in London than across England in both 1994 and 2004.

- The proportion of out-of-area placements increased in these 10 years both in England and in London. To some extent this probably reflects a real change, linked to the closure of old people's homes run directly by local authorities. However, it also reflects the transfer of funding responsibility for new placements (including nursing placements) discussed above from social security to local authorities. This had only just begun in 1994, when most of London's supported residents were people living in homes run by their local borough.

- It is not possible to say how much the average Londoner's chances of being placed in a care home outside their own borough changed over these 10 years. The main change probably took place in the 1980s and early 1990s, when privatisation of the supply of care home services was in full swing and local authorities' own provision (all of which is 'in-borough') was reduced. Privatisation certainly increased older people's access in London – and elsewhere – to residential and nursing care. But this was probably at the expense of local provision, as the role of local authorities and the NHS as provider diminished and the independent sector failed (largely because of high land costs) to invest in local provision.

The independent care home sector and private purchases

Care home capacity

Since Laing & Buisson began to compile statistics on the care home market in the mid-1980s, London has been the region with the lowest numbers of care homes in relation to population. Setting aside some Londoners' preference to be placed in homes outside London (see above), the major economic reasons for this are the high cost of land and labour (particularly land) and the reluctance of both councils and self-payers to pay the full cost of a local service.

In 2004 the overall supply of care home places in London, normalised on age- and deprivation-adjusted populations, was one-third below the level in England as a

TABLE 20: CARE HOME PLACES FOR OLDER PEOPLE AND NUMBER OF PLACES PER 1000 OLDER PEOPLE, 2004

	Inner London	Outer London	Greater London	England
	Care home places for older people			
Private 'care homes only'	662	6,014	6,676	136,051
Voluntary 'care homes only'	1,835	3,857	5,692	38,460
Local authority 'care homes only'	840	1,764	2,604	33,089
Total 'care homes only'	3,337	11,635	14,972	207,600
Private 'care homes with nursing'	3,422	9,408	12,830	147,194
Voluntary 'care homes with nursing'	1,145	1,885	3,030	15,079
Total 'care homes with nursing' (excluding NHS)	4,567	11,293	15,860	162,273
All care homes	**7,904**	**22,928**	**30,832**	**369,873**
	Care home places per 1000 unweighted 65+ population[1]			
Private 'care homes only'	2.3	10.1	7.6	17.5
Voluntary 'care homes only'	6.5	6.5	6.5	5.0
Local authority 'care homes only'	3.0	3.0	3.0	4.3
Total 'care homes only'	11.8	19.5	17.0	26.8
Private 'care homes with nursing'	12.1	15.7	14.6	19.0
Voluntary 'care homes with nursing'	4.0	3.2	3.4	1.9
Total 'care homes with nursing' (excluding NHS)	16.1	18.9	18.0	20.9
All care homes	**27.8**	**38.4**	**35.0**	**47.7**
	Care home places per 1000 weighted 65+ population[2]			
Private 'care homes only'	1.8	10.2	6.9	17.5
Voluntary 'care homes only'	4.9	6.5	5.9	5.0
Local authority 'care homes only'	2.2	3.0	2.7	4.3
Total 'care homes only'	8.8	19.7	15.5	26.8
Private 'care homes with nursing'	9.0	16.0	13.3	19.0
Voluntary 'care homes with nursing'	3.0	3.2	3.1	1.9
Total 'care homes with nursing' (excluding NHS)	12.1	19.2	16.4	20.9
All care homes	**20.9**	**38.9**	**31.9**	**47.7**

Source: Laing & Buisson database of care homes, continually updated with data from registering authorities, and Laing & Buisson surveys, as at April 2004

[1]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

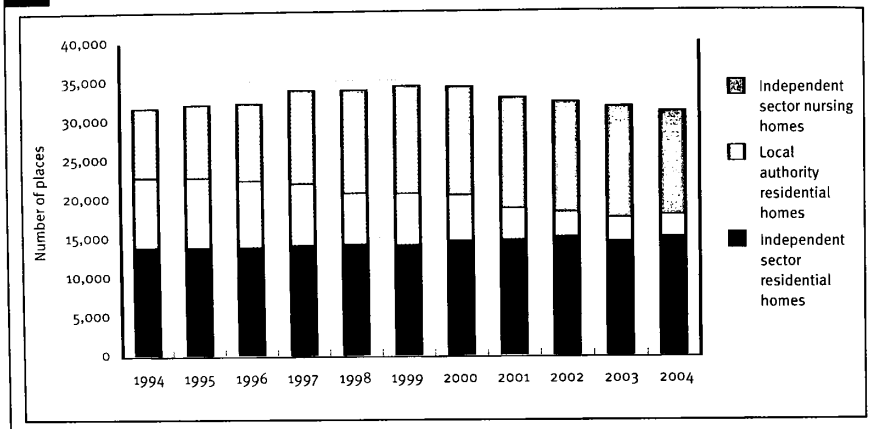
[2]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

whole: 31.9 per 1000 older people compared with 47.7 (*see* Table 20 opposite). Supply in inner London is lower still – 20.9 places per 1000 people, less than half the England average supply; outer London has 38.9 places per 1000 older people, 18 per cent below the England average. London's supply of residential care places is particularly low, reflecting London borough's commissioning patterns (*see* Table 18, p 24). The boroughs with the lowest levels of in-borough capacity are Hackney, Hammersmith & Fulham, Tower Hamlets, Westminster, and Islington, all of which have only about one-quarter of the average English capacity (*see* Table 39, p 70).

Recent trends in care home capacity

In England since the mid-1990s the number of care homes closing has exceeded the number of new registrations, leading to a fall in the number of places (see Figures 5 and 6, p 28). In London capacity started to decline later than in England (after 2000 rather than 1997) and fell rather more slowly. As a result, the number of care home places for older people in London is now a little nearer the England average, rising from 68 per cent of the average in 1994 to 73 per cent in 2004.

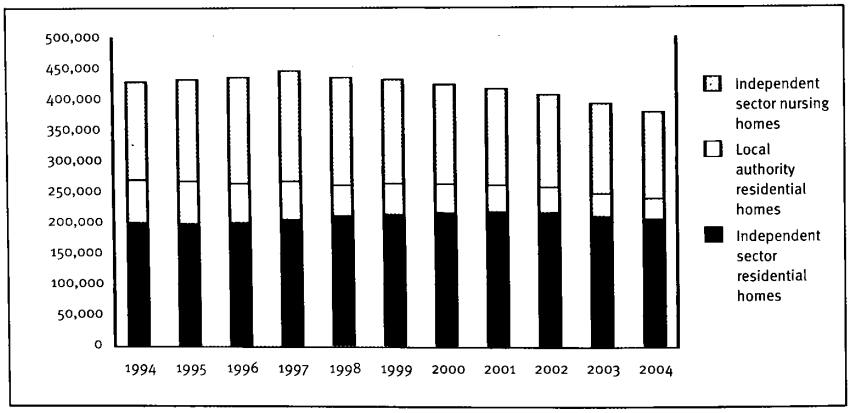
5 PLACES IN CARE HOMES FOR OLDER AND PHYSICALLY DISABLED PEOPLE, LONDON, 1994–2004[1]



Source: Laing & Buisson, *Care of Elderly People Market Survey*, various years

[1] Including local authority homes but excluding NHS long-stay hospital beds.

6 PLACES IN CARE HOMES FOR OLDER AND PHYSICALLY DISABLED PEOPLE, ENGLAND, 1994–2004[1]



Source: Laing & Buisson, *Care of Elderly People Market Survey*, various years

[1] Including local authority homes but excluding NHS long-stay hospital beds.

Table 21 (opposite) shows how London's care home capacity changed between 2000, when capacity peaked, and 2004. Closures of smaller homes were partly compensated for by larger homes opening, which led to an increase in the average size of homes from 32.5 to 34.0 beds. Homes are slightly larger in London than across England, where the corresponding figures are 29.4 beds in 2000 and 31.3 in 2004.

Voluntary sector provision

Within an overall low level of supply, the voluntary sector's share of London's care home market is much higher than in the England average. The voluntary sector provides 38 per cent of 'care home only' capacity in London, but 19 per cent in England. In 'care homes with nursing', voluntary sector organisations provide 19 per cent of London's bed capacity, compared with 9 per cent across England. Inner London's capacity is particularly skewed – the voluntary sector supplies 56 per

TABLE 21: CLOSURES, OPENINGS AND OTHER CHANGES TO CARE HOMES FOR OLDER AND PHYSICALLY DISABLED PEOPLE, 2000–04[1]

	Greater London	England	Greater London	England
	Homes	Places	Homes	Places
Capacity at April 2000	1,059	14,335	34,369	420,743
– less closures	–171	–2,515	–4,336	–52,899
– plus openings	+46	+450	+2,024	+15,527
– other changes[2]	–17	–222	–886	–6,079
Capacity at April 2004	917	12,048	31,171	377,292

Source: Laing 2005, data from Laing & Buisson database

[1] Including local authority homes but excluding NHS long-stay hospital beds.

[2] Expansions, reductions, repositioning to other client groups or registration types.

cent of inner London's 'care homes only' places and 25 per cent of its 'care homes with nursing' places. The prominence of the voluntary sector is a factor in London care homes' relatively good performance in meeting specific cultural needs (*see* Section 6).

Corporate providers

There are many more corporate providers (defined as any for-profit or not-for-profit provider with three or more homes) of care homes in London than in the rest of the UK (*see* Table 22 below). This is particularly so in inner London, where corporate providers account for 67 per cent of independent care home places for older people, compared with 41 per cent in the UK. Outer London's 52 per cent corporate penetration is also higher than average. All the larger care home groups have a presence in London.

The high level of corporate penetration in inner London is one reason for the large size of independent sector care homes: 39 beds per home compared with 31 for the UK (*see* Table 22 below). The other major factor is the preponderance of 'care homes with nursing' in London, which are typically larger than 'care homes only'.

TABLE 22: CORPORATE AND SMALL-SCALE PROVIDERS OF INDEPENDENT SECTOR CARE HOME FOR OLDER PEOPLE, 2004

Homes	Corporate[1] providers	Small-scale[2] providers	All providers	Corporate as percentage of total
Inner London	94	86	180	52
Outer London	223	446	669	33
Greater London	317	532	849	37
UK	3,885	9,277	13,162	30
Places				
Inner London	4,690	2,340	7,030	67
Outer London	11,138	10,192	21,330	52
Greater London	15,828	12,532	28,360	56
UK	168,900	242,500	411,400	41
Average size (beds per home)				
Inner London	50	27	39	
Outer London	50	23	32	
Greater London	50	24	33	
UK	43	26	31	

Source: Laing & Buisson database

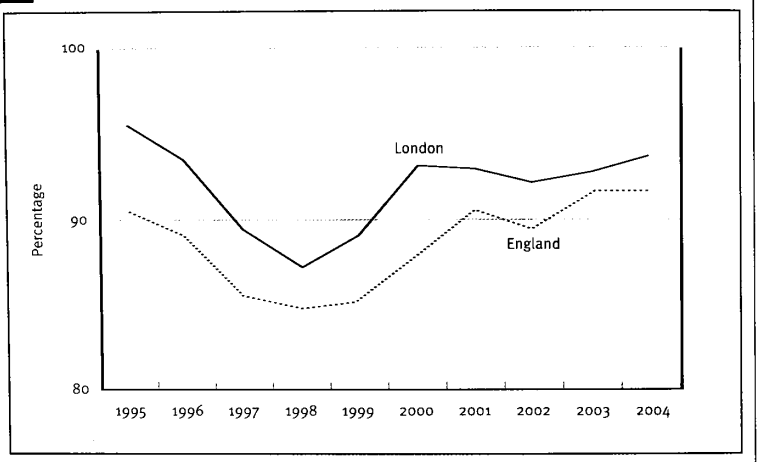
[1] 'Corporate' is defined as any company, voluntary organisation, partnership or individual owning or (long) leasing three or more homes.

[2] 'Small-scale' is defined as any company, voluntary organisation, partnership or individual owning or (long) leasing one or two homes.

Occupancy

Because of shortages of supply, since the mid-1990s care home occupancy rates in London have been 2 to 4 percentage points higher than in England as a whole (see Figure 7).

7 OCCUPANCY RATES, CARE HOMES FOR OLDER PEOPLE IN LONDON, 1995–2004

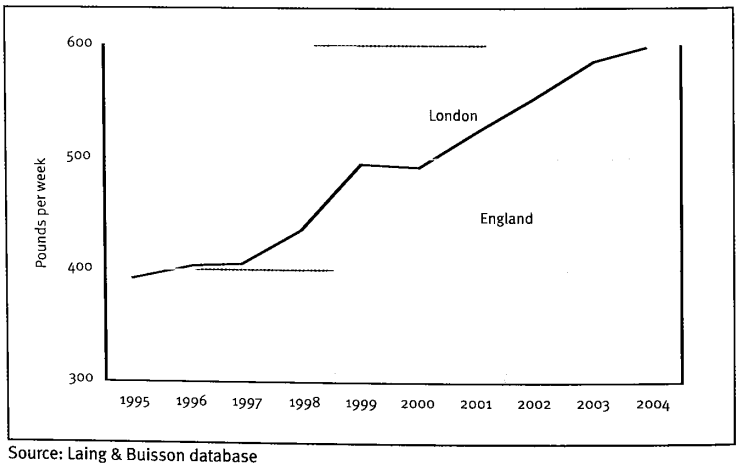


Source: Laing & Buisson database

Fees

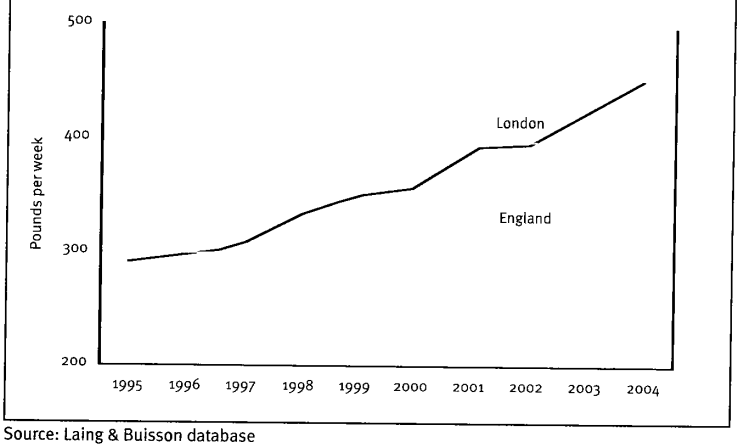
Fees in London care homes are typically 20 to 30 per cent higher than the England average (*see* Figures 8 below and 9 opposite). This reflects the costs of land and labour in London.

8 AVERAGE NURSING CARE FEES FOR OLDER PEOPLE, 1995–2004



Source: Laing & Buisson database

9 AVERAGE RESIDENTIAL CARE FEES FOR OLDER PEOPLE, 1995–2004



Source: Laing & Buisson database

Private (self-pay) demand

Publicly funded residents occupy 73 per cent of the limited supply of care home places in London, 5 percentage points higher than the average for England (*see* Table 23 below). The very low proportion of private payers (or self-payers) in inner London – 20 per cent – reflects the low level of owner occupation among older people there (*see* Table 11, p 14). Without their own home to sell, most people qualify for means-tested local authority support. Outer London's self-pay rate of 30 per cent (just below the England average of 32 per cent) is more surprising. High rates of owner occupation in outer London (*see* Table 11, p 14) and high property prices there would lead one to expect self-pay rates well above the average. In affluent areas of the south-east (Berkshire, north Hampshire, south Oxfordshire and Surrey) with similarly high owner occupation and property prices, self-pay rates rise to 50 per cent and even higher. The likely explanation for outer London's relatively low self-pay rate is that inner London boroughs 'export' care home residents to outer London (as well as to outside London), while many of outer London's self-payers choose to enter a care home further out in order to take advantage of lower prices and/or to be close to relatives who have moved out of London.

