PSSRU/CHE SURVEY OF RESIDENTIAL AND NURSING HOMES

Changes in the provision of long-stay care, 1970-1990

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PSSRU Discussion Paper 849

October 1992

Published in: Health and Social Care in the Community, 1993, 1, No. 1, 11-25.

ABSTRACT

The objective of this paper is to map out the changes in the public, private and voluntary provision of long-stay care for elderly people and younger people with a physical handicap, people with a mental handicap and people with a mental illness in Britain over the period 1970-1990. It is also designed to bring together in a convenient form all the relevant data which are not readily available because they are published in several disparate sources. The effects on the social security budget of the expansion of private residential and nursing homes are described.

National trends in provision show a marked increase in private residential and nursing homes and indicate how private provision has taken up an increasing number of people aged 65 years or over and has substituted for public provision with the closure of the hospitals for people with a mental illness or a mental handicap. The income support payments to people in independent homes increased at 1990 prices from £33 million in 1980 to £1390 million in 1990.

The implications of this changing balance of care in terms of choice, efficiency and equity are examined in the concluding section. There is some evidence that the growth of the independent sector has increased consumer choice and improved efficiency in the provision of long-stay care but at some cost to those people who would have been provided with free NHS facilities but now have to contribute to the costs of their care.

Key words: Continuing care, residential homes, nursing homes.

CHANGES IN THE PROVISION OF LONG-STAY CARE, 1970-1990

1. INTRODUCTION

This is principally a descriptive paper which sets out the changing pattern of long-term care in Britain over the last two decades. It is original, however, in that it brings together the changes in public/private mix in long-term care for all client groups concerned - elderly people, people with physical disabilities, people with a mental handicap and people with a mental illness. It also conveniently brings together data which are not readily available because they are published in several disparate sources. Although the demographic drift of the increasing numbers of elderly people aged 75 years or over is a major focus of interest, it has to be remembered that the other groups of people who receive long-term care have seen major changes occur in the type of accommodation provided as the traditional form of continuing care in hospitals has contracted. The changes in the balance of providing continuing care is set out below in section 2, while the effects of these changes in social security are detailed in section 3. The implications for the future of health and social care policies of the growth of private residential and nursing home care are discussed in the final section.

The information in the paper was collected as part of a survey of private and voluntary residential and nursing homes carried out in 1986-87 by research staff at the Personal Social Services Research Unit at the University of Kent and the Centre for Health Economics at the University of York. The survey was designed to examine charges to residents and patients, facilities provided by homes and the characteristics of residents and patients. The main

characteristics of the homes for all client groups and of their residents and patients have been described in a previous paper (Darton and Wright, 1990), and a comparison of residential and nursing homes for elderly people has also been published recently (Darton and Wright, 1992). The survey was also designed to be compatible with a survey of local authority, voluntary and private residential homes for elderly people carried out by research staff at the PSSRU in twelve English and Welsh local authorities in 1981 (Darton and Knapp, 1984). The 1981 survey used questionnaires developed from those used in the 1970 Residential Census of local authority and voluntary residential homes for elderly people and younger people with a physical handicap (DHSS, 1975) and the (unpublished) 1971 DHSS sample survey of private residential homes. In this paper the development of residential and nursing home care is traced for years which correspond as closely as possible to these survey dates.

2. NATIONAL TRENDS IN LEVELS OF PROVISION

2.1. Introduction

This section is concerned with quantifying the changing public/private mix in the provision of long-stay places in Britain over the years from 1970 to 1990.

Tables 1 to 6 present information on levels of residential care, nursing home and hospital provision in Great Britain for selected years, including 1990, the latest year for which all the information is available, drawn from national statistics. The inclusion of information for particular years has been dictated partly by availability, although the information presented for homes for elderly people and younger people with a physical handicap in tables 1 and 2 has been selected to correspond to the years in which the 1970 Census of Residential Accommodation, the 1981 PSSRU survey and the 1986 PSSRU/CHE survey were undertaken. Dual registered homes are included with both residential and nursing homes, but the double-counting of places in dual registered homes appears to be small (Darton et al., forthcoming). In addition, figures 1 and 2 show the number of places in residential homes for elderly people and people with a physical handicap and the number of places in nursing homes for England and Wales, relative to the population aged 75 and over, for the periods 1970 to 1990 and 1982 to 1990, 1990 being the most recent year for which all the necessary data are available. The use of the population aged 75 and over to calculate relative levels of institutional provision for elderly people is based on the recommendation by Larder et al. (1986). In 1986, the proportions of residents aged 75 and over in homes for elderly people and people with a physical handicap in England were 86 per cent

