



The cost of care

Whilst for many of us an increase in life expectancy may seem like good news, it has to be recognised that there are financial implications for those who live longer. Few people take the time to plan for how they would meet the cost of paying for care should the need arise. This is despite the fact that if you have assets of more than £23,250 (in England and Northern Ireland, £22,000 in Wales and £22,750 in Scotland) you would not be entitled to financial assistance from the local authority towards your care fees.

In 2010 the average fees for care home residents across the UK were £29,075 per annum for nursing care and £22,160 per annum for residential care. The table below shows the average annual fees by region. The highest fee rates, predictably, are in the south east of England.

Costs in many premium priced homes are in excess of £800 per week.

Region	Nursing care	Residential care
North	£29,224	£22,568
Yorkshire & Humberside	£26,546	£20,332
North West	£27,352	£19,682
West Midlands	£29,458	£19,526
East Midlands	£27,352	£21,528
East Anglia	£28,496	£19,474
Northern Home Counties	£30,368	£24,778
Outer London**	£33,566	£29,224
Southern Home Counties	£30,524	£20,748
South West	£30,342	£22,802
Wales	£28,184	£20,618
Scotland	£28,642	£24,656
Northern Ireland	£27,924	£22,152

*Source: Laing & Buisson UK Market Survey 2010.

**Figures for Inner London have not been provided due to significant variations between in-borough and out-of-borough placements.



Over the last ten years the average cost of nursing care has increased by almost 75% and residential care by 70%*.

If fees increase at the rate of 5% per annum, in ten years that average figure of £29,075 will become £47,360 per annum. This could well be far in excess of what people are spending when they are fit and healthy and in their own homes.

So just when you think your living expenses have reduced (perhaps because you have less desire to travel, to go out, perhaps you are less able to do these things) all of a sudden you have the additional expense of a nursing home or care home.

And if you are married and your spouse is still in the family home, many of the existing expenses of that property will remain – electricity, heating, rates, transport etc. Some will reduce, such as food but others may increase – for example general repairs to the home, gardening, transport costs if your spouse doesn't drive etc, because they will need to employ people to do these things.

Even if you choose to remain in your own home and receive care there, this will come with significant cost. For example, the average cost of care in the home provided by a local authority is £20 per hour (*source: Social Policy Research Unit November 2010*).

So if you need care just 3 hours a day, seven days a week, this will cost £420 per week, just under £22,000 per annum.

Whether you move into residential care or receive care in your own home, you will need to ensure you have made provision for meeting your care costs.

At St. James's Place we are committed to helping people meet their financial needs throughout their lifetime and Long Term Care planning is no exception.

Please contact your St. James's Place Partner to discuss the options available to you and your family.