TABLE 23: SELF-PAYERS AS A PROPORTION OF INDEPENDENT SECTOR CARE HOME RESIDENTS, 2002

	Homes in Inner London	Homes in Outer London	Homes in Greater London	Homes in England
All independent sector care homes	20%	30%	27%	32%

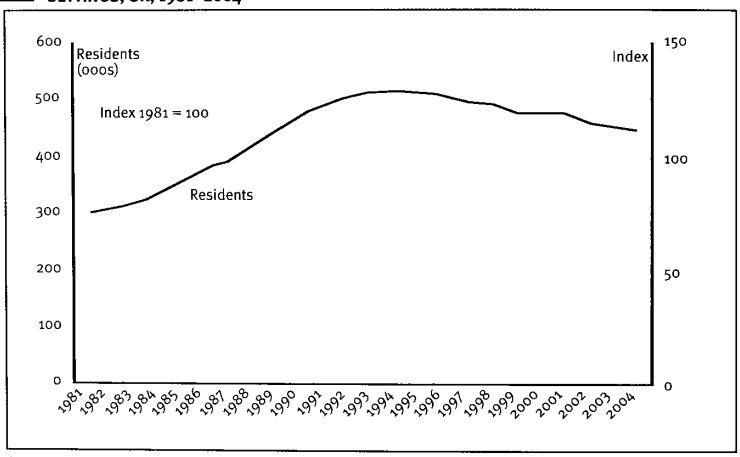
Source: Estimated from Department of Health, *December 2002 Census of Residents of Care Homes Receiving Nursing Care in England.*
It is assumed that self-payers form a similar proportion of care home residents receiving personal care only.

Trends in demand for care home services

The ageing population was the main factor in the 1980s boom in residential and nursing care (*see* Figure 10, overleaf). This was fuelled by the ready availability of social security funding for anyone without means who wished to enter a care home, regardless of need. The number of people (in other words, older people and younger adults – but older people represent a very large majority of these) living in residential settings across the UK peaked in 1996 at 512,000, and then fell sharply to 444,000 in 2004; the underlying reduction after adjusting for population ageing

was over 100,000. The main reason for the decline was the 1993 community care reforms. These transferred responsibility for publicly funded residential and nursing care from the open-ended social security budget to cash-limited local authority budgets; they also introduced needs assessments which, over the longer term, narrowed the criteria for public funding. Further factors were the capping of local authority budgets and government exhortations to local authorities to offer intensive home care services as an alternative to residential care.

10 OLDER AND YOUNGER PHYSICALLY DISABLED PEOPLE RECEIVING CARE IN RESIDENTIAL SETTINGS, UK, 1981–2004



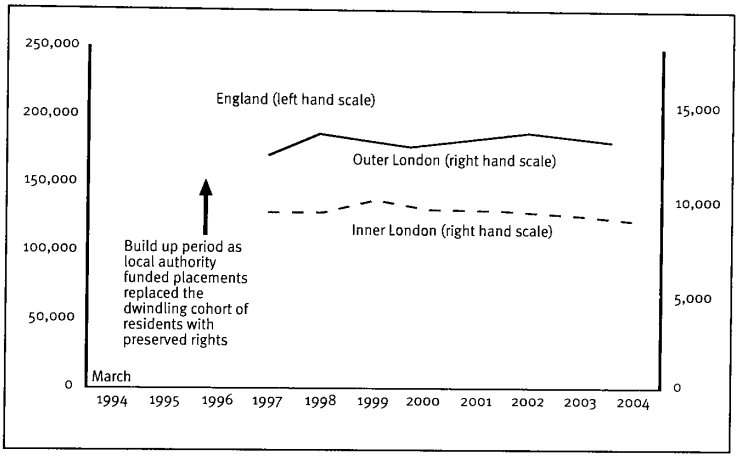
Source: Laing & Buisson
Includes public, private and voluntary care homes across the UK as well as NHS continuing care. Index equal to the ratio of the actual number of residents to the expected number, calculated by applying 1981 age-specific usage rates to the population in any given year.

Although overall demand for care homes started to decline in 1993, the number of residents supported by local authorities continued to rise, as local authorities gradually assumed responsibility for all state-funded residents. This did not end until 2002/03, when financial responsibility for the remaining residents with 'preserved rights' (that is to higher rates of Income Support by virtue of being resident in a home before April 1993) was transferred to local authorities. Only in 2003/04 did the number of older care home residents supported by local authorities across England start to decline significantly. However, in inner London the number had been falling since 1999 (*see* Figure 11 opposite).

It is not possible to provide a similar analysis for people originating from London. Because a large, but unknown, number of self-paying Londoners arrange care home placements outside London, total usage of care home services by older people originating in London cannot be monitored. Similarly, comparative trends in care home usage in London and England can be analysed only in terms of those supported by local authorities – that is excluding those funded privately, by the NHS and (before 2003) by Income Support benefits (*see* Figure 11 opposite). All that said, however, the drivers of national change also apply broadly to London.

Department of Health statistics on older people supported in care homes by local authorities down to borough level enable comparisons to be traced back to 1997. The most striking difference between London and England (*see* Figure 11 opposite) is the sharp upturn in the number of supported residents in England in 2003,

11 OLDER PEOPLE SUPPORTED BY LOCAL AUTHORITIES IN CARE HOMES[1], 1994–2004



Source: Department of Health. *Community Care Statistics: supported residents (adults), England.*

[1]Supported in local authority or independent-sector care homes. Continuing care provision in NHS hospitals is excluded.

which did not happen in London. The reason for the upturn was the transfer, in April 2002, to local authority budgets of the remaining pool of people with preserved rights. These showed up in the March 2003 returns of supported residents. London boroughs were less exposed to this upturn because of their historically low use of care homes and because many care home residents with preserved rights who originated in London would have found placements outside London before 1993. This analysis is confirmed by the Department of Health's *Community Care Statistics: Supported residents (adults) England 2003*, in which Table S7 shows that in England in 2002/03 there were 18,670 permanent admissions of residents with preserved rights aged 65 and over, which is 8.8 per cent of the total number of supported residents. The corresponding figures for inner London were 270 (3.0 per cent) and 570 (4.4 per cent) for outer London.

The main conclusion to be drawn from Figure 11 above is that inner London boroughs in particular have steadily reduced their reliance on care home placements since 1999, and to a greater extent than councils across England. This is despite starting from a lower base of care home use (denominated on deprivation weighted population). One reason for this is inner London boroughs' higher than average use of home care services (*see* Table 15, p 20).

Housing and care

Extra care housing

The Department of Health is promoting extra care housing as an important extension of choice for older people in need of support and care. There are about 30,000 to 35,000 units for rent or sale in the UK, a very small number in comparison with the 440,000 people in registered residential or nursing care and the 700,000 people who receive home care. Lack of a precise definition of 'extra care' bedevils estimates of provision. However, most commentators agree that

extra care should offer the full range of facilities available in ordinary sheltered housing plus a 24-hour staff presence, a management infrastructure for delivering flexible levels of home help/care, and an on-site kitchen/restaurant.

The extent of the overlap between the client groups served by traditional registered care homes and (potentially) by extra care is a matter for debate. Nor is there any consensus on the relative costs of extra care and residential care for people who might appropriately use either. The lack of clarity on costs results partly from the complexity of the funding streams, which means that local authorities may experience perverse incentives to consider the impact on their own budgets alone, rather than take account of the full costs of alternatives. The cost structure of both extra care and care homes includes current and capital elements. Relative current costs turn on the input of care and domestic staff hours per resident per week; this is well defined for registered residential and nursing care, but not for extra care. Relative capital costs turn on three main factors:

- constructing a single-person extra care unit costs about twice as much as a care home place, *pro rata* with gross floor space
- extra care's lower risk profile (for example, there are alternative uses for extra care housing)
- the lower rate of return required by investors in extra care housing compared with care homes, where the risk of business failure is higher.

Extra care provision is highly polarised between a (larger) social rented sector, mainly developed and operated by housing associations and registered social landlords in collaboration with local authorities, and a (smaller) private sector, where units are mainly sold leasehold, with the remainder rented at market rates. There is currently only a handful of mixed social rent and leasehold developments.

The data used in this section are derived from a database of sheltered and retirement housing throughout the UK maintained by the charity Elderly Accommodation Counsel (EAC). It is possible to separate out 'extra care' developments, although EAC acknowledges that definitions are not precise. With this caveat, Table 24 below sets out comparative statistics on the supply of extra care housing in London and England in 2004.

TABLE 24: SUPPLY OF EXTRA CARE HOUSING PER 1000 OLDER PEOPLE, 2004

	Inner London	Outer London	Greater London	England
Extra care units	**Extra care units of accommodation**			
For rent by local authority or registered social landlord	896	1,902	2,798	26,600 est
Leasehold or private rent	82	402	484	7,600 est
	Extra care units per 1,000 people unweighted 65+ population[1]			
For rent by local authority or registered social landlord	31.6	31.8	31.7	34.3
Leasehold or private rent	2.9	6.7	5.5	9.8
	Extra care units per 1000 weighted 65+ population[2]			
For rent by local authority or registered social landlord	23.7	32.3	28.9	34.3
Leasehold or private rent	2.2	6.8	5.0	9.8

Source: EAC database of sheltered and retirement housing, as at December 2004

[1]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

The following conclusions can be drawn:

- On the basis of older populations unadjusted for deprivation, provision of social rent extra care housing per unit population is similar in inner London, outer London and the rest of England. However, if the older population is adjusted for deprivation, provision in inner London is only two-thirds the average for England (23.7 units per 1000 population compared with 34.3 per 1000 for England); provision in outer London is close to the England average.
- Even on an unadjusted population basis, London's stock of private extra care housing is well below the England average of 9.8 per 1000 older people. Outer London is about one-third below (6.7 per 1000) and inner London some two-thirds below (2.9 per 1000). If population is adjusted for deprivation, inner London's stock is even lower.

Two reasons for the small amount of social rented extra care housing in inner London are:

- the embryonic state of this relatively new form of provision generally
- the lack of suitable sites for development. Much of the extra care housing elsewhere in England is on redeveloped redundant local authority Part III home sites; these are in relatively short supply in London.

Reasons for the dearth of private extra care housing are:

- the relatively small number of older people in inner London who own their own home (*see* Table 11, p 14)
- the high cost of land throughout London
- the high demand for ordinary housing, which effectively crowds out specialised housing for older groups.

Supporting People

The Supporting People budget, a new funding stream launched in April 2003, provides housing-related support services to about 1.2 million vulnerable people throughout England. Supporting People replaced Housing Benefit, which was available as of right to qualifying individuals and is now allocated locally on a discretionary basis by about 150 administering authorities. The 2003/04 Supporting People budget was £1.8 billion; £340 million was allocated to supporting older client groups in England, and some of this was used to fund the continuing cost of extra care schemes.

Normalised on a population weighted for need, roughly the same number of 'household units' received services funded by Supporting People in 2003/04 in inner London and in England as a whole (*see* Table 25 overleaf). But the number receiving services in outer London was only a little over half the number in England. In terms of funding, inner London authorities allocated about twice as much Supporting People funding per unit need weighted 65 and over population as the average for authorities throughout England; outer London's financial allocations were roughly equal to England's (though unadjusted for higher London prices).

The London Supporting People Strategy 2005–10 went out for consultation in early 2005. A number of the proposals in the strategy would affect older people; these include the suggestion to increase the provision of floating support services and to remodel sheltered accommodation as extra care housing.

TABLE 25: SUPPORTING PEOPLE, GRANT ALLOCATIONS BY CLIENT GROUP, 2003/04

	Inner London	Outer London	Greater London	England
	Household units in receipt of Supporting People funding per 1000 unweighted 65+ population[1]			
Older people with support needs	148	68	94	119
Frail elderly	16	4	8	4
Older people with mental health problems	0.3	0.1	0.2	0.2
	Household units in receipt of Supporting People funding per 1000 weighted 65+ population[2]			
Older people with support needs	111	69	85	119
Frail elderly	12	4	7	4
Older people with mental health problems	0.2	0.1	0.2	0.2
	Allocations of Supporting People funding per 1000 unweighted 65+ population[1]			
Older people with support needs	£117	£36	£62	£40
Frail elderly	£12	£3	£6	£3
Older people with mental health problems	£1	£0	£1	£1
	Allocations of Supporting People funding per 1000 weighted 65+ population[2]			
Older people with support needs	£88	£37	£57	£40
Frail elderly	£9	£3	£6	£3
Older people with mental health problems	£1	£0	£1	£1

Source: Office of the Deputy Prime Minister: www.spkweb.org.uk

[1]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

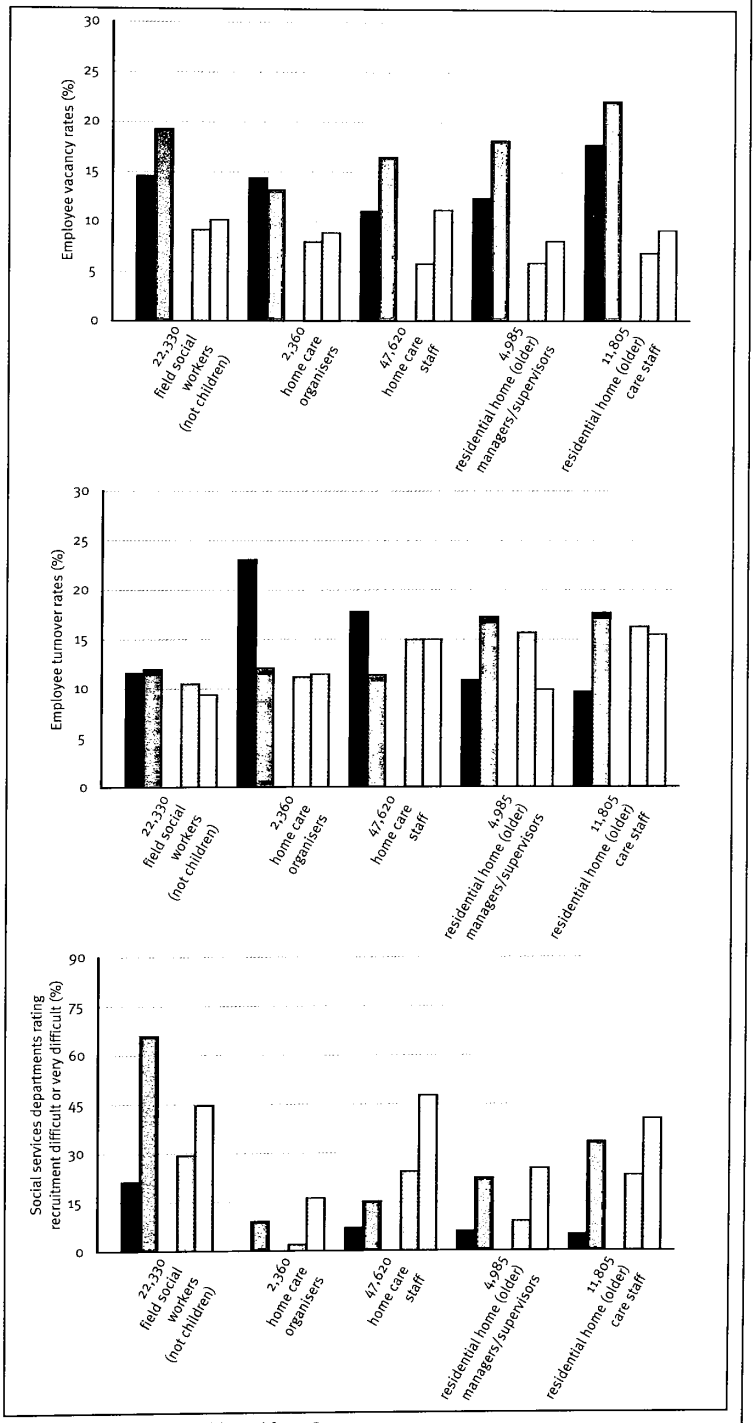
Workforce issues

One of the major factors constraining the further development of care services now and in the future is said to be the availability of an adequately skilled workforce at the rates of pay currently on offer. Anecdotally, commissioners and providers operating in London and elsewhere in Britain frequently report severe problems in recruiting and retaining care workers.