in private homes, 82 per cent in local authority homes and 72 per cent in voluntary homes (DHSS, nd(d)). The corresponding proportions for residents aged 65 and over were 96 per cent in private homes and local authority homes and 82 per cent in voluntary homes. Similar age distributions were found for residents and patients in the homes in the independent sector in the PSSRU/CHE survey. All of the residential homes for younger people with a physical handicap which were included in the survey were run by voluntary organisations. In private residential homes for elderly people in the survey, 86 per cent of residents were aged 75 or over and 97 per cent were aged 65 or over. In voluntary residential homes for elderly people and people with a physical handicap these proportions were slightly smaller, 68 per cent of residents were aged 75 or over and 78 per cent were aged 65 or over.

2.2. Residential Care

Table 1 illustrates the substantial increase in the number of private residential homes and places for elderly people and people with a physical handicap in England and Wales during the period 1981 to 1986, of approximately 140 per cent, but also shows that private provision had grown during the preceding five years by approximately 50 per cent, indicating that the more recent rapid growth had built on an existing trend. In the local authority sector, the number of homes had risen during the period 1970 to 1976 by 18 per cent, with a concomitant increase of 14 per cent in the number of elderly residents, but then showed very modest growth, of a total of 103 homes, less than one for each local authority, between 1976 and 1981. Between 1981 and 1986 there was a very small increase in the number of homes and places, and a slight fall in the number of residents in 1986 compared with 1981. In the voluntary sector some growth occurred between 1976 and 1981, but the number

of homes, places and residents declined between 1981 and 1986. Between 1981 and 1986 private homes virtually doubled their contribution to the total number of places available, from 20 to 38 per cent. Since 1986, the level of provision in the private sector has continued to grow, while local authority and voluntary sector provision has declined, and in 1990 private homes contributed 51 per cent of the total number of places available. However, since missing data are estimated from the latest available information (Department of Health, nd(b)), the overall level of provision and the contribution by the private sector are likely to be underestimated. Although the recorded level of provision in the voluntary sector declined between 1986 and 1990, overall occupancy levels increased and a slightly larger number of residents was recorded as being accommodated in 1990 than in 1986. Between 1990 and 1991, there was a further increase of 7 per cent in the total number of places in the private sector, and in 1991 the private sector accounted for 53 per cent of the total number of places available (Department of Health, nd(b); Welsh Office, 1991b, 1992b).

Table 2 shows the levels of provision of homes for elderly people and people with a physical handicap in Scotland for the period 1970 to 1990. Information for independent homes in Scotland is only disaggregated into private and voluntary homes in the statistics prepared by the Scottish Office for 1985 onwards, but the information in the table indicates that the private sector has not developed to the same extent as in England and Wales, although between 1986 and 1990 the number of places in private homes increased by 130 per cent. Private homes accounted for 10 per cent of the total number of places in homes in Scotland in 1986, compared with 38 per cent of places accounted for by private homes in England and Wales, but rose to 20 per cent of the total number of places in 1990. The registered home sector in Scotland

experienced a 17 per cent increase in the number of places during the period 1981 to 1986, but in the preceding five years it had remained virtually static, following a previous increase of 21 per cent in the number of places between 1970 and 1976. The local authority sector in Scotland experienced similar growth during the 1970s to that in England and Wales, but further modest growth took place between 1981 and 1986. Since 1986, the number of local authority homes in Scotland has grown slightly, but the overall number of places has fallen owing to a reduction in the average size of homes.

The growth in the number of elderly people aged 75 and over in England, Wales and Scotland, from figures in the Annual Abstract of Statistics (Central Statistical Office, 1973, 1977, 1983, 1988, 1992) was: 9 per cent between 1971 and 1976; 15 per cent between 1976 and 1981; 13 per cent between 1981 and 1986; and 8 per cent between 1986 and 1990. A comparison with the change in the number of elderly people in residential homes in England and Wales shown in table 1 reveals that the growth in the number of residents approximately matched the growth in the number of elderly people aged 75 and over in the population as a whole during the period 1971 to 1981, but that between 1981 and 1986 the growth in the number of residents was approximately double the growth in the number of elderly people aged 75 and over in the population as a whole. Between 1986 and 1990 the growth in the number of residents continued to exceed the growth in the number of elderly people aged 75 and over in the population as a whole, although the relative growth in the number of residents was less than during the previous five years. This growth is illustrated in figure 1, which shows the relative number of places in all types of residential home for elderly people and younger people with a physical handicap in England and Wales for the period 1970 to 1990. The relative number of places remained fairly constant up to 1983, at approximately 70 places per thousand persons

aged 75 and over, before increasing to 79 places per thousand persons aged 75 and over in 1986, and to 85 places per thousand persons aged 75 and over in 1990. Figure 1 also shows that in 1988 the level of provision in private homes overtook that in local authority homes.