However, hard information is scarce. The main data series for the statutory sector is the annual *Social Services Workforce Survey* conducted by the Research and Intelligence Section of the Employers' Organisation for local government (EO) on behalf of the Social Care and Health Workforce Group (SCHWG). The 2002 and 2003 surveys indicate that vacancy rates among relevant statutory sector employees in London are well above the average for England; in some cases London has the highest vacancy rates of all the regions. But there is a different story for other indicators of workforce stress. Staff turnover appears to be no higher in London than elsewhere, and recruitment and difficulties are less frequently reported in London than elsewhere in England. Figure 12 opposite summarises the key results for London and England.

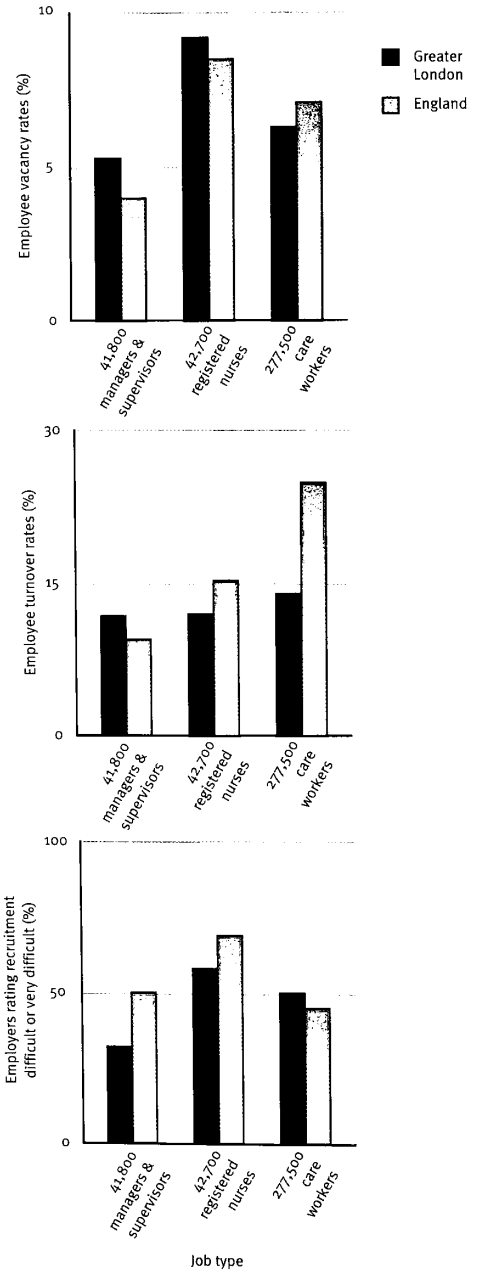
While this information on the statutory sector is interesting, most care services are now provided by the independent sector, where annual workforce surveys are not carried out. The latest available published data are from a 2001 survey of independent sector care homes and a smaller survey of home care providers also carried out in 2001; both were conducted by SCHWG. Figure 13 (*see* p 38) summarises key results for care homes (too few home care services responded to generate reliable results). There is no clear polarisation between London and England as a whole – in some respects indicators of workforce stress were worse in London, in other respects they were better. While the workforce situation in London

12 **INDICATORS OF CARE WORKFORCE STABILITY, STATUTORY SECTOR, 2002 AND 2003**



Source: Social Care and Health Workforce Group

13 **INDICATORS OF CARE WORKFORCE STABILITY, INDEPENDENT SECTOR CARE HOMES, 2001**



Source: *Independent Sector Workforce Survey 2001*. Social Care and Health Workforce Group 2002

may be no worse than across England, workforce development issues remain a key to the future delivery of care services.

The ethnic mix of the London care workforce differs hugely from the rest of England. In 2004 the United Kingdom Home Care Association (UKHCA) and Topps England (now Skills for Care) informally surveyed a sample of 3,500 home care workers (McClimont and Grove 2004); the survey form was distributed by home care provider organisations. Sixty per cent of home care workers in London described themselves as being from ethnic minorities (the majority being black or black British), compared with 11 per cent for England as a whole.

A similar proportion of care home staff are from ethnic minorities. In 2003/04 the Association of London Government's Care Home Information Network found that 42 per cent of care home staff (in homes for older people) were black or black British, 40 per cent were white (including 6 per cent who described themselves as Irish), almost 11 per cent were Asian or Asian British (including 3.5 per cent Indian and 6 per cent Other Asian), about 6 per cent were mixed race, and 2 per cent were Chinese or other. (The 'other' group includes large numbers of people from Mauritius, the Philippines or Sri Lanka.)

The future shape of London's care services

Because of the projected ageing of the population, more services will be needed over the next 20 years to satisfy current age-specific usage rates. The calculations underlying Figure 2 (*see* p 7) suggest that population change alone may increase the volume of demand by 23 per cent in inner London and 35 per cent in outer London between 2004 and 2024.

How, if at all, should the balance of care services change? A case can be made that, in order to maintain choice, each type of service should expand.

Care homes

There is a view that traditional care home provision could be reduced in favour of community-based services. The counter-view is that current care home residents are so dependent that a further move to home care would deliver neither financial economies nor enhanced quality of life. In addition, London experiences extreme shortages of local supply; these indicate the desirability of more investment in traditional care homes in order to avoid undesirable placements outside London. Several London boroughs, such as Ealing and Greenwich, are actively engaging in programmes designed to increase local care home capacity. It is therefore assumed that new care home development will continue to be an important feature of the London care market in the future.

The absence of available land/property at a reasonable price is the principal barrier to developing care homes in London. As commissioning bodies, local authorities that wish to increase local care home supply have two broad strategic options. They can either adopt the 'hands-off' approach: increase the baseline fees they offer sufficiently to incentivise providers to compete for development sites with other developers. The alternative is a more 'hands-on' approach: direct investment in new care homes or, more likely, public/private partnerships using existing public sector land banks. The competition for development land in London

is so intense that the second, hands-on, strategy is likely to be more fruitful; the hands-off approach may be more appropriate in other parts of the country.

Alongside land, the second key input is skilled staffing. Although the available evidence does not suggest that London's recruitment and retention problems are worse than in other parts of the country, nevertheless workforce development issues need to be tackled. It seems inevitable that pay rates generally will have to be increased in real terms over the next 20 years in order to secure an adequately trained and skilled care home workforce.

Home care

Workforce development is also a key to the future of home care services in London and elsewhere, and similar inflationary pressures will prevail over the next 20 years.

Direct payments as a means of funding home care and other community based services have notably failed to take off in London, as elsewhere. The Department of Health's new vision of care services set out in the Green Paper *Independence, Well-being and Choice* (Department of Health 2005) includes plans for individual budgets. These would be held by the local authority on behalf of an individual, as a means of allowing older people more control over the services they receive without having to become an employer; this is one factor that has held back direct payments.

Social rent extra care housing

Following the 2002 Comprehensive Spending Review, the Secretary of State for Health announced a target of a 50 per cent increase over the 1997 level (18,000 units) of very sheltered housing or 'extra care' places for older people across England. In July 2003 the Department of Health announced an injection of £87 million in the years 2004–06 to achieve this. However, the Office of the Deputy Prime Minister (ODPM), which is responsible for housing policy, is lukewarm about extra care; as long as this is so, there is unlikely to be a major expansion of extra care in London or elsewhere. Despite lobbying by developers, the ODPM does not specifically mention extra care in its planning guidance. As a result, developers report severe difficulty in obtaining planning permission unless they are acting in partnership with a local authority. The Housing Corporation, the principal conduit for government subsidies for social housing development, is also lukewarm about extra care housing.

However, the handful of active developers of social rented extra care housing in London, including Hanover Housing Association and Housing 21, state that the Department of Health funding initiative, though limited in scale, has provided some direct, ring-fenced funding and has also changed thinking. While housing departments used to act as local authority leads on specialist housing, social services departments are now often taking the role of lead commissioners, making use of Public Private Partnerships (PPPs) and Private Finance Initiative (PFI) models. In the absence of a positive policy change by the ODPM, extra care developments in London are likely to be driven by social services, which in turn will be informed by their perception of the advantages and costs of extra care provision, particularly in relation to traditional care homes.

Private extra care housing

Private, leasehold extra care housing is unlikely to contribute significantly to the choices available for the bulk of the population of inner London. This is because rates of owner occupation are low (*see* Table 11, p 14), and because conventional housing developments targeted at younger people are likely to continue to crowd out or out-bid accommodation for older people on the available sites.

Leasehold extra care has better prospects in outer London, where the rate of owner occupation among older people is above the national average and the market for suitable land may be less intensely competitive than in inner London.

However, affordability remains an issue. The amount of capital required to purchase a unit and the capital/income needed to meet the annual service charges puts the market out of the reach of all but a minority of older owner occupiers. Service charges for leasehold extra care units typically run at about £5,000 per annum, which absorbs a substantial, often unaffordable, share of older households' income. Buyers of sheltered or extra care units generally 'trade down' from larger accommodation. But there are far fewer older elderly couples or individuals living in large properties in London than elsewhere. Land registry records show that, nationally, 50 per cent of property sales of are semi-detached or detached houses. In outer London, the proportion is 38 per cent, and in inner London it is as low as 5 per cent. The remaining properties are flats or terraced houses, which may not be worth much more (or even less) than a new sheltered or extra care unit. The small number of leasehold extra care flats on the market in outer London at the beginning of 2005 cost about £210,000 for a one-bedroom unit and £275,000 for two bedrooms. The mean value of all residential property that changed hands in outer London in 2003 was £223,000, and the median value was £190,000. The implication is that only a minority of outer London owner occupiers are in a position to buy into extra care housing.

There is a little known route by which home owners dependent on social security benefits can potentially buy into extra care housing. This is by making use of Attendance Allowance, Pension Credit and various other benefits available to people with insufficient means of their own. The route was pioneered by Retirement Security Ltd, the largest specialist manager of 'very sheltered housing' in Britain. The company established that the Benefits Agency will fund a 'reasonable' capital shortfall (interpreted as up to £50,000) via an interest only mortgage. The individual's income will then be topped up by various benefits to cover service charges plus £190 per week of disposable income; an additional bonus is exemption from council tax. Surprisingly, the company has found it difficult to sell the concept – possibly because of older people's caution in making major housing decisions. A further barrier is the introduction of Supporting People. While service charges were previously paid as an entitlement under Pension Credit, the cost is now split between Pension Credit and the Supporting People budget. Since payments under Supporting People are discretionary, prospective purchasers cannot be sure that their service charges will be paid in full in the future.

Subject to this caveat, there appears to be a significant opportunity for developing this subsidised model of leasehold extra care housing, in which local authorities could either provide personal care services direct or by means of direct payments. As yet, the concept does not appear to have been used in London.

Planning permission is a major hurdle for extra care housing both in London and nationwide. The lack of clear guidance on extra care from the ODPM creates difficulties that can lead all but the most dedicated developers to give up or opt for developments aimed at simpler markets. Because of planning barriers and shortages of suitable sites on the open market, public sector land banks could make a significant contribution to the development of leasehold as well as social rent extra care in London, possibly through mixed developments whose larger size could also reduce prices significantly. London's planning regime differs in some respects from the rest of the country – notably in the role of the Greater London Assembly and the Mayor. Advantage could be taken of this to facilitate the development of housing for older people. However, the draft London Housing Strategy, published by the Government Office for London in November 2004 (London Housing Board 2004), does not deal specifically with either housing or older people. It is also silent on care homes.

3 Expenditure on care services

In 2004, an estimated £1.6 billion was spent on care services for older people in London (*see* Table 26 below). Purely private spending (excluding an unknown amount spent on aids and adaptations and so on) is estimated at £265 million (16 per cent). However, if charges paid by users for services funded by local authorities (£196 million) are added, the local authority share of spending falls to 60.5 per cent and the private share rises to 29 per cent (£461 million). NHS expenditure on continuing care and on free nursing care in care homes amounts to £176 million (11 per cent).

TABLE 26: ESTIMATED PUBLIC AND PRIVATE EXPENDITURE ON CARE SERVICES FOR OLDER PEOPLE IN LONDON, 2004

	Gross spend £ million	of which, user charges £ million
Local authorities[1]		
– care homes	567	157
– home care	275	24
– other	331	15
Total local authority	1,173	196
NHS[2]		
– continuing care in NHS hospitals and care homes	120	0
– free nursing payments to care homes	56	0
Total NHS	176	0
Private[3]		
– care homes (net of NHS free nursing)	175	
– home care/home help	90	
– other (aids and equipment, etc)	N/A	
Total private	265	
GRAND TOTAL	1,614	

[1] Department of Health archive of local authority PSS expenditure 2003/04.
[2] Estimates 2004/05.
[3] Estimates 2004/05 from Laing & Buisson database.

Net expenditure per person by local authorities

The latest available detailed figures on local authority spending are for the financial year 2003/04. The three questions posed in this section are:

- How does expenditure by Councils with Social Service Responsibilities (CSSRs) in London compare with expenditure across England?
- How have expenditure patterns changed in recent years, and is there any difference between London and England?
- Do CSSRs spend more or less than their Formula Spending Share (FSS) and other grant allocations for older people's services, and is there any difference between London and England as a whole?

The inner London group of authorities were the highest net spenders on personal social services for older people in 2003/04, at £1,063 per person within the age and deprivation adjusted population aged 65 and over (*see* Table 27 opposite). Outer London spent £852 per person, compared with an all England average of £727 per person. The inner London figure was 46 per cent higher than England, outer London 17 per cent higher and Greater London 28 per cent higher. Borough by borough figures for the main expenditure heads are presented in Tables 41 and 42 (*see* pp 72 and 73).

For a fair comparison, net spending per person needs further adjustment to take account of

- price differences
- the prevalence of low income, which impacts on the ability of the local population to pay user charges.

The question is, does higher spending by London boroughs on personal social services for older people reasonably reflect higher prices and a lower ability to generate income from user charges?

There is no clear answer. On the one hand, the 2004/05 FSS weightings for prices (Area Cost Allowance) and income (Low Income Top-up), when multiplied together, indicate that inner London's cash need during that year would have been 56 per cent higher per age- and deprivation-adjusted member of the population aged 65 and over, compared with a 46 per cent excess in actual spending in 2003/04. Corresponding figures for outer London are a 31 per cent additional cash need compared with a 17 per cent excess in spending. On the face of it, these comparisons suggest that London boroughs may be 'under-spending' on older people's services in comparison with England as a whole.

On the other hand, there is a case that the allowance for prices in the FSS is too high. The FSS Area Cost Allowance for most inner London boroughs was set at 29 per cent above the England average in 2004/05, but Laing & Buisson's view is that the care home cost premium should be in the region of 20 to 25 per cent. Furthermore, a significant proportion of London boroughs' care home placements are outside London, where prices tend to be lower. The price premium actually paid by inner London boroughs for home care also appears to be substantially lower than the FSS Area Cost Allowance. According to Performance Assessment Framework (PAF) data for 2003/04, the average gross hourly cost for home help and home care was £13.50 per hour in inner London and £14.10 in outer London, just 5 per cent and 9 per cent respectively higher than the England average of £12.90. This may in part be explained by the higher rate of outsourcing of home care in London (*see* Table 17, p 23).

Recent trends in local authority expenditure

The Department of Health's archive on local authority personal social services expenditure, available on the Department of Health website, makes it possible to trace back to the financial year 1998/99 what appears to be a comparable data series of expenditure on services for older people.

There is no similar data series for NHS expenditure on (non-health) personal social services. This will be a growing problem in monitoring future public spending trends, should primary care trusts make an increasing contribution. For the

TABLE 27: NET TOTAL COST PER OLDER PERSON OF OLDER PEOPLE'S SERVICES TO LOCAL AUTHORITIES, 2003/04

	Inner London	Outer London	Greater London	Metropolitan boroughs	England
Expenditure head[1]	**£ per person per year (unweighted 65+ population[2]) 2003/04**				
Assessment and care management	233	135	167	95	95
Nursing care placements	212	135	160	138	115
Residential care placements	342	234	269	297	260
Supported accommodation	12	6	8	5	3
Direct payments	4	5	5	3	3
Home care	393	220	276	214	176
Day care	112	50	70	49	34
Equipment and adaptations	15	9	11	12	10
Meals	29	14	19	7	7
Other services	64	33	43	13	20
TOTAL	**1,415**	**841**	**1,028**	**833**	**723**
	£ per person per year (weighted 65+ population[3]) 2003/04				
Assessment and care management	175	137	152	80	95
Nursing care placements	159	137	145	116	115
Residential care placements	257	237	245	251	260
Supported accommodation	9	6	7	4	3
Direct payments	3	5	4	2	3
Home care	295	223	251	180	176
Day care	84	51	64	41	39
Equipment and adaptations	12	9	10	10	10
Meals	21	14	17	6	7
Other services	48	33	39	11	20
TOTAL	**1,063**	**852**	**934**	**701**	**728**

Source: Department of Health archive on local authority personal social services expenditure

[1]Includes Social Services Management and Support Services (SMSS) costs allocated to service lines on a *pro rata* basis.