In Scotland the number of residents grew more rapidly than the number of elderly people aged 75 and over in the population as a whole between 1971 and 1976, 15 per cent compared with 11 per cent, but between 1976 and 1986 the growth in the number of residents was much lower than the growth in the number of elderly people aged 75 and over in the population as a whole. Between 1986 and 1990 the number of residents in local authority and voluntary homes fell slightly but, as a result of the growth in private provision, the growth of nearly 9 per cent in the total number of residents in Scotland exceeded the 6 per cent growth in the number of elderly people aged 75 and over during this period (Central Statistical Office, 1988, 1992). During the period from 1971, a smaller proportion of elderly people have been accommodated in residential homes in Scotland than in England and Wales. In 1971, residents in homes in England and Wales formed approximately 6.0 per cent of the elderly population aged 75 and over, compared with 5.4 per cent in Scotland. In 1986, the figures were 6.6 per cent for England and Wales and 5.0 per cent for Scotland, and increased to 7.0 per cent for England and Wales and to 5.1 per cent for Scotland in 1990.

Changes in the levels of private residential provision for people with a mental handicap or a mental illness in England during the period 1977 to 1990 have mirrored those observed for homes for elderly people and people with a physical handicap, with homes for people with a mental handicap or a mental illness growing even more rapidly during the period 1986 to 1990. Between

1986 and 1990, the number of places in private homes for people with a mental handicap more than doubled, and the number of places in private homes for people with a mental illness increased by over 170 per cent. However, growth also occurred in the local authority and voluntary sectors between 1977 and 1990, although the number of places in local authority homes for people with a mental illness decreased slightly between 1986 and 1990.

Information for Wales is not included in table 3 because published figures for private and voluntary homes have not been disaggregated by client group for this period. For Scotland, changes in definitions to exclude group homes with minimal social work involvement, except registered homes, have affected the comparability of the figures over time, particularly for homes for people with a mental illness (Scottish Office, 1985, 1991). Excluding such group homes, homes for people with a mental illness have formed a smaller proportion of the total number of homes for people with a mental handicap or a mental illness in Scotland than in England. During the period 1978 to 1986, overall levels of growth of homes for people with a mental handicap were more modest than in England, but the local authority sector grew more and the independent sector grew less than in England. Between 1980 and 1986 the number of places in local authority homes for people with a mental handicap in Scotland grew by 54 per cent, compared with 31 per cent in England, while the number of places in registered homes in Scotland grew by 34 per cent, compared with 130 per cent in private and voluntary homes in England. However, between 1986 and 1990 the local authority sector showed virtually no growth, compared with a 7 per cent growth in places in England, while the number of places in registered homes in Scotland grew by 129 per cent, compared with 89 per cent in private and voluntary homes in England.

Independent sector provision for people with a mental illness also grew more in Scotland than in England between 1986 and 1990, while local authority provision decreased more than that in England. In England, private sector provision for people with a mental handicap or a mental illness exceeded voluntary sector provision during the period 1986 to 1990, but in Scotland the voluntary sector remained the principal form of independent sector provision in 1990, accounting for 81 per cent of places for people with a mental handicap and 88 per cent of places for people with a mental illness (Scottish Office, 1991).

Table 1, table 2, figure 1, table 3 and table 4 here

2.3. Nursing Homes

Less information is available for the nursing home sector than for residential homes, and Larder et al. (1986) have reported that the data collected from district health authorities by the DHSS may not be very reliable. Table 5 summarises the information collected by the DHSS, the Department of Health and the Welsh Office for 1982 to 1990, and the number of nursing homes has been estimated from the data in private hospitals, nursing homes and clinics as the total number of establishments minus the number with operating theatres (Welsh Office, personal communication). The number of beds for different types of patient cannot be determined separately for nursing homes, although the information collected from the Welsh Office for preparing table 5 would suggest that very few beds for long-stay elderly patients are contained in independent hospitals rather than in nursing homes. According to the figures presented in table 5, the number of long-stay beds available for elderly patients increased by 20 to 25 per cent annually between 1982 and

1986. Between 1986 and 1989 the rate of growth increased to about 30 per cent per year, but declined to about 23 per cent between 1989 and 1990.