[2]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[3]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

purposes of this report, however, the conclusions drawn from local authority spending trends are not significantly affected by the absence of information on the NHS contribution. Local authority accounts to 2003/04 include relatively small sums described as 'income from joint arrangements'.

To demonstrate comparisons over time, the data series of choice would be 'net total cost' of personal social services for older people, since this incorporates capital charges. But a consistent series is available for only three years. 'Net current expenditure' has therefore been selected as the data series for analysis of past trends in Table 28 overleaf, since this data series is consistent for longer. In fact, because capital charges are a small component of the total, 'net current expenditure' differs little from 'net total cost'. It would also be possible to analyse 'gross current expenditure' or 'gross total cost'; however, gross expenditure patterns are less germane than net expenditure to the issues under debate.

Local authority net expenditure on older people's social services has risen more slowly in London than in England as a whole since 2001/02. In its 2002 Comprehensive Spending Review, the Government announced that, from 2003/04, spending on social services in England would rise by 9 per cent per annum. The latest available figures, for the financial year 2003/04 (*see* Table 28 overleaf), show

TABLE 28: NET CURRENT EXPENDITURE BY LOCAL AUTHORITIES ON OLDER PEOPLE'S SERVICES, 1998/99–2003/04

	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	Net current expenditure, £000s				
1998/99	328,455	365,522	693,977	N/A	3,899,689
1999/2000	340,898	392,392	733,290	N/A	4,159,183
2000/01	347,037	425,228	772,265	1,121,083	4,267,606
2001/02	358,591	430,701	789,292	1,153,360	4,492,518
2002/03	375,824	458,567	834,391	1,270,607	5,073,655
2003/04	396,693	496,029	892,723	1,377,161	5,554,065
	Percentage increase over previous year				
1999/2000	3.8	7.4	5.7	N/A	6.7
2000/01	1.8	8.4	5.3	N/A	2.6
2001/02	3.3	1.3	2.2	2.9	5.3
2002/03	4.8	6.5	5.7	10.2	12.9
2003/04	5.6	8.2	7.0	8.4	9.5

Source: Department of Health archive on local authority personal social services expenditure.

that local authorities across England increased their spending on older people's services by just over this amount (9.5 per cent). While the outer London boroughs increased their spending by only a little less (8.2 per cent), the increase in inner London was significantly lower (5.6 per cent). (Expenditure by each borough, as reported in the Department of Health's expenditure archive, is presented in Table 43, *see* p 74.)

What was the reason for inner London's relatively low increased spending? Was it because of a relatively low increase in central government grants? Or did individual boroughs decide not to prioritise older people's care services within an expanding cash envelope? Unfortunately, changes in the government's method of distributing grants make this question difficult to answer. In 2003/04, Standard Spending Assessment (SSA) formulae were replaced by FSS. At the same time indicative allocations to personal social services were increased by £1.1 billion in order to re-base them at the level of historical spending; this had run significantly above SSA, because of 'overspending' on children's services, while councils had historically 'underspent' on services for older people. There were also significant changes in local authority functions.

All these factors combine to complicate analysis of year-on-year changes in grants and spending. Such indicators of relative change as can be extracted point to differing conclusions. London's FSS grants in 2003/04 for all personal social services, compared with the SSA for 2002/03, rose by 3 percentage points more than England's. On the other hand, London's FSS grants in 2003/04 for all older people's services, compared with the SSA for 2002/03, fell by 2 percentage points more than England's (the overall fall was a result of re-basing).

The disparity between London and England in the rate of expenditure growth was particularly high in the financial year 2002/03. English local authorities increased net current expenditure on older people's services by 12.9 per cent that year; the increase in London was 5.7 per cent. Increased costs of nursing and residential care were the main reason for England's spending explosion; the net bill for nursing care placements rose by 22 per cent (by 11 per cent in London) and for residential care placements by 17 per cent (6 per cent). About half the increase in England resulted from the transfer of preserved rights residents to local authority

budgets from April 2002 (*see* also page 32), for which the Department of Health provided additional grants. The other half can be attributed to rising prices as local authorities across England realigned their baseline fee rates in the face of care home closures, local shortages of beds, and fears for the stability of the care home sector. London boroughs were less exposed to these forces: historically fewer care home placements are used in London, and generally London local authorities had not forced fee rates as low, in relation to costs, as many provincial local authorities.

Changes in care home costs are not the only story. English councils increased their net spending on home care services by 7 per cent in 2002/03 and by 11 per cent in 2003/04. The equivalent London increases were 3 and 6 per cent.

The broad conclusion is that England as a whole has been catching up with London's expenditure on services for older people. However, it is not the case that London is falling behind. London still spends a comparable amount per older person (adjusted for age and deprivation, prices and income) – *see* Table 27, p 45, and associated commentary.

Net expenditure by local authorities compared with FSS

There is no evidence that local authority expenditure has been moving markedly out of line with the re-based FSS allocations since 2003/04. Local authority personal social services budgets for older people's services for 2004/05 down to borough level can be obtained from the ODPM, along with 2004/05 FSS for personal social services (PSS) and other grants to local authorities. Because many personal social services grants cut across several client groups, it is no longer possible to make a precise comparison between (budgeted) spending and government allocations, and the government has discontinued the comparative analyses it used to undertake under the old SSA arrangements.

Subject to the above caveats, social services budgets for older people's services in 2004/05 match FSS and grant allocations very closely, for inner London, outer London and England as a whole (*see* Table 29 below). However, in some individual boroughs budgets are significantly out of alignment with central government's indicative allocations. Ealing and Richmond upon Thames both budgeted to spend 117 per cent of FSS plus relevant grants, while Lambeth budgeted to spend just 73 per cent.

TABLE 29: CENTRAL GOVERNMENT'S GRANT ALLOCATIONS COMPARED WITH LOCAL AUTHORITY BUDGETS FOR EXPENDITURE ON OLDER PEOPLE'S SOCIAL SERVICES, 2004/05

	Inner London	Outer London	Greater London	Metropolitan boroughs	England
	£ million 2004/05				
A) Personal social services FSS for older people plus major grants predominantly for older people[1]	433	571	1,004	1,601	6,459
B) Budgeted net current expenditure by CSSRs on older people's personal social services	415	546	962	1,540	6,251
Ratio: B) divided by A)	0.96	0.96	0.96	0.96	0.97

[1]Major grants predominantly for older people include Preserved Rights Grant (England = £458m), Access and Systems Capacity Grant (England = £457m), Carers' Grant (England = £125m) and Delayed Discharges Grant (England = £100m).

Charges to users

Local authorities offset some of their expenditure on services with fees and charges (or 'client contributions') paid by service users. Client contributions to residential care services are determined centrally under the Charges for Residential Accommodation Guidelines (CRAG); local authorities have no discretion to vary these. However, local authorities do have discretion in setting charges for community-based care services, subject to the guidance on home care charging issued in December 2001 (Department of Health 2001).

As might be expected, given the above average deprivation levels and the low incomes of older people in inner London (*see* Table 30 below), inner London boroughs recoup a relatively small proportion of their gross spending on older people's community-based services from user charges. Income from charges for home care – the largest non-residential expenditure head – was only 6 per cent of gross expenditure in inner London, compared with 12 per cent in outer London and across England as a whole. This evidence suggests that inner London boroughs as a whole do not use charges as a means of controlling their high levels of home care usage. Three inner London boroughs (Newham, Southwark and Tower Hamlets) showed zero charges for home care in their out-turn expenditure for 2003/04 (*see* Table 44, p 75).

TABLE 30: CLIENT CONTRIBUTIONS AS A PERCENTAGE OF GROSS TOTAL OF LOCAL AUTHORITY EXPENDITURE ON OLDER PEOPLE'S SERVICES, 2003/04

Expenditure head[1]	Inner London	Outer London	Greater London	Metropolitan boroughs	England
Assessment and care management	0	0	0	0	0
Nursing care placements	28	28	28	32	31
Residential care placements	24	30	28	28	31
Supported accommodation	1	6	4	7	6
Direct payments	2	2	2	2	3
Home care	6	11	9	9	11
Day care	2	5	3	5	5
Equipment and adaptations	9	6	7	13	5
Meals	29	41	36	31	41
Other services	1	3	2	35	10
TOTAL OLDER PEOPLE[2]	**14**	**19**	**17**	**21**	**22**

Source: Department of Health archive on local authority personal social services expenditure

[1] Includes SMSS costs allocated to service lines on a pro-rata basis.

[2] Excluding Supporting People.

The Performance Assessment Framework

The Performance Assessment Framework (PAF) is one on the key instruments the government uses to monitor the performance of councils with social services responsibility, and to reward them with relaxations in the degree of central control. The latest available PAF information is for 2003/04. Table 31 opposite summarises the performance of London against England as a whole for those performance indicators relevant to older people's services.

TABLE 31: PERFORMANCE ASSESSMENT FRAMEWORK RESULTS FOR SOCIAL SERVICES, 2003/04

PAF indicator	Inner London	Outer London	Greater London	Metropolitan boroughs	England
1 Of households receiving intensive home care and supported residents (including former preserved rights residents and Boyd loophole clients[1]), the percentage receiving intensive home care	34%	30%	32%	26%	24%
2 Average gross weekly expenditure per person on supporting older people in residential and nursing care (including residents paying full cost)	£479	£455	£467	£361	£377
3 Average gross hourly cost for home help/care	£13.50	£14.10	£13.80	£12.40	£12.90
4 Households receiving intensive home care per 1000 population aged 65+	25	14	19	15	11
5 Percentage of single adults and older people going into residential and nursing care who were allocated single rooms	97.4%	91.0%	94.0%	93.9%	92.5%
6 Average number of delayed transfers of care per 100,000 population aged 65+	75	60	67	41	46
7 The number of assessments of new clients aged 65+ per 1000 head of population aged 65+	52	51	51	63	62
8 The percentage of assessments or reviews that led to a service being provided	51%	61%	56%	49%	47%
9 Ratio of the percentage of older service users receiving an assessment or review that are from minority ethnic groups to the percentage of older people in the local population that are from minority ethnic groups	1.10	0.98	1.04	1.00	1.04
10 Ratio of the percentage of older service users receiving services following an assessment or review that are from a minority ethnic group to the percentage of older service users assessed or reviewed that are from a minority ethnic group	0.97	1.00	0.99	0.89	1.05
11 Adults and older people receiving direct payments at 31 March per 100,000 population aged 18 and over (age standardised)	31	36	33	33	36

Source: Department of Health Performance Assessment Framework

[1]See p 51

Table 31 reveals a number of interesting comparisons between London and England:

- Indicators 1 and 4 confirm London's heavy use of 'intensive home care' (defined as more than 10 contact hours and six or more visits during the survey week), particularly by the inner London boroughs.
- London also differs significantly from England as a whole in the average gross spending on nursing or residential home care (indicator 2). This is 27 per cent higher in London than across England. In fact, this comparison is not accurate: London's average is heavily weighted by its high proportion of nursing rather than residential care (*see* Table 18, p 24). On a like for like basis, the 'premium' paid by London for care home services is much lower.
- Indicator 3, the cost of home care, provides a fairer comparison. On average, inner London and outer London pay only 5 per cent and 9 per cent respectively more per hour of home care than the average for England (these sums include councils' internal overheads). However, this comparison is in turn affected by the higher proportion of (usually less expensive) outsourced services in London (*see* Table 17, p 23).
- People from inner London who enter a care home (indicator 5) are more likely to be given a single room (97.4 per cent) than people from outer London (91 per cent) or across England (92.5 per cent).

- Delayed transfers were much more frequent in London than elsewhere in England (indicator 6). This applies particularly in inner London, where the rate was almost twice the England average in 2003/04. But the number of delayed transfers has been falling rapidly, and more up-to-date statistics may show a different picture.

(Borough-by-borough performance indicators are presented in Table 45, *see* pp 76–8.)

4 Personal resources to pay for care

Information on personal spending on care services is fragmentary. Users of community-based services typically pay for them out of their ordinary income, or possibly out of savings. This includes charges for local authority services as well as fees for private services. However, most people do not have sufficient income or savings to pay for a place in a care home indefinitely. It is generally recognised that most self-pay care home fees are funded from the equity from their former owner-occupied (and no longer needed) home, sometimes supplemented by top-ups from relatives.

To assess what personal resources are available to pay for care (above the amount the state is willing to pay for), it is necessary to examine Londoners' income, savings and investments and home ownership. Home ownership is particularly important for several reasons:

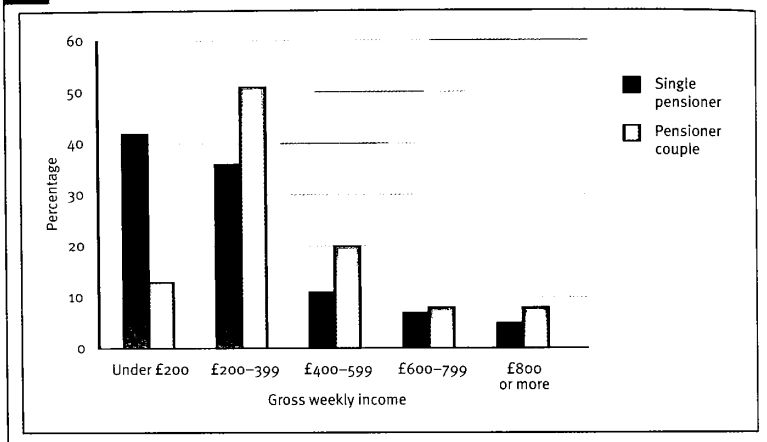
- For owner occupiers, the equity in their home is typically by far the largest asset they possess.
- Most people who enter a care home as a self-payer use (in one way or another) the equity from their former owner-occupied home to pay the fees.
- Equity release products could potentially be used to pay for community-based services while the service user continues to live in their owner-occupied home.
- Similarly, equity release via trading down is the key to accessing newly developed private 'extra care' housing.
- Inner London has a highly atypical pattern of home ownership which is likely to limit the extent to which housing equity can be used to pay for new care services in the future.

Household income, savings and home ownership

Few older Londoners currently have the resources to pay care home fees, or for substantial packages of home care, out of their ordinary income (*see* Figure 14 overleaf).

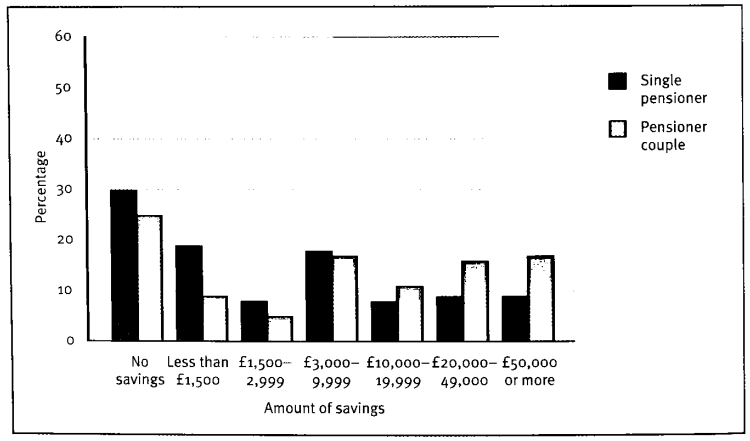
Formerly, people who relied entirely on state benefits used to be able to use various premiums to generate sufficient income to pay for the bottom end of care home fees without local authority support. This possibility – the so-called 'Boyd loophole' – was closed off with the abolition of the Residential Allowance in October 2003. However, there is still a mechanism whereby owner-occupiers on state benefits can generate sufficient resources to buy private extra care housing (see page 41). Similarly, although older Londoners are significantly better off than older people in the rest of the country, only a minority have sufficient savings or other liquid investments to finance substantial care packages over what may be an unknown time period (*see* Figure 15 overleaf).