Figure 2 illustrates the growth in the number of beds in nursing homes in England and Wales during the period 1982 to 1990, in relation to the number of elderly people aged 75 and over in the population as a whole. The number of beds for elderly people rose from 6 per thousand elderly people in 1982 to 13 per thousand in 1986, and to 27 per thousand in 1990, and accounted for nearly all of the growth in the total number of beds in independent nursing homes and hospitals during this period, which rose from 12 per thousand in 1982 to 34 per thousand in 1990. In 1986, the total number of places for elderly people in registered nursing homes and residential homes for elderly people and people with a physical handicap in England and Wales was approximately 290000, equivalent to 8.8 per cent of the population aged 75 and over. In 1990, the total number of places for elderly people had risen to approximately 385000, equivalent to 10.8 per cent of the population aged 75 and over.

Table 5 and figure 2 here

2.4. National Health Service Hospital Provision

It is also interesting to set these changes in the provision of residential and nursing home care in the context of NHS hospital provision. The number of beds available in hospitals for people with a mental handicap or a mental illness and the number of in-patient beds in departments of geriatric medicine in England and Wales for the period 1980 to 1990 are shown in table 6. The transition to community care has reduced the number of beds

available by 46 per cent for people with a mental handicap and by 32 per cent for people with a mental illness. In-patient beds in departments of geriatric medicine have declined by 10 per cent. The NHS provision has therefore shown the greatest contraction. While such a change may be very welcome for younger people, the decline of NHS continuing care facilities for elderly people involves major problems of equity in the burden of paying for care. These and other implications for health and social care policies of the changes in the pattern of provision of long-term care are addressed in the final section of this paper.

Table 6 here

3. INCOME SUPPORT AND RESIDENTIAL AND NURSING HOME CARE

Associated with the growth in the level of provision of places in independent residential care and nursing homes has been a dramatic increase in the amount of support from the social security system to residents and patients in homes in the independent sector, and a substantial increase in both the number and the proportion of residents and patients supported by social security payments. There was a 26-fold increase in real terms in social security payments to people in independent residential care and nursing homes between December 1979 and February 1986 (DHSS, 1987d). Although the private sector of residential care for elderly people and people with a physical handicap had begun to expand in the mid-1970s, as shown in figure 1, the increase in provision in this sector accelerated in the early 1980s. Changes in the system of supplementary benefit board and lodging payments introduced in November 1983 received substantial publicity and increased the rate of growth in private sector provision (DHSS, 1985). A new system of national supplementary benefit board and lodging limits related to the type of care provided by the home was introduced in 1985, prior to the PSSRU/CHE survey, and supplementary benefit was replaced by income support in the Social Security Act 1986, which came into force in April 1988 (DHSS, 1987b), after the survey had been undertaken. Table 7 shows the growth of support to residents and patients in residential care and nursing homes in England, Scotland and Wales from income support (supplementary benefit board and lodging) payments during the period 1979 to 1990. Such payments rose from £10 million per year in December 1979 to £459 million per year in February 1986, a 26-fold increase in real terms, as noted above, and have continued to grow, reaching an annual rate of £878 million in May 1988, and £1390 million by August 1990. Following the uprating of the income support limits for 1991-

92 in April 1991, income support payments were estimated to reach an annual rate of £1625 million, and to support an estimated 220000 claimants (House of Commons, 1991).

Table 7 here

4. IMPLICATIONS FOR HEALTH AND SOCIAL CARE

The changing balance of public:private provision of long-term care has had and will continue to have important implications for health and social care policies in regard to issues of choice, efficiency and equity.

In the first place, it can be argued that the growth of private sector provision has given people who needed continuing care a greater number and variety of places from which to make a choice. This is particularly true where residential and nursing homes have replaced large scale public provision. The large hospitals for people with a mental handicap or a mental illness, many of which had more than 500 beds, served very large catchment areas, which made accessibility very difficult for visitors. Even relatively smaller (under 200 beds) hospitals with continuing care facilities for elderly people were not always conveniently located for visitors (Wright, 1985). In addition, both NHS and local authorities usually operate residency rules for admission to care which make it difficult for people to migrate across administrative boundaries. However, although some NHS authorities have pursued a policy of discharging people from long-stay care to the districts in which they used to live, others have discharged people to homes at some distance from the hospital or their previous place of residence. The independent sector does not have such restrictions and, in principle, people will usually be free to find a home which suits them and potential visitors, whether they use income support from social security or their own resources to meet the charges for care.