14 INCOMES OF PENSIONER HOUSEHOLDS IN LONDON, 2002/03



Source: Department of Work and Pensions, *Family Resources Survey, 2002/03*

15 SAVINGS OF PENSIONER HOUSEHOLDS IN LONDON, 2002/03



Source: Department of Work and Pensions, *Family Resources Survey, 2002/03*

However, many Londoners do have substantial sums tied up in their owner-occupied homes. Older people in outer London are particularly well placed, since they enjoy slightly higher rates of owner occupation than the England average, as well as significantly more valuable properties (£223,000 on average in 2003 compared with £159,000 across England). The properties of inner London's older owner occupiers are even more valuable (£301,000 on average in 2003), but the rate of owner occupation there is only half the England average (*see* Table 32 opposite). Older people owned £39 billion worth of property at 2004 prices in outer London and a further £13 billion in inner London; 90 per cent of this property is unmortgaged.

TABLE 32: HOUSING EQUITY OF LONDONERS

Inner London	Outer London	Greater London	England
Mean property prices 2003[1]			
£301,000	£223,000	£252,000	£159,000
Median property prices 2003			
£225,000	£190,000	£200,000	£132,500

[1]Source: Land Registry.

Spending on care services

While it is possible to calculate gross figures for some of the broad categories of personal spending on care services, especially care home fees (see page 43), there is very little information on what older Londoners, and indeed older Britons in general, currently spend on community-based care services.

Community-based care services are not identified at all in *Family Spending*, the main government survey of household expenditure. Two of its expenditure categories – 'Personal care' and 'Health' – that might seem appropriate do not list any relevant items. For a third, possibly relevant, category – 'Non-optical appliances and equipment (for example, wheelchairs, batteries for hearing aids, and so on)' – the 2002/03 report failed to register any average spending at all for households aged 75 and over. There is a similar dearth of data specifically for London. Care home services are also missing from the *Family Spending* report, because it only covers households, not communal establishments.

Future prospects for personal resources to pay for care

The Pensions Commission reviewed pensioners' current and future financial situation (Turner 2004). Although its report, published in December 2004, did not consider London separately, its national findings apply broadly to the capital as well. The key conclusions are as follows:

- Until the early 1980s, Britain's fairly modest state pensions were supplemented by often generous occupational pension entitlements.
- Since the early 1980s, companies' increasing awareness of the cost of pensions in relation to increasing life expectations has led to a significant shift away from defined benefit schemes to defined contribution schemes.
- The underlying level of funded pension saving is now falling rather than rising to meet the demographic challenge.
- Given present trends, many people will have 'inadequate' pensions in retirement unless they have large non-pension assets; or intend to retire later than current retirees; or unless the government reverses its policy of reducing state pension entitlements.
- The implications of this for pensioners' incomes will be more serious in 20 to 25 years than in 10 years. Many pensioners are still enjoying the benefits of defined benefit occupational schemes. But their numbers (other than among former public sector employees) are set to decline.

The Pensions Commission report also investigated other sources of personal sector wealth that might supplement pensions. Non-pension financial wealth such as savings and investments, estimated at £1,150 billion across the UK population, is

not seen as a promising candidate for funding consumption in retirement. This is because it is extremely unequally distributed – most is owned by a small percentage of the wealthiest people. This unequal distribution explains why, despite the large scale of non-pension personal wealth, only 16 per cent of single pensioners and 31 per cent of pensioner couples in London had savings of more than £20,000 in 2002/03 (*see* Figure 15, p 52).

Housing equity

Housing wealth – estimated at £2,250 billion net of mortgage debt across people of all ages – is the other major source of personal, non-pension wealth. Because it is larger, and also because it is relatively equally distributed, this is a much more promising source of funding consumption in retirement. The Pensions Commission looked at three ways – trading down, equity release and buy-to-let – of transferring housing wealth to consumption during retirement. But it concluded that none of these options is likely to play more than a limited role in funding retirement income. For example, equity release is constrained by homeowners' desires to bequeath at least some housing assets to their children. It is also unattractive because typical interest rates are higher than for standard mortgages (about 7 per cent in September 2004), reflecting in part the inherent risk of lending when the maturity date of the loan is unknown. This resulted in the Pension Commission's down-beat statement that 'equity release may therefore remain trapped in a small, high price, sub-sector of the market'.

The Pensions Commission concludes that inheritance will be the main mechanism by which housing equity will fund retirement, improving the income of older people and allowing them to buy care services when they need them. Up to 75 per cent of people who die after their partner leave their home (or the assets resulting from the earlier sale of their home) to children or to other relatives, most of whom will themselves be in the decade before or after retirement.

Another recent report is more sanguine about the prospects of equity release supplementing retirement income. *Equity Release Report 2005*, published by the Equity Release Working Party (2005), points out that annual sales of equity release mortgages rose from £127 million in 1998 to £1,161 million in 2003. They project a doubling of new business to £2 billion by 2010 and a quadrupling to £4 billion by 2031. These projections are based on new data from the Joseph Rowntree Foundation (Rowlingson and McKay 2005) that show that bequeathing property is becoming less important to later generations of older people. In addition, the Equity Release Working Party believes that new regulatory arrangements under the Financial Services Act and the recent move to 'no negative equity guarantees' will give consumers more confidence in equity release products.

Even if equity release becomes more popular, however, the funds released would not necessarily be used to buy more care services – there are many other possible claims. Much will depend on the age at which people buy equity release. If they buy early, for example to fund leisure activities or private medical insurance, they may not have enough money left when they grow older to fund community-based packages of care, and later still their resources for paying care home fees at the end of their life may even be reduced.

Long term care insurance

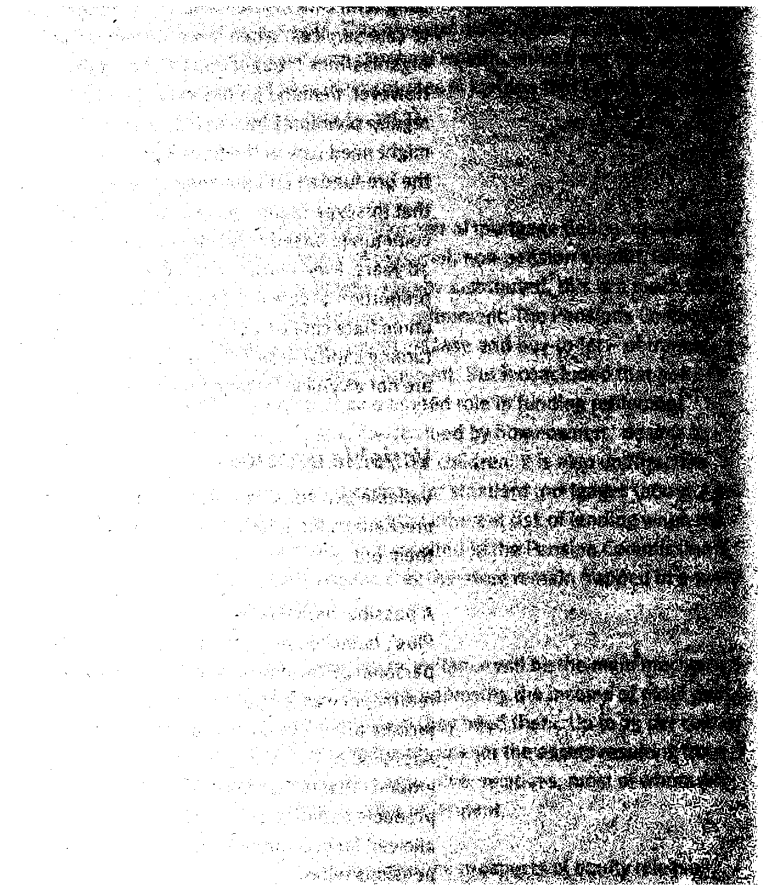
Long term care insurance (LTCI) is another funding mechanism specifically related to care services. When it was developed in the 1990s, many financial services organisations thought that LTCI could develop into a major new product class. However, demand for pre-funded LTCI schemes (where people pay a lump sum or regular premiums into an insurance scheme against the contingency that they might need care in the future) proved very disappointing; since 2003 all but one of the pre-funded LTCI providers has exited the market in Britain. It is very unlikely that this type of product will make a significant contribution to paying for community-based or residential care services in London or England over the next 20 years. Even in countries where the market is well established, only a small proportion of care is funded by LTCI. In Britain, several companies are still selling immediate care or 'point of need' plans; but these are essentially a means of turning capital assets (from savings or housing equity) into income streams, and are not a vehicle for long-term saving for care.

Variable pensions

Variable pensions, in which age or need could trigger increases, are another mechanism for funding care services. However, up to now the Treasury has ruled them out.

A possible model is the pension-linked long-term care funding product 'Oasis Plus', launched by Cannon Lincoln in 1991. This took the form of an option on a personal pension plan whereby 10 per cent of pension annuity income after retirement was foregone in return for a substantial increase in the pension annuity income in the event of long-term care criteria being satisfied. Initially the plan was approved by the Inland Revenue. Subsequently approval was withdrawn on the grounds that the tax benefits of pensions should not be used for insurance products and that, since age- or dependency-related enhancements are not allowed for occupational pensions, they should not be allowed for personal pensions either.

Inland Revenue regulations would have to be altered to make pensions a mainstream vehicle for funding long-term care. In addition, the range of benefits payable by tax-approved pension schemes would have to be extended to include long-term care benefits. In its Green Paper *A New Partnership for Care in Old Age* (Department of Health 1996), the former Conservative government expressed strong reservations about such a change on the grounds of cost (a potentially significant extra burden on the taxpayer), administrative complexity, and possible loss of pension portability.



5 The quality of care

This section summarises the indicators of quality of care available in the public domain for London and elsewhere. They fall far short of what would ideally be required to judge how London care users fare compared with their peers elsewhere.

Satisfaction survey of home care users

In 2002/03, all Councils with Social Services Responsibilities (CSSRs) in England were for the first time required to carry out a nationally comparable satisfaction survey of home care users aged 65 and over. Indicators based on the survey appear in the Performance Assessment Framework. The results of the survey, which posed four questions to users of services provided by in-house teams and by the independent sector, are summarised in Table 33. A borough-by-borough analysis is presented in Table 46 (*see* p 79).

TABLE 33: SATISFACTION LEVELS AMONG OLDER USERS OF HOME CARE SERVICES IN ENGLAND, 2002/03

Question	Inner London	Outer London	Greater London	Metropolitan boroughs	England
Q1 'Do your care workers come at times that suit you?' Percentage saying 'Always' or 'Usually'	86	86	86	90	89
Q2 'If you asked for changes in help you are given, are those changes made?' Percentage saying 'Always'	65	58	61	65	65
Q3 'Does anyone contact you from Social Services to check that you are satisfied with your home care?' Percentage saying 'Yes'	56	50	53	52	55
Q4 'Overall, how satisfied are you with the help from Social Services that you receive in your own home?' Percentage saying 'Extremely satisfied' or 'Very satisfied'	55	51	53	58	57

Source: Department of Health. *Personal Social Services Survey of Home Care in England Aged 65 or Over: 2002/03*

Outer London boroughs scored significantly lower on all four questions than the England average. Inner London's scores were fairly comparable with England as a whole.

One striking feature in the Department of Health's commentary on the results was the low scores given by respondents from black and minority ethnic communities. They were much less satisfied than white respondents – by 10, 15, 4 and 14 percentage points respectively for Questions 1 to 4.

The below-average performance of the outer London boroughs may be linked to their above-average proportions of clients from black and minority ethnic communities. If this is so, it makes inner London's performance in coming close to the England average all the more laudable, since they cater for a larger proportion of users from black and minority ethnic communities.

Special provision in care homes for black and ethnic minorities

In an effort to establish how far care homes in London make special provision for people from black and minority ethnic communities, Laing & Buisson surveyed a sample of care homes in London, Birmingham, Greater Manchester and the shire counties. The exercise involved inspecting care home brochures to establish what special provision, if any, was claimed (Table 34). A mailing was sent to 1,900 homes in September 2004; 411 brochures were returned and inspected.

TABLE 34: INDEPENDENT SECTOR CARE HOMES FOR OLDER PEOPLE THAT CLAIM TO OFFER SERVICES TAILORED TO THE CULTURAL NEEDS OF BLACK AND MINORITY ETHNIC OLDER PEOPLE

	London	Birmingham	Greater Manchester	Shire counties	Total
Homes surveyed	532	488	355	530	1,905
Responses	131	90	65	125	411
Specific services[1]	21	1	1	2	25
Non-specific services	40	27	21	30	118
Percentage of respondents offering specific services as a percentage of all respondents	16	1	1	2	6

Source: Inspection of care home brochures requested by Laing & Buisson, September 2004

Examples of 'specific' services for black and minority ethnic groups include catering for specific diets or providing for identified religious observances. A wide interpretation of 'black and minority ethnic' was used, including, for example, homes catering for Jewish dietary and religious preferences. Claims that were too broad to be meaningful were classed as 'non-specific services'; these included, for example, 'cater for all dietary requirements' and 'all religions welcome'.

It is striking how few homes claim to offer specific services for black and minority ethnic elders in metropolitan areas such as Manchester and Birmingham, which have substantial black and ethnic minority populations. The 16 per cent of homes claiming specific services in London may be considered to be lower than it should be. But the frequency of special provision is higher than in other metropolitan areas, even after taking account of the larger numbers of black and minority elders living in London (*see* Table 6, p 9).

Special provision for dementia by care homes and home care services

It is widely recognised that there is a shortage of services for people with dementia in most areas of the country. One result is that many people who would be better placed in a care home specialising in dementia care are placed in general care homes for older people (Laing & Buisson 2004).

On existing evidence, the situation appears no worse in London than elsewhere. An analysis of the registration status of all care homes in England during 2004 shows that 13.4 per cent of care homes in London were registered for dementia, compared with 12.5 per cent across England.

Laing & Buisson's survey of independent sector home-care providers in 2004 revealed that 4 per cent of providers in London, and 6 per cent across England, claim to provide services specifically for clients with dementia. However, only a

small number of providers responded to the relevant survey question, and no firm conclusion can be drawn from London's relative position. The more important finding is the small number of specialised home care services for people with dementia throughout England.

6 Policy conclusions and proposals

Future resource requirements

In the light of demographic projections (*see* Figure 2, p 7) it would be prudent for policy-makers to assume that increased resources will be required over the next 20 (and indeed 50) years in order to deliver today's level of care to future generations of older people. However, it is possible that a shift from public to private payment will obviate the need for an increased real-terms contribution from taxpayers. Other studies of future demand have drawn the same conclusion (Wittenberg *et al* 2001).

The key factors are as follows:

- Demographic projections, which on the basis of Figure 2 (*see* p 9) would increase resource needs by 35 per cent for outer London and 23 per cent for inner London (equivalent to 1.5 per cent and 1.0 per cent per annum between 2004 and 2024, without taking account of increases in demand specifically related to the higher propensity of many black and minority ethnic groups of elders to use care homes). The corresponding calculations for England show a 46 per cent increase in resource needs between 2004 and 2024, equal to 1.9 per cent per annum.
- Further inflationary pressures from increases in pay rates in order to develop a more qualified and professionalised workforce, and from care home providers in order to develop new care home capacity that meets the higher physical standards required since 2002 by the Care Standards Act.
- Mitigation of public sector spending as owner-occupation among the very old population continues to grow and therefore increasing numbers of older owner-occupiers find themselves ineligible for public funding of their care home fees.
- Further mitigation of public sector costs from further contracting out of directly supplied services. (However, net costs to local authorities seem unlikely to be mitigated by changes in the balance of care provision between care homes, extra care, home care, and other community-based services.)
- Medical technology, a wild card factor that could either increase or decrease care costs.
- The contribution of informal carers, another wild card factor that could potentially overwhelm the formal care system if the worst fears about people withdrawing from informal care were realised.