However, a word of caution needs to be added on the aspect of choice. Although private residential homes may be smaller and more scattered than

their equivalents in the public sector, there is no guarantee that they will be located in areas most suitable to potential residents and their visitors. They may also be concentrated in areas in particular localities because of the availability of suitable property. The provision of independent homes is variable. Some parts of London, for example, have very few private or voluntary residential or nursing homes. Even within one local government administrative area there is varied provision of private homes. For example, in North Yorkshire in 1985 there was one nursing home place per 450 people over 75 years of age in the Hambleton and Richmond districts of the county compared with one per 18 in the Harrogate and Craven districts of the county. In the period 1985-87 the residential care market in North Yorkshire was not growing to cover existing deficiencies in provision, although the development of nursing home care was being responsive to excess demand (Corden, 1992). This study also found that local authority residential homes helped to balance the uneven spread of private and voluntary homes. Local authority homes have to some extent been located near to the populations they serve. As Davies and Knapp (1981, p.104) reported, "authorities have been increasingly able to integrate new homes into local communities, although often not without resistance from private householders". While this opposition to the location of new homes for elderly people is probably related to town planning considerations and the siting of larger (40-50 place homes) in mostly residential areas, the opposition to locating smaller homes for the other client groups in local communities is based on fear about anti-social behaviour, falling property values and increases in traffic and noise (Knapp et al., 1992).

However, it must be added that although integration within the local community has been the intention of successive governments over many years,

the location of a home within a community has not guaranteed that integration either in the care of elderly people (Willcocks, 1986) or people with a mental handicap (Raynes et al., 1990).

The provision of private residential and nursing home care is dominated by small units which tend to promote competition provided that the spatial distribution is not too sparsely scattered. The penetration of the market by large firms or chains is still on a relatively minor scale, particularly in the residential care sector. In 1991, only 6.5 per cent of residential care, dual registered and nursing homes in the private sector were owned by providers with three or more homes. However, 14.8 per cent of the nursing homes and 14.5 per cent of the dual registered homes were owned by major providers, compared with 2.5 per cent of the registered homes. The homes owned by the major providers are larger on average than those owned by proprietors with one or two homes. In 1991, the major providers accounted for 21.2 per cent of nursing home places, 19.6 per cent of places in dual registered homes, and 3.9 per cent of residential home places in the private sector (Laing and Buisson, 1992). In the PSSRU/CHE survey, 84 per cent of private residential homes and 69 per cent of private nursing homes were the only homes run by the proprietors, and 94 per cent of private residential homes and 87 per cent of private nursing homes were run by proprietors who ran one or two homes (Darton et al., forthcoming). Theoretically, the competition between owners should promote efficiency in the long-term care sector since the growth of an industry with such a large proportion of sole proprietors suggests that there are few barriers to entry, and any likelihood of excess profit would encourage an increased supply of homes to reduce prices to competitive levels.

There is also empirical evidence which points to the relative

efficiency of private sector residential care. Using the data collected in the 1981 survey and a follow-up survey of proprietors of private homes, Judge et al. (1986) suggested that the charges made by owners of private residential homes indicated that private homes had an edge in efficiency compared with local authority provision. A study of alternative forms of residential care for people with a mental handicap also showed the private sector homes to be the most efficient form of care (Raynes et al., 1990), although there were problems in this survey of obtaining a good response to the questionnaires sent to owners of private homes.

The degree of competition in the provision of long-stay care, like the availability of consumer choice, is dependent on the number of homes in a locality. The effects of competition on charges for accommodation and on relative efficiency will be greatest where supply closely matches demand. However, markets for long-term care are localised and, theoretically, there could be wide variations in charging policies because of either an excess demand for care or through pricing policies which are based on monopolistic rather than competitive practices.

Competition in the supply of long-term care is not perfect even where there is a large number of buyers and sellers in a local market. Owners will compete on non-price factors such as services provided, for example, occupational therapy, physiotherapy or chiropody, or on standards of furnishing and decor, or sizes and locations of rooms. There will be a marked effort to provide a personalised brand of care by each owner. Thus, potential residents or their agents face a multiplicity of prices and services on offer. In areas where competitive forces are weak, owners could adopt oligopolistic pricing policies either by open or covert collusion or by following a price

leader. The presence of alternative sources of public provision could help to maintain a competitive edge to charging policies and deter the use of price-fixing practices.

A further question about the potential efficiency of the growth of the independent sector is the tendency of the financial support system to encourage "misplacement" of people within long-term care. This concern is based on the fears that people are not placed in the care setting which is most appropriate for their current or future needs.

The report of the Audit Commission (1986) was very critical of the "perverse incentive" provided by social security to elderly people entering independent homes instead of maintaining them in their own homes. Those people who strictly advocate "ordinary living" in ordinary housing for the care of people with a mental handicap or a mental illness or a physical handicap would also regard the use of residential or nursing homes as misplacement or inappropriate placement (Bayley, 1991). More recently, there has been criticism that the existing differential between income support for nursing home care compared with that for residential home care is encouraging the placing of people who do not need nursing care into nursing rather than residential homes (Association of Directors of Social Services, 1992).

The extent of "misplacement" is not easy to assess because people enter homes for a variety of reasons (Darton and Wright, 1992). Increasing disability is a major reason but people may also enter residential care because they feel they are unable to cope alone or require security and companionship or because of the lack of suitable housing accommodation (Bradshaw and Gibbs, 1988). Continuity of care is an important aim in the provision of long-stay

care for elderly people, as recognised in the Health and Social Services and Social Security Adjudications Act 1983 which first included a provision enabling homes to be registered as both residential and nursing homes (dual registration). "Home Life: A Code of Practice for Residential Care" supported the principle of dual registration by noting "The boundary between the need for residential care and nursing care, and between 'resident' and 'patient', is rarely clear cut, and the dually registered establishment provides an environment which, in principle, is wholly in the interest of the occupants" (Centre for Policy on Ageing, 1984, p.31). Further recognition of this principle came from the recommendation of the Wagner Committee (1988) for the establishment of a single registration and inspection system for residential and nursing homes in order to maintain care in one setting as residents' disabilities increase. Consequently, cross-sectional studies of the distribution of disabilities within and between homes are always likely to reveal a fairly large proportion of residents or patients who are only mildly disabled (Darton and Wright, 1992), and such evidence could be interpreted as the provision of continuity of care rather than as "inappropriate placement".

Finally, the financing of care in independent homes raises equity issues, especially for elderly people. Before the growth of the independent sector over the last twelve years or so, most people in long-stay care were in NHS or local authority accommodation. This in itself raised equity issues since local authorities charged for accommodation while NHS care was free. People with low incomes were not affected by this difference. Their weekly state income in all these settings was reduced to "pocket money" levels. However, for people with higher incomes the transfer from NHS to local authority care could be quite expensive. The development of the private sector, especially nursing homes, has added a further dimension to this matter.

If people are not eligible for income support, the cost of paying for care is frequently high enough to take up all their present income and make heavy demands on their accumulated savings, including the wealth that has accrued to their property. Where charges in homes are higher than income support levels, even those people whose incomes comprise state pension plus supplementary social security benefits have to look to other sources to top up income support to find suitable accommodation.

It is possible that the reduction in the availability of continuing care beds in the NHS will continue at a rate which ensures that long-stay NHS care is no longer an option in many localities in Britain. Thus, people will have to finance all or part of their continuing care in old age. Obviously, it would be possible to discuss the social justice of this move at length, but, in effect, the changes have occurred with very little debate and alternative options have disappeared before people have had time or opportunity to discuss their implications.

Two implications of the new arrangements heralded by the White Paper "Caring for People" (Secretaries of State for Health, Social Security, Wales and Scotland, 1989) and embodied in the National Health Service and Community Care Act 1990 are producing opposite pulling forces on the expansion of the independent sector. On the one hand, the handing over to local authorities of the money from income support that met the care charges in independent residential and nursing homes is intended to give social services departments the incentive to maintain elderly people in their own homes and thereby reduce the demand on long-stay facilities. On the other hand, local authorities are being discouraged from using their own residential homes by a financial system which favours placing people in the independent sector. Local authorities

are therefore using or considering the use of a number of methods of transferring their own residential homes over to the independent sector. The continued closure of long-stay hospitals under the care in the community arrangements will also increase the demand for residential and nursing home places.