Barriers to better care services, and possible solutions

This section considers the barriers to better or more accessible care services identified in this report and discusses possible solutions.

Scarcity of local care home capacity in London and excessive placements of Londoners in care homes outside London (pages 24–26)

Local authority commissioners can address these issues through targeted Public Private Partnerships (PPPs), including Private Finance Initiative schemes. On a small scale, these are less expensive options than a general increase in fee rates paid to all providers. But individual PPPs can be expensive. If used on a large scale in preference to relying on private sector investment decisions, they would reduce consumer choice and effectively transfer risk back to the public sector (for example, the risk of continuing to pay for facilities that may become redundant in the future).

Local authorities can also assist private sector developers by making available suitable land from their land banks at the appropriate market rate.

Low level of extra care housing in London, particularly inner London, and its slow development (pages 33–35)

The lack of extra care housing in London can be addressed in a number of ways:

- The Office of the Deputy Prime Minister should give clearer guidance to planning authorities on criteria to apply to planning applications for specialised housing for older people.
- A more proactive role for the Greater London Assembly, for example by raising awareness of the special housing needs of older people and encouraging boroughs to accommodate these in their planning policies.
- Local authorities should consider making land available, at market prices, to private extra care developers as well as partners in social rent schemes.
- The government should reverse its decision to part-fund extra care service charges for people on benefits from the Supporting People budget. Funding for these charges should be returned in full to Pension Credit, so that extra care residents on benefits can be confident that their service charges will continue to be paid.

Recruitment and retention of trained staff (page 38)

Recruitment and retention is a national issue that needs to be addressed urgently in London as well. Better pay is an essential part of the solution. One proposal made at Laing & Buisson's annual Domiciliary Care Conference in 2004 is that local authorities should tender for home care services on a 'wages plus' basis; they would set the rates they expect providers to pay their staff, so requiring them to compete on their overhead mark-up and on the quality of their services rather than on staff pay rates.

Inadequacy of pensions to fund community-based care services (page 53)

The government should review the Inland Revenue's ban on variable rate annuities from personal pensions, and should consider the merits of allowing a degree of variability to pay for care costs.

In the absence of other mechanisms for ensuring adequate pension income for all, the government should consider the merits of stimulating the equity release market. This could be done by disregarding income from equity release plans when calculating benefit entitlements as part of a package complemented by other initiatives targeted at the less well-off.

Low satisfaction rating with local authority paid home care services in outer London (page 57)

The poor performance in quality ratings of local authority care home services in outer London may be linked to the relatively high proportion of service users from black and ethnic minorities; their dissatisfaction with services is significantly above average. Important long-term solutions are higher pay rates and more extensive training in order to improve the overall calibre of home care staff, plus providing more culturally sensitive services for people from black and ethnic minority groups.

Market failure or market reality?

Where they are provided through the market, some care services have not developed to the extent that observers may wish. To the extent that there are undesired outcomes, two questions can be posed:

- Is this evidence of market failure? *or*
- Are markets efficiently reflecting reality – that consumers give a low priority to the provision of care services?

Failure to invest in care homes in London

It would be difficult to sustain the view that lack of investment in London care homes is a market failure, except in so far as the market prices land out of the reach of care home providers. Fundamentally, the lack of investment reflects the preferences of both public sector commissioners and self-paying consumers and their families. They have the option of using less expensive homes outside London, and their price expectations signal to providers that it is not worth competing for high-cost sites in London for care home development.

Failure to develop equity release as a means of funding care services

Failure to develop equity release can be viewed, at least in part, as a market failure. Selling inappropriate financial products brought the equity release mortgage market into disrepute in the 1990s. Although the market recovered subsequently, it is still dominated by small mortgage providers. If the Equity Release Working Party's projections of future growth are to be achieved (Equity Release Working Party 2005), one or more of the major mortgage providers will probably have to enter the market. Greater competition may then lead to wider choice and better mortgage deals. However, there are inherent reasons why equity release mortgage interest rates will always be higher than those for ordinary mortgages. One is the uncertainty about the maturity date. Another is the cost of no negative equity guarantees, which are now viewed as an essential safeguard. These add about 0.5 to 0.75 per cent to interest rates.

Failure to develop direct payments

Proponents of direct payments are very disappointed that this mechanism for placing greater choice in the hands of publicly funded consumers has hardly developed at all. Commissioners and care providers must both bear some responsibility for failing to respond imaginatively to the opportunities available and to market them proactively to consumers. Equally there has been no evidence of increased demand from consumers and their advocates. However, there is now another chance to make progress in this area. The Department of Health's Green Paper *Independence, Well-being and Choice* (Department of Health 2005) includes proposals for individualised budgets designed to extend the direct payments concept while reducing the practical barriers to take-up.

Failure to develop extra care housing

The slow growth of privately funded extra care is a partial market failure. Extra care housing is a small, niche sector of the property development market that has attracted only a handful of players. They were joined only recently by McCarthy & Stone, the largest specialist developer, with its 'assisted living' developments. Margins are currently high, and greater competition could bring prices down. One unusual feature of the sheltered housing market is that re-sales command much lower prices than new sales; this in turn reduces the attractiveness of private sheltered housing and extra care as an investment.

However, arguably the main reason why privately funded extra care has not developed more rapidly is the failure of the Office of the Deputy Prime Minister to provide clear guidance to planning authorities on the role and status of extra care. All extra care developers report that planning is the single largest obstacle they face.

Failure to develop the long-term care insurance market

Consumers have few choices now that all but one of the providers of pre-funded long-term care insurance have exited the market. Financial services organisations had invested heavily in developing the market, but the verdict of consumers was that the price was too high for the benefits offered. The virtual demise of pre-funded long-term care insurance should therefore be viewed as market reality rather than market failure.

Privately funded community-based care services

The lack of reliable information makes it difficult to comment on privately funded community-based care services. Some observers maintain that the market for aids and adaptations is thriving, and point to newspaper advertising for stair lifts as evidence. However, it may be significant that personal spending by older households on care services and equipment does not register at all in the government's *Family Spending* survey. The question must at least be raised: does this reflect consumers' reluctance to spend their own resources on care services?

Recruitment and retention of care staff

Recruitment and retention of care staff is an example of market failure in the broadest sense. Public sector commissioners, private purchasers and providers have got themselves into a position where the ruling prices are inadequate to sustain the workforce stability and skill levels that are desired. Concerted action is needed to break out of this position.

Appendix
Borough statistics

Some clear messages have emerged from this report about the contrasts between the statistics from inner and outer London and the comparisons with England as a whole. But neither inner nor outer London are homogeneous entities, and individual London boroughs can vary widely in their care needs and their use of care services. The tables in this Appendix aim to show the range of variation, as well as providing interesting and hopefully useful borough-by-borough figures.

A health warning is necessary. Much of the information is derived from returns that individual local authorities make to the Department of Health. Inevitably, errors can enter into these returns and readers should be aware of this possibility. With this warning in mind, it is hoped the tables will provide a rich seam for those seeking information at a more disaggregated level.

TABLE 35: BOROUGH-BASED AGE PROFILE, LONDON AND ENGLAND, 2001

	Percent of total resident population			
	65+	65–74	75–84	85+
England	**15.9**	**8.3**	**5.6**	**1.9**
Greater London	**12.4**	**6.5**	**4.3**	**1.6**
Inner London	**10.3**	**5.5**	**3.5**	**1.2**
Camden	10.7	5.7	3.7	1.4
City of London	13.4	7.2	4.5	1.8
Hackney	9.3	5.1	3.1	1.1
Hammersmith & Fulham	10.5	5.5	3.7	1.3
Haringey	9.8	5.5	3.1	1.2
Islington	10.2	5.7	3.4	1.0
Kensington and Chelsea	12.2	6.4	4.2	1.6
Lambeth	9.2	5.1	3.2	1.0
Lewisham	11.0	5.7	3.9	1.4
Newham	8.9	4.9	3.0	1.0
Southwark	10.4	5.6	3.7	1.1
Tower Hamlets	9.4	5.4	3.1	0.8
Wandsworth	10.4	5.3	3.7	1.4
Westminster	12.4	6.7	4.2	1.5
Outer London	**13.8**	**7.1**	**4.8**	**1.8**
Barking and Dagenham	14.7	7.4	5.6	1.7
Barnet	14.5	7.3	5.0	2.2
Bexley	15.8	8.4	5.6	1.9
Brent	11.5	6.7	3.5	1.3
Bromley	16.9	8.6	6.0	2.2
Croydon	12.9	6.8	4.4	1.6
Ealing	11.5	6.1	4.1	1.4
Enfield	13.8	7.2	4.7	1.9
Greenwich	13.0	6.4	4.9	1.7
Harrow	14.5	7.4	4.9	2.1
Havering	17.7	9.5	6.4	1.9
Hillingdon	13.9	7.4	4.8	1.7
Hounslow	11.5	6.2	3.9	1.4
Kingston upon Thames	13.4	6.3	5.0	2.0
Merton	12.9	6.6	4.6	1.7
Redbridge	14.0	7.2	5.0	1.8
Richmond upon Thames	13.7	6.6	5.1	2.1
Sutton	14.5	7.3	5.1	2.1
Waltham Forest	11.7	6.0	4.1	1.6

Source: 2001 census

TABLE 36: AGE- AND DEPRIVATION-ADJUSTED POPULATIONS

	Population aged 65+ from 2001 census	Population aged 65+ unadjusted for age and deprivation, as used in 2005/06 FSS PSS calculation	Population aged 65+ adjusted for age and deprivation, as used in 2005/06 FSS PSS calculation	Ratio of age and deprivation adjusted to unadjusted population, as used in 2005/06 FSS PSS calculation
England	**7,808,000**	**7,756,328**	**7,756,328**	**1.00**
Greater London	**891,590**	**881,415**	**967,801**	**1.10**
All metropolitan boroughs	**1,694,071**	**1,684,907**	**1,997,657**	**1.19**
Inner London	**284,110**	**283,969**	**378,278**	**1.33**
Camden	21,217	20,938	28,820	1.38
City of London	962	958	1,054	1.10
Hackney	18,932	18,572	30,432	1.64
Hammersmith & Fulham	17,342	17,503	21,780	1.24
Haringey	21,175	20,831	26,822	1.29
Islington	17,988	17,458	26,195	1.50
Kensington and Chelsea	19,415	19,099	20,524	1.07
Lambeth	24,616	24,020	30,725	1.28
Lewisham	27,361	26,583	32,537	1.22
Newham	21,820	21,414	32,854	1.53
Southwark	25,355	26,251	34,667	1.32
Tower Hamlets	18,359	18,075	29,403	1.63
Wandsworth	27,157	27,345	32,821	1.20
Westminster	22,411	24,922	29,643	1.19
Outer London	**607,480**	**597,446**	**589,523**	**0.99**
Barking and Dagenham	24,116	23,594	31,004	1.31
Barnet	45,494	44,004	43,722	0.99
Bexley	34,509	34,973	30,209	0.86
Brent	30,237	30,786	33,384	1.08
Bromley	49,810	48,861	39,022	0.80
Croydon	42,601	41,524	37,579	0.90
Ealing	34,678	34,005	36,591	1.08
Enfield	37,705	37,334	38,527	1.03
Greenwich	27,774	27,351	33,045	1.21
Harrow	29,929	29,714	29,337	0.99
Havering	39,673	39,329	33,656	0.86
Hillingdon	33,771	33,660	30,701	0.91
Hounslow	24,368	24,071	25,500	1.06
Kingston upon Thames	19,684	19,094	16,799	0.88
Merton	24,288	23,872	21,927	0.92
Redbridge	33,503	32,268	33,580	1.04
Richmond upon Thames	23,676	22,709	20,782	0.92
Sutton	26,138	25,548	22,987	0.90
Waltham Forest	25,526	24,749	31,172	1.26

Source: Department of Health, Formula Spending Share (FSS) calculations for Personal Social Services (PSS)

TABLE 37: LOCAL AUTHORITY SUPPORTED CARE HOME RESIDENTS AGED 65+ PER 1000 65+ POPULATION, MARCH 2004

	Supported 65+ residents per 1000 65+ population			
	Weighted for age and deprivation[1]	Unweighted for age and deprivation[2]	% supported in nursing care	% supported outside council area
England	**27**	**27**	**31**	**14**
Greater London	**23**	**25**	**38**	**38**
All metropolitan boroughs	**28**	**33**	**34**	**14**
Inner London	**24**	**31**	**39**	**49**
Camden	24	33	29	48
City of London	28	31	67	N/A
Hackney	18	29	20	56
Hammersmith & Fulham	24	30	51	88
Haringey	26	34	21	47
Islington	23	35	43	53
Kensington and Chelsea	17	18	34	51
Lambeth	28	36	50	47
Lewisham	28	34	45	39
Newham	22	33	38	36
Southwark	25	33	45	62
Tower Hamlets	22	35	41	67
Wandsworth	27	33	48	18
Westminster	21	25	34	44
Outer London	**22**	**22**	**37**	**31**
Barking and Dagenham	22	29	51	42
Barnet	26	26	24	19
Bexley	23	20	35	23
Brent	17	19	47	48
Bromley	23	18	40	N/A
Croydon	17	16	47	24
Ealing	22	24	51	37
Enfield	21	22	25	15
Greenwich	23	28	35	53
Harrow	17	17	30	44
Havering	23	19	48	14
Hillingdon	23	21	39	41
Hounslow	27	28	49	59
Kingston upon Thames	26	23	45	28
Merton	21	20	36	28
Redbridge	22	23	31	35
Richmond upon Thames	23	21	33	31
Sutton	25	23	36	17
Waltham Forest	20	25	16	44

Source: Department of Health *Community Care Statistics: Supported Residents (Adults)*

[1]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

[2]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

TABLE 38: LOCAL AUTHORITY COMMISSIONED HOME CARE CLIENTS AND CONTACT HOURS PER WEEK 2003 (ALL AGES/CLIENT TYPES) PER 1000 65+ POPULATION

	Contact hours per 1000 population aged 65+ per week		Clients per 1000 population aged 65+		
	Weighted for age and deprivation[1]	Unweighted for age and deprivation[2]	Weighted for age and deprivation[1]	Unweighted for age and deprivation[2]	% contact hours provided by independent sector
England	**401**	**401**	**48**	**48**	**66**
Greater London	**493**	**541**	**56**	**61**	**76**
All metropolitan boroughs	**437**	**518**	**51**	**61**	**54**
Inner London	**586**	**781**	**69**	**92**	**74**
Camden	756	1,040	95	130	80
City of London	1,044	1,148	114	125	52
Hackney	573	939	44	72	54
Hammersmith & Fulham	726	904	94	117	75
Haringey	467	601	45	58	73
Islington	543	815	52	78	13
Kensington and Chelsea	606	651	70	75	68
Lambeth	492	629	61	78	76
Lewisham	520	636	73	89	80
Newham	492	755	61	93	75
Southwark	481	635	58	77	100
Tower Hamlets	663	1,078	90	147	73
Wandsworth	695	835	81	97	76
Westminster	651	774	78	92	100
Outer London	**433**	**427**	**47**	**46**	**78**
Barking and Dagenham	378	497	32	42	75
Barnet	339	337	34	34	100
Bexley	311	269	54	47	99
Brent	498	540	61	67	100
Bromley	478	382	49	39	67
Croydon	481	435	60	54	75
Ealing	410	441	39	41	83
Enfield	383	395	33	34	74
Greenwich	561	677	54	65	82
Harrow	392	387	46	45	97
Havering	446	381	49	42	82
Hillingdon	460	420	47	43	66
Hounslow	460	488	40	42	75
Kingston upon Thames	471	414	58	51	70
Merton	561	516	61	56	69
Redbridge	408	425	39	41	86
Richmond upon Thames	397	364	48	44	65
Sutton	365	328	56	50	73
Waltham Forest	472	594	50	63	50