The development of the independent sector has occurred rapidly over the last ten years. It has contributed significantly to coping with the growing numbers of elderly people needing long-term care and has greatly assisted the move to close long-stay hospitals for people with a mental handicap or a mental illness. However, many of the consequences of the changing public/private mix are only just becoming apparent as NHS and social services managers struggle with coping with a local mixed economy of long-term care. The interesting feature in the next few years will be whether the distribution of care homes becomes less unequal if local supply can react to local demand and whether the transfer of funds for long-term care from social security to local authority budgets encourages domiciliary-based rather than residential or nursing home care.

ACKNOWLEDGEMENTS

The PSSRU/CHE survey was funded by the former Department of Health and Social Security. Responsibility for the paper is the authors' alone. Sheila Jefferson and Eileen Sutcliffe at the University of York were responsible for organising the fieldwork and data preparation for the survey. Finally, without the cooperation of proprietors and managers of residential and nursing homes, the study would not have been possible, and their willingness to participate is gratefully acknowledged.

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Table 1

Residential Homes for Elderly People and People with a Physical Handicap in England and Wales, 1970-90

Information	Local authority homes		Voluntary homes		Private homes		All homes	
	Number	% chge between years	Number	% chge between years	Number	% chge between years	Number	% chge between years
Homes								
1970[3]	2338		1052		1768		5158	
1976[4]	2759	18.0	1063	1.0	1814	2.6	5636	9.3
1981[4]	2862	3.7	1161	9.2	2609	43.8	6632	17.7
1986[4]	2874	0.4	1084	-6.6	6419	146.0	10377	56.5
1990[4]	2745	-4.5	1141	5.3	9096	41.7	12982	25.1
Places								
1970[3]	na		33270		22712		na	
1976[4]	na	na	33854	1.8	27034	19.0	na	na
1981[4]	122691	na	38082	12.5	40737	50.7	201510	na
1986[4]	123578	0.7	37248	-2.2	97594	139.6	258420	28.2
1990[4]	112626	-8.9	36145	-3.0	153229	57.0	302000	16.9
Residents 65 and over								
1970[3]	92457		23773		18264		134494	
1976[4]	105586	14.2	24515	3.1	21851	19.6	151952	13.0
1981[4]	110193	4.4	26900	9.7	32941	50.8	170034	11.9
1986[4]	108748	-1.3	26018	-3.3	81608	147.7	216374	27.3
1990[4]	95673	-12.0	27478	5.6	126267	54.7	249418	15.3
All residents								
1970[3]	99013		28566		18921		146500	
1976[4]	112218	13.3	29545	3.4	22836	20.7	164599	12.4
1981[4]	115817	3.2	33047	11.9	34830	52.5	183694	11.6
1986[4]	113600	-1.9	31608	-4.4	84746	143.3	229954	25.2
1990[4]	98869	-13.0	32511	2.9	129396	52.7	260776	13.4

Notes:
1 Sources: DHSS (1974, nd(d)); Department of Health (nd(a)); Welsh Office (1979, 1984, 1986, 1988, 1991b, nd(a), nd(b)).
2 The symbol 'na' is used to denote information that was not available.
3 At 31 December.
4 At 31 March.

Table 2

Residential Homes for Elderly People and People with a Physical Handicap[2] in Scotland, 1970-90

Information	Local authority homes		Registered homes		All homes	
	Number	% chge between years	Number	% chge between years	Number	% chge between years
Homes						
1970[3]	206		155		361	
1976[4]	239	16.0	196	26.5	435	20.5
1981[4]	249	4.0	194	-1.0	443	1.8
1986[4]	269	8.0	249	28.4	518	16.9
1990[4]	277	3.0	381	53.0	658	27.0
Places						
1970[3]	7761		4781		12542	
1976[4]	9221	18.8	5805	21.4	15026	19.8
1981[4]	9405	2.0	5787	-0.3	15192	1.1
1986[4]	9866	4.9	6750	16.6	16616	9.4
1990[4]	9712	-1.6	8920	32.1	18632	12.1
Residents						
1970[3]	7350		4371		11721	
1976[4]	8433	14.7	5047	15.5	13480	15.0
1981[4]	8845	4.9	5233	3.7	14078	4.4
1986[4]	9161	3.6	6141	17.4	15302	8.7
1990[4]	8807	-3.9	7815	27.3	16622	8.6

Notes:
1 Sources: Scottish Office (1973, 1989, 1991).
2 Homes for people with a physical handicap were all voluntary homes.
3 At 31 December.
4 At 31 March.