Source: HH1 returns to the Department of Health

[1]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

[2]Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

TABLE 39: CARE HOME PLACES FOR OLDER PEOPLE AND RATE PER 1000 65+ UNWEIGHTED[1] POPULATION, 2004

	Private care homes with nursing	Voluntary care homes with nursing	Private care homes only	Voluntary care homes only	Local authority care homes only	All care homes
England	**19.0**	**1.9**	**17.5**	**5.0**	**4.3**	**47.7**
Greater London	**14.6**	**3.4**	**7.6**	**6.5**	**3.0**	**35.0**
Inner London	**12.1**	**4.0**	**2.3**	**6.5**	**3.0**	**27.8**
Camden	7.7	1.1	2.7	10.4	9.2	31.1
City of London	0.0	0.0	0.0	0.0	0.0	0.0
Hackney	2.3	4.2	0.0	6.0	2.0	14.5
Hammersmith & Fulham	5.8	5.4	0.0	1.1	1.9	14.2
Haringey	3.1	4.2	5.6	8.4	11.3	32.5
Islington	6.1	5.8	0.0	5.6	1.8	19.3
Kensington and Chelsea	5.0	0.0	0.0	8.6	5.4	19.0
Lambeth	18.5	1.6	5.0	7.3	0.0	32.4
Lewisham	21.8	6.4	9.2	6.8	0.0	44.3
Newham	21.9	0.7	1.4	1.0	3.0	28.0
Southwark	21.5	1.2	0.0	9.5	0.3	32.5
Tower Hamlets	4.1	7.8	2.4	4.5	0.0	18.9
Wandsworth	20.7	13.3	1.9	9.9	0.0	45.8
Westminster	6.0	0.0	0.0	2.8	5.5	14.2
Outer London	**15.7**	**3.2**	**10.1**	**6.5**	**3.0**	**38.4**
Barking and Dagenham	17.7	0.0	5.5	1.8	2.9	27.9
Barnet	14.8	6.2	14.7	22.7	0.0	58.4
Bexley	12.8	0.0	6.1	9.8	0.0	28.7
Brent	18.9	1.7	2.9	5.1	1.3	29.8
Bromley	12.3	6.3	9.5	6.9	5.6	40.6
Croydon	23.6	2.4	12.6	3.7	6.0	48.3
Ealing	18.5	0.0	3.7	9.1	3.4	34.7
Enfield	15.6	0.0	20.1	1.2	0.0	36.9
Greenwich	16.7	8.2	1.2	7.8	4.5	38.5
Harrow	12.1	3.9	10.2	5.9	0.0	32.2
Havering	13.2	0.0	12.7	1.1	3.6	30.7
Hillingdon	13.3	1.7	11.2	1.4	0.0	27.6
Hounslow	13.9	4.1	4.2	4.4	6.9	33.4
Kingston upon Thames	22.5	1.8	13.6	3.4	8.2	49.4
Merton	20.0	9.9	5.8	2.3	0.0	38.0
Redbridge	17.5	5.0	7.0	9.6	1.3	40.5
Richmond upon Thames	10.7	9.2	14.4	10.4	0.0	44.7
Sutton	24.3	0.8	10.5	7.4	5.1	48.1
Waltham Forest	2.2	0.0	21.9	1.3	10.3	35.7

Source: Laing & Buisson database

[1] Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

TABLE 40: CARE HOME PLACES FOR OLDER PEOPLE AND RATE PER 1000 65+ WEIGHTED[1] POPULATION, 2004

	Private care homes with nursing	Voluntary care homes with nursing	Private care homes only	Voluntary care homes only	Local authority care homes only	All care homes
England	**19.0**	**1.9**	**17.5**	**5.0**	**4.3**	**47.7**
Greater London	**13.3**	**3.1**	**6.9**	**5.9**	**2.7**	**31.9**
Inner London	**9.0**	**3.0**	**1.8**	**4.9**	**2.2**	**20.9**
Camden	5.6	0.8	1.9	7.5	6.7	22.6
City of London	0.0	0.0	0.0	0.0	0.0	0.0
Hackney	1.4	2.6	0.0	3.7	1.2	8.9
Hammersmith & Fulham	4.7	4.4	0.0	0.9	1.5	11.4
Haringey	2.4	3.2	4.3	6.5	8.8	25.3
Islington	4.1	3.9	0.0	3.7	1.2	12.9
Kensington and Chelsea	4.7	0.0	0.0	8.0	5.0	17.7
Lambeth	14.5	1.3	3.9	5.7	0.0	25.3
Lewisham	17.8	5.3	7.5	5.6	0.0	36.2
Newham	14.2	0.4	0.9	0.7	2.0	18.3
Southwark	16.3	0.9	0.0	7.2	0.2	24.6
Tower Hamlets	2.6	4.8	1.5	2.8	0.0	11.6
Wandsworth	17.3	11.1	1.6	8.3	0.0	38.2
Westminster	5.0	0.0	0.0	2.3	4.6	11.9
Outer London	**16.0**	**3.2**	**10.2**	**6.5**	**3.0**	**38.9**
Barking and Dagenham	13.4	0.0	4.2	1.4	2.2	21.2
Barnet	14.9	6.2	14.8	22.8	0.0	58.8
Bexley	14.8	0.0	7.0	11.3	0.0	33.2
Brent	17.4	1.6	2.6	4.7	1.2	27.5
Bromley	15.5	7.9	11.8	8.6	7.0	50.8
Croydon	26.0	2.6	13.9	4.1	6.7	53.4
Ealing	17.2	0.0	3.4	8.5	3.1	32.2
Enfield	15.2	0.0	19.5	1.2	0.0	35.8
Greenwich	13.8	6.8	1.0	6.5	3.7	31.8
Harrow	12.3	4.0	10.4	6.0	0.0	32.7
Havering	15.5	0.0	14.9	1.3	4.2	35.8
Hillingdon	14.6	1.8	12.2	1.6	0.0	30.3
Hounslow	13.1	3.8	3.9	4.1	6.5	31.6
Kingston upon Thames	25.5	2.1	15.4	3.9	9.3	56.2
Merton	21.8	10.8	6.3	2.5	0.0	41.4
Redbridge	16.9	4.8	6.7	9.2	1.3	38.9
Richmond upon Thames	11.6	10.0	15.8	11.4	0.0	48.8
Sutton	27.1	0.9	11.7	8.2	5.7	53.5
Waltham Forest	1.7	0.0	17.4	1.0	8.2	28.3

Source: Laing & Buisson database

[1]Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

TABLE 41: NET TOTAL COST OF OLDER PEOPLE'S SERVICES TO COUNCILS WITH SOCIAL SERVICES RESPONSIBILITIES PER 1000 65+ UNWEIGHTED[1] POPULATION, 2003/04

Expenditure head [2]	Nursing care placements	Residential care placements	Home care	Day care	Other services	TOTAL
England	**£115**	**£260**	**£176**	**£39**	**£138**	**£727**
Greater London	**£160**	**£269**	**£276**	**£70**	**£252**	**£1,026**
All metropolitan boroughs	**£138**	**£297**	**£214**	**£49**	**£134**	**£832**
Inner London	**£212**	**£342**	**£393**	**£112**	**£357**	**£1,415**
Camden	£217	£622	£525	£138	£371	£1,872
City of London	£303	£196	£820	£36	£610	£1,966
Hackney	£103	£358	£417	£83	£528	£1,489
Hammersmith & Fulham	£263	£257	£452	£31	£545	£1,549
Haringey	£75	£398	£331	£105	£295	£1,203
Islington	£282	£545	£437	£112	£315	£1,692
Kensington and Chelsea	£95	£315	£355	£147	£356	£1,268
Lambeth	£283	£250	£301	£75	£335	£1,243
Lewisham	£237	£248	£430	£116	£304	£1,336
Newham	£254	£321	£362	£105	£236	£1,276
Southwark	£279	£328	£313	£155	£344	£1,418
Tower Hamlets	£240	£356	£537	£207	£509	£1,849
Wandsworth	£233	£262	£278	£86	£251	£1,111
Westminster	£157	£294	£437	£98	£361	£1,347
Outer London	**£135**	**£234**	**£220**	**£50**	**£202**	**£841**
Barking and Dagenham	£228	£300	£349	£77	£241	£1,196
Barnet	£92	£339	£181	£46	£149	£806
Bexley	£114	£167	£153	£37	£142	£614
Brent	£189	£189	£241	£34	£196	£849
Bromley	£150	£137	£164	£36	£179	£666
Croydon	£169	£258	£225	£42	£205	£898
Ealing	£163	£196	£257	£27	£305	£948
Enfield	£51	£255	£202	£51	£158	£716
Greenwich	£146	£327	£344	£35	£277	£1,128
Harrow	£127	£190	£230	£72	£189	£808
Havering	£124	£175	£178	£23	£84	£585
Hillingdon	£151	£172	£211	£50	£205	£790
Hounslow	£212	£259	£197	£80	£198	£945
Kingston upon Thames	£183	£255	£192	£74	£267	£971
Merton	£108	£148	£221	£77	£257	£811
Redbridge	£103	£257	£234	£64	£159	£817
Richmond upon Thames	£106	£246	£222	£97	£345	£1,017
Sutton	£122	£275	£184	£24	£188	£793
Waltham Forest	£71	£390	£304	£74	£265	£1,105

Source: Department of Health archive on local authority personal social services expenditure

[1] Estimated population aged 65 and over in 2005/06, unadjusted for age or deprivation.

[2] Includes SMSS costs allocated to service lines on a pro rata basis.

TABLE 42: NET TOTAL COST OF OLDER PEOPLE'S SERVICES TO COUNCILS WITH SOCIAL SERVICES RESPONSIBILITIES PER 1000 65+ WEIGHTED[1] POPULATION, 2003/04

Expenditure head [2]	Nursing care placements	Residential care placements	Home care	Day care	Other services	TOTAL
England	**£115**	**£260**	**£176**	**£39**	**£138**	**£727**
Greater London	**£145**	**£245**	**£251**	**£64**	**£229**	**£934**
All metropolitan boroughs	**£116**	**£251**	**£180**	**£41**	**£113**	**£702**
Inner London	**£159**	**£257**	**£295**	**£84**	**£268**	**£1,063**
Camden	£157	£452	£381	£100	£270	£1,360
City of London	£276	£178	£746	£32	£555	£1,787
Hackney	£63	£219	£254	£51	£322	£908
Hammersmith & Fulham	£211	£207	£363	£25	£438	£1,244
Haringey	£58	£309	£257	£81	£229	£934
Islington	£188	£363	£291	£75	£210	£1,128
Kensington and Chelsea	£88	£294	£330	£137	£331	£1,180
Lambeth	£221	£195	£235	£59	£262	£972
Lewisham	£193	£203	£351	£95	£249	£1,091
Newham	£165	£209	£236	£68	£153	£832
Southwark	£211	£248	£237	£117	£260	£1,074
Tower Hamlets	£147	£219	£330	£127	£313	£1,136
Wandsworth	£194	£218	£232	£72	£209	£926
Westminster	£132	£247	£368	£83	£303	£1,133
Outer London	**£137**	**£237**	**£223**	**£51**	**£204**	**£852**
Barking and Dagenham	£174	£229	£265	£59	£183	£910
Barnet	£92	£341	£182	£47	£150	£812
Bexley	£132	£193	£178	£43	£164	£710
Brent	£174	£174	£222	£32	£181	£783
Bromley	£187	£172	£205	£44	£225	£833
Croydon	£187	£285	£248	£47	£226	£992
Ealing	£152	£182	£239	£25	£284	£881
Enfield	£49	£247	£195	£49	£153	£694
Greenwich	£121	£270	£284	£29	£229	£933
Harrow	£129	£192	£233	£73	£192	£818
Havering	£145	£205	£208	£27	£98	£684
Hillingdon	£166	£189	£232	£55	£225	£867
Hounslow	£200	£244	£186	£75	£187	£892
Kingston upon Thames	£208	£289	£219	£84	£303	£1,103
Merton	£118	£161	£241	£84	£279	£883
Redbridge	£99	£247	£224	£62	£153	£785
Richmond upon Thames	£116	£269	£243	£106	£377	£1,111
Sutton	£135	£306	£205	£27	£209	£882
Waltham Forest	£56	£310	£242	£59	£211	£877

Source: Department of Health archive on local authority personal social services expenditure

[1] Weighted population relates to population aged 65 and over weighted for age and deprivation (but not service costs, ability to pay user charges or 'sparsity') as in the 2005/06 FSS older people's formula and scaled to the England population.

[2] Includes SMSS costs allocated to service lines on a pro rata basis.

TABLE 43: NET CURRENT EXPENDITURE BY LOCAL AUTHORITIES ON PERSONAL SOCIAL SERVICES FOR OLDER PEOPLE, 2000/01–2003/04

	Net current expenditure £0000s				% increase over previous year		
Financial year	2000/01	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04
England	**4,267,606**	**4,492,518**	**5,073,655**	**5,554,065**	5.3	12.9	9.5
Greater London	**772,265**	**789,292**	**834,391**	**892,723**	2.2	5.7	7.0
All metropolitan boroughs	**1,121,083**	**1,153,360**	**1,270,607**	**1,377,161**	2.9	10.2	8.4
Inner London	**347,037**	**358,591**	**375,824**	**396,693**	**3.3**	**4.8**	**5.6**
Camden	30,341	31,699	33,679	38,790	4.5	6.2	15.2
City of London	1,860	1,962	2,099	1,883	5.5	7.0	−10.3
Hackney	23,917	22,850	22,600	27,524	−4.5	−1.1	21.8
Hammersmith & Fulham	24,029	23,261	24,283	26,546	−3.2	4.4	9.3
Haringey	23,786	22,226	24,375	24,669	−6.6	9.7	1.2
Islington	25,855	27,640	27,370	28,755	6.9	−1.0	5.1
Kensington and Chelsea	20,017	20,987	22,235	23,212	4.8	5.9	4.4
Lambeth	25,116	28,831	28,835	29,510	14.8	0.0	2.3
Lewisham	24,811	30,953	33,265	35,473	24.8	7.5	6.6
Newham	23,806	24,200	27,099	27,102	1.7	12.0	0.0
Southwark	37,094	32,853	34,157	36,737	−11.4	4.0	7.6
Tower Hamlets	30,554	32,419	32,359	33,044	6.1	−0.2	2.1
Wandsworth	26,333	27,787	29,555	30,154	5.5	6.4	2.0
Westminster	29,518	30,924	33,913	33,295	4.8	9.7	−1.8
Outer London	**425,228**	**430,701**	**458,567**	**496,029**	**1.3**	**6.5**	**8.2**
Barking and Dagenham	21,901	23,121	26,329	27,961	5.6	13.9	6.2
Barnet	33,066	33,585	35,404	35,423	1.6	5.4	0.1
Bexley	19,075	20,537	20,707	21,461	7.7	0.8	3.6
Brent	18,333	21,297	25,093	26,131	16.2	17.8	4.1
Bromley	41,472	28,976	23,467	31,967	−30.1	−19.0	36.2
Croydon	27,611	28,540	33,407	36,686	3.4	17.1	9.8
Ealing	30,301	29,882	29,062	32,044	−1.4	−2.7	10.3
Enfield	21,565	22,903	25,935	26,295	6.2	13.2	1.4
Greenwich	26,154	27,556	27,403	30,734	5.4	−0.6	12.2
Harrow	17,878	18,792	21,091	23,458	5.1	12.2	11.2
Havering	19,110	20,417	23,170	22,739	6.8	13.5	−1.9
Hillingdon	20,669	23,338	23,899	26,163	12.9	2.4	9.5
Hounslow	18,402	18,470	20,892	22,157	0.4	3.1	6.1
Kingston upon Thames	14,131	14,840	17,047	18,111	5.0	14.9	6.2
Merton	15,666	17,381	18,674	19,259	10.9	7.4	3.1
Redbridge	20,381	21,718	23,975	26,030	6.6	10.4	8.6
Richmond upon Thames	17,778	19,848	20,550	22,589	11.6	3.5	9.9
Sutton	15,619	15,287	18,910	19,856	−2.1	23.7	5.0
Waltham Forest	26,115	24,212	23,553	26,966	−7.3	−2.7	14.5

Source: Department of Health archive on local authority personal social services expenditure

TABLE 44: CLIENT CONTRIBUTIONS AS A PERCENTAGE OF GROSS TOTAL OF OLDER PEOPLE'S SERVICES TO COUNCILS WITH SOCIAL SERVICES RESPONSIBILITIES, 2003/04

Expenditure head[1]	Nursing care placements	Residential care placements	Home care	Day care	All services
England	**31**	**31**	**11**	**5**	**22**
Greater London	**28**	**28**	**9**	**3**	**17**
All metropolitan boroughs	**32**	**28**	**9**	**5**	**21**
Inner London	**28**	**24**	**6**	**2**	**14**
Camden	24	20	1	2	12
City of London	31	16	9	0	13
Hackney	27	24	12	0	13
Hammersmith & Fulham	28	22	5	0	12
Haringey	24	30	13	7	19
Islington	22	13	8	5	11
Kensington and Chelsea	29	23	3	3	11
Lambeth	23	38	15	1	19
Lewisham	26	33	8	1	17
Newham	17	22	0	2	11
Southwark	26	25	0	1	14
Tower Hamlets	29	22	0	1	11
Wandsworth	35	30	9	8	21
Westminster	27	23	4	0	12
Outer London	**28**	**30**	**11**	**5**	**19**
Barking and Dagenham	26	22	2	1	13
Barnet	23	24	11	2	18
Bexley	33	44	22	1	28
Brent	27	32	11	17	21
Bromley	30	39	18	0	23
Croydon	36	35	12	9	24
Ealing	25	33	9	4	17
Enfield	31	30	7	5	20
Greenwich	35	23	8	5	17
Harrow	25	32	12	2	18
Havering	42	25	8	0	22
Hillingdon	16	29	14	6	16
Hounslow	15	29	10	4	16
Kingston upon Thames	27	31	11	2	18
Merton	35	40	13	4	20
Redbridge	27	30	8	5	18
Richmond upon Thames	30	33	12	2	18
Sutton	35	24	17	30	22
Waltham Forest	31	22	11	1	14

Source: Department of Health archive on local authority personal social services expenditure

[1] Includes SMSS costs allocated to service lines on a pro rata basis.

TABLE 45: PERFORMANCE ASSESSMENT FRAMEWORK RESULTS FOR SOCIAL SERVICES, 2003/04

Indicator	Percentage of households receiving intensive home care and supported residents (including former preserved rights residents and Boyd loophole clients), the percentage receiving intensive home care	Average gross weekly expenditure per person on supporting older people in residential and nursing care (including full cost paying residents)	Average gross hourly cost for home help/care
England	**24**	**£377**	**£12.90**
Greater London	**32**	**£467**	**£13.80**
All metropolitan boroughs	**26**	**£361**	**£12.40**
Inner London	**34**	**£479**	**£13.50**
Camden	39	£538	£13
City of London	24	£508	£21
Hackney	41	£418	£14
Hammersmith & Fulham	37	£506	£14
Haringey	30	£422	£16
Islington	30	N/A	N/A
Kensington and Chelsea	31	£587	£14
Lambeth	22	£428	£15
Lewisham	34	£492	£15
Newham	29	£415	£13
Southwark	29	£489	£13
Tower Hamlets	37	£437	£14
Wandsworth	34	£443	£8
Westminster	31	£539	£15
Outer London	**30**	**£455**	**£14.10**
Barking and Dagenham	33	£453	£18
Barnet	26	£446	£15
Bexley	21	£417	£16
Brent	31	£485	£12
Bromley	31	£458	£12
Croydon	26	£456	£13
Ealing	29	£431	£15
Enfield	33	£462	£15
Greenwich	39	£454	£14
Harrow	36	£512	£16
Havering	28	£453	£14
Hillingdon	32	£497	£14
Hounslow	28	£525	£14
Kingston upon Thames	28	£472	£12
Merton	35	£358	£12
Redbridge	35	£403	£15
Richmond upon Thames	25	£442	£15
Sutton	17	£478	£15
Waltham Forest	38	£570	£13

Continued ....

TABLE 45: PERFORMANCE ASSESSMENT FRAMEWORK RESULTS FOR SOCIAL SERVICES, 2003/04 (CONTINUED)

Indicator	Households receiving intensive home care per 1000 population aged 65+	Percentage of single adults and older people going into residential and nursing care who were allocated single rooms	Average number of delayed transfers of care per 100,000 population aged 65+	The number of assessments of new clients aged 65 or over per 1000 head of population aged 65+
England	**11**	**93**	**46**	**62**
Greater London	**19**	**94**	**67**	**51**
All metropolitan boroughs	**15**	**94**	**41**	**63**
Inner London	**25**	**97**	**75**	**52**
Camden	33	96	92	62
City of London	19	100	42	48
Hackney	33	100	78	36
Hammersmith & Fulham	26	97	98	54
Haringey	25	100	81	54
Islington	24	98	112	59
Kensington and Chelsea	14	100	45	70
Lambeth	18	100	99	23
Lewisham	24	95	52	74
Newham	22	98	36	27
Southwark	22	97	75	35
Tower Hamlets	32	97	55	29
Wandsworth	26	91	72	52
Westminster	23	100	90	42
Outer London	**14**	**91**	**60**	**51**
Barking and Dagenham	17	96	47	59
Barnet	12	97	65	35
Bexley	7	96	38	103
Brent	15	100	64	62
Bromley	11	93	34	53
Croydon	15	85	49	30
Ealing	15	84	118	45
Enfield	14	91	52	36
Greenwich	25	98	47	81
Harrow	15	96	44	72
Havering	10	100	50	32
Hillingdon	14	87	93	17
Hounslow	15	97	80	71
Kingston upon Thames	14	85	66	82
Merton	16	100	44	52
Redbridge	15	94	34	52
Richmond upon Thames	10	92	74	74
Sutton	7	65	91	40
Waltham Forest	19	92	57	71

Continued ....

TABLE 45: PERFORMANCE ASSESSMENT FRAMEWORK RESULTS FOR SOCIAL SERVICES, 2003/04 (CONTINUED)

Indicator	Percentage of assessments or reviews that led to service being provided	Percentage of older service users receiving an assessment or review that are from minority ethnic groups, divided by the percentage of older people in the local population that are from minority ethnic groups	Ratio of the percentage of older service users receiving services following an assessment or review that are from a minority ethnic group to the percentage of older service users assessed or reviewed that are from a minority ethnic group	Adults and older people receiving direct payments at 31 March per 100,000 population aged 18 and over (age standardised)
England	**47**	**1.04**	**1.05**	**36**
Greater London	**56**	**1.04**	**0.99**	**33**
All metropolitan boroughs	**49**	**1.00**	**0.89**	**33**
Inner London	**51**	**1.10**	**0.97**	**36**
Camden	59	1.20	1.08	80
City of London	56	1.37	1.07	N/A
Hackney	66	0.98	0.99	26
Hammersmith & Fulham	41	1.03	1.13	32
Haringey	87	1.11	1.01	51
Islington	13	N/A	N/A	26
Kensington and Chelsea	54	1.54	0.99	21
Lambeth	41	1.07	0.94	33
Lewisham	60	1.18	0.96	21
Newham	57	1.01	1.05	23
Southwark	55	1.15	0.96	28
Tower Hamlets	62	1.02	0.79	22
Wandsworth	35	1.00	1.11	25
Westminster	42	1.15	1.06	37
Outer London	**61**	**0.98**	**1.00**	**31**
Barking and Dagenham	61	1.04	0.60	25
Barnet	41	1.28	0.99	55
Bexley	59	1.46	0.66	22
Brent	66	1.03	0.94	18
Bromley	85	N/A	N/A	5
Croydon	66	0.90	0.95	49
Ealing	43	1.11	1.11	23
Enfield	55	1.09	1.06	31
Greenwich	63	1.18	0.96	88
Harrow	64	1.23	1.07	23
Havering	27	1.06	1.19	8
Hillingdon	78	1.14	0.86	50
Hounslow	48	0.94	0.97	46
Kingston upon Thames	64	1.05	0.97	73
Merton	40	0.97	1.06	23
Redbridge	77	0.63	0.96	24
Richmond upon Thames	43	0.72	1.17	49
Sutton	63	1.12	0.92	16
Waltham Forest	50	1.11	0.99	35

Source: Department of Health, Performance Assessment Framework

TABLE 46: COUNCILS WITH SOCIAL SERVICES RESPONSIBILITIES SURVEY OF HOME CARE USERS IN ENGLAND AGED 65+, 2002/03

Indicator	Q1 'Do your care workers come at times that suit you?' Percentage saying 'Always' or 'Usually'	Q2 'If you asked for changes in help you are given, are those changes made?' Percentage saying 'Always'	Q3 'Does anyone contact you from Social Services to check that you are satisfied with your home care?' Percentage saying 'Yes'	Q4 'Overall, how satisfied are you with the help from Social Services that you receive in your own home?' Percentage saying 'Extremely satisfied' or 'Very satisfied'
England	**89**	**65**	**55**	**57**
Greater London	**86**	**61**	**53**	**53**
All metropolitan boroughs	**90**	**65**	**52**	**58**
Inner London	**86**	**65**	**56**	**55**
Camden	85	59	63	52
City of London	N/A	N/A	N/A	N/A
Hackney	83	58	43	50
Hammersmith & Fulham	85	62	52	49
Haringey	84	54	52	45
Islington	90	64	55	48
Kensington and Chelsea	84	61	56	59
Lambeth	81	57	49	39
Lewisham	87	66	51	63
Newham	87	67	53	53
Southwark	87	63	62	62
Tower Hamlets	92	74	61	66
Wandsworth	84	70	42	52
Westminster	85	76	59	59
Outer London	**86**	**58**	**50**	**51**
Barking and Dagenham	87	65	49	58
Barnet	85	57	66	48
Bexley	86	65	35	54
Brent	89	60	53	54
Bromley	89	56	44	50
Croydon	82	60	48	46
Ealing	79	47	56	39
Enfield	83	56	48	48
Greenwich	88	65	61	53
Harrow	84	57	44	46
Havering	86	65	58	42
Hillingdon	88	70	47	54
Hounslow	89	77	72	67
Kingston upon Thames	93	73	73	64
Merton	88	67	57	57
Redbridge	87	48	37	41
Richmond upon Thames	88	60	52	54
Sutton	87	64	53	50
Waltham Forest	79	53	45	47

Source: Department of Health. *Personal Social Services Survey of Home Care in England aged 65 or over: 2002/03*

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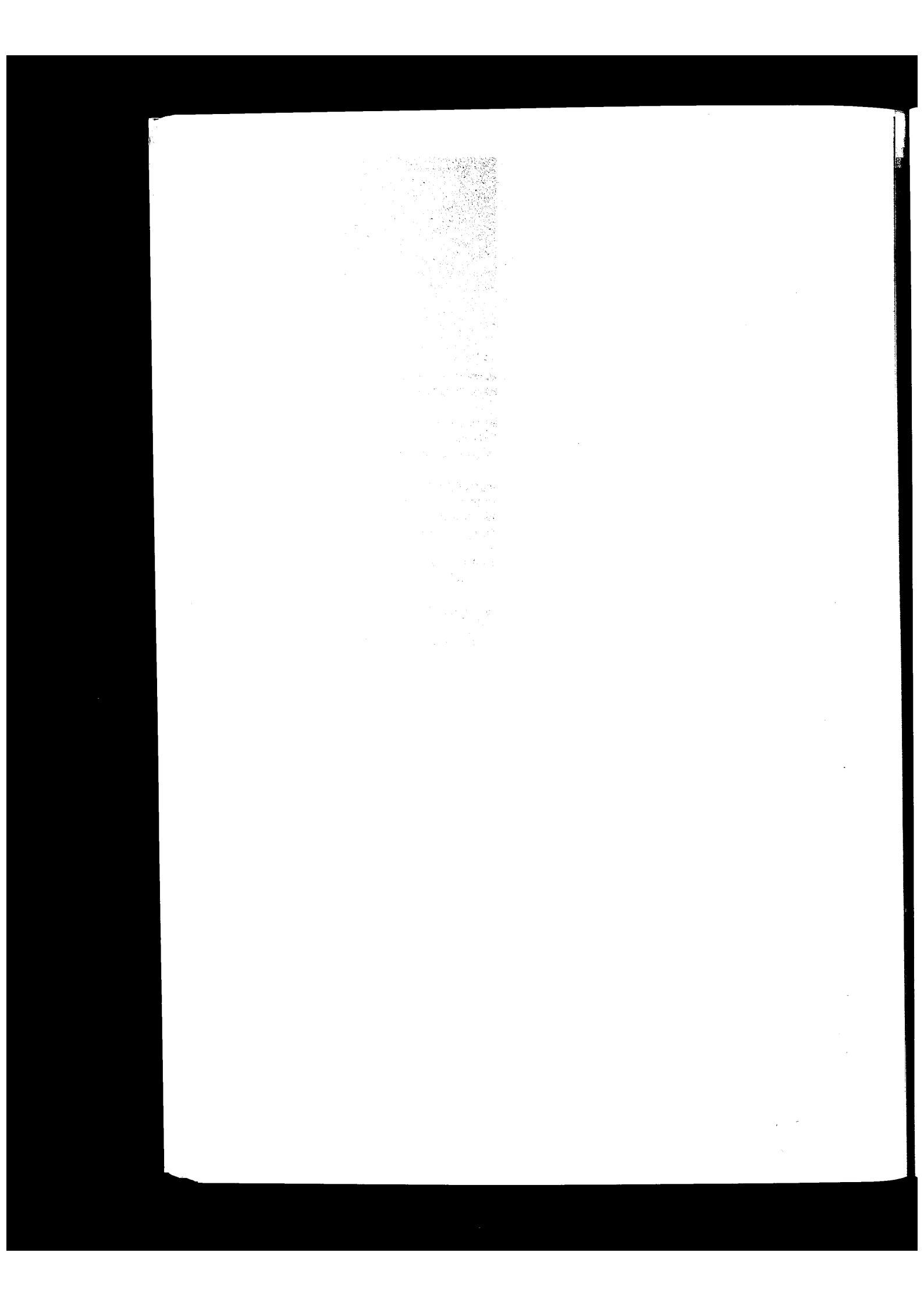

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King's Fund
11–13 CAVENDISH SQUARE
LONDON W1G 0AN
INFORMATION 020 7307 2568
SWITCHBOARD 020 7307 2400
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The King's Fund is an independent charitable foundation working for better health, especially in London. We carry out research, policy analysis and development activities, working on our own, in partnerships, and through funding. We are a major resource to people working in health and social care, offering leadership development programmes; seminars and workshops; publications; information and library services; and conference and meeting facilities.

The demand for care and support in old age is growing nationally, but London faces some particular challenges. In 2004, the King's Fund established a Committee of Inquiry to consider whether the care system operating in London was meeting the needs and preferences of older Londoners *and* whether there will be sufficient care services of the right design and quality to meet the needs of older people in London in 2024.

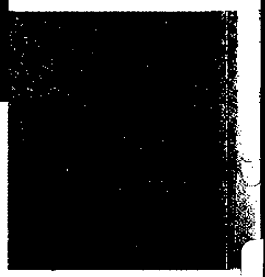
The committee commissioned Laing & Buisson to examine care market trends between 1994 and 2024, identifying and explaining changes taking place in the demand for and supply of care services in the capital.

***Trends in the London Care Market 1994–2024* shows how London differs from the rest of England in its population profile, and in the resources and services available. Although London has proportionately fewer older people than England as a whole, the demands on care services are high for a number of reasons:**

- **a higher proportion of older people in London live alone**
- **there are high levels of deprivation, particularly in inner London**
- **a higher percentage of older Londoners are not in good health**
- **although owner occupiers can normally afford to pay care home fees, home ownership in inner London is much lower than in the rest of England.**

Laing & Buisson's research shows that there is a scarcity of local care home capacity in London because of the limited availability and high cost of land and higher labour costs. Those people who enter care homes, therefore, are much more likely to move outside their home borough in London than elsewhere, and there is also a higher use of community-based services such as home care, day care and home adaptations. The report looks at expenditure on care services and at the quality of care, focusing on the provision for black and ethnic minorities and for those with dementia.

This publication offers important demographic information to allow planners to predict trends in the care market for older people in London. It will be invaluable for all those commissioning care services and also for those providing them, and it will provide a useful overview for policy-makers and researchers.



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