Table 3

Homes and Hostels for People with a Mental Handicap or a Mental Illness in England, 1977-90[2]

Information	Local authority homes[3]		Voluntary homes		Private homes		All homes	
	Number	% chge between years	Number	% chge between years	Number	% chge between years	Number	% chge between years
Mental handicap								
Homes								
1977	560		77		77		714	
1980	787	40.5	99	28.6	93	20.8	979	37.1
1983[4]	963	22.4	161	62.6	131	40.9	1255	28.2
1986	1175	22.0	284	76.4	347	164.9	1806	43.9
1990	1691	43.9	666	134.5	738	112.7	3095	71.4
Places								
1977	9751		1968		1298		13017	
1980	12062	23.7	2129	8.2	1617	24.6	15808	21.4
1983[4]	13735	13.9	3054	43.4	1992	23.2	18781	18.8
1986	15788	14.9	4693	53.7	3908	96.2	24389	29.9
1990	16886	7.0	7894	68.2	8382	114.5	33162	36.0
Mental illness								
Homes								
1977	319		61		33		413	
1980	441	38.2	68	11.5	54	38.9	563	36.3
1983[4]	527	19.5	118	73.5	53	-1.9	698	24.0
1986	597	13.3	174	47.5	156	194.3	927	32.8
1990	672	12.6	200	14.9	364	133.3	1236	33.3
Places								
1977	3092		1268		596		4956	
1980	3724	20.4	1381	8.9	761	27.7	5866	18.4
1983[4]	4173	12.1	1603	16.1	764	0.4	6540	11.5
1986	4470	7.1	2134	33.1	1731	126.6	8335	27.4
1990	4349	-2.7	2660	24.9	4697	171.3	11706	40.4

Notes:
1 Sources: DHSS (nd(a)); Department of Health (nd(c)).
2 At 31 March.
3 Including staffed and unstaffed local authority homes and hostels.
4 Data for voluntary and private homes for 1983 (and 1981 and 1982) unreliable as a result of changing the method used to collect the data.

Table 4

Homes for People with a Mental Handicap or a Mental Illness in Scotland, 1978-90[2]

Information	Local authority homes		Registered homes		All homes	
	Number	% chge between years	Number	% chge between years	Number	% chge between years
Mental handicap						
Homes						
1978	35		12		47	
1980	44	25.7	16	33.3	60	27.7
1983	59	34.0	21	31.3	80	33.3
1986[3]	62	5.1	32	52.4	94	17.5
1990[3]	64	3.2	134	318.8	198	110.6
Places						
1978	457		496		953	
1980	561	22.8	532	7.3	1093	14.7
1983	732	30.5	646	21.4	1378	26.1
1986[3]	875	19.5	702	8.7	1577	14.4
1990[3]	895	2.3	1606	128.8	2501	58.6
Residents						
1978	411		449		860	
1980	495	20.4	481	7.1	976	13.5
1983	665	34.3	569	18.3	1234	26.4
1986[3]	810	21.8	653	14.8	1463	18.6
1990[3]	807	-0.4	1505	130.5	2312	58.0
Mental illness						
Homes						
1978	16		1		17	
1980	27	68.8	3	-	30	76.5
1983	40	48.1	2	-	42	40.0
1986[3]	30	-25.0	4	-	34	-19.0
1990[3]	30	0.0	44	-	74	117.6
Places						
1978	103		7		110	
1980	167	62.1	42	-	209	90.0
1983	239	43.1	38	-	277	32.5
1986[3]	170	-28.9	64	-	234	-15.5
1990[3]	156	-8.2	286	-	442	88.9
Residents						
1978	88		4		92	
1980	142	61.4	40	-	182	97.8
1983	206	45.1	29	-	235	29.1
1986[3]	131	-36.4	58	-	189	-19.6
1990[3]	96	-26.7	279	-	375	98.4

Notes:
1 Sources: Scottish Office (1981, 1987, 1991).
2 At 31 March.
3 Group homes with minimal social work involvement excluded from tabulations for 1984 onwards (Scottish Office, 1985). Registered group homes are included (Scottish Office, 1991).

Table 5

Registered Nursing Homes in England and Wales, 1982-90

Year	Institutions[2]		Beds for elderly long-stay patients[3]	
	Number	% change between years	Number	% change between years
1982[4]	1078		19013	
1983[4]	1172	8.7	23501	23.6
1984[4]	1350	15.2	28377	20.7
1985[4]	1710	26.7	35225	24.1
1986[4]	2178	27.4	44256	25.6
1988[5]	2798	28.5	61119	38.1
1989[5]	3302	18.0	78887	29.1
1990[5]	3801	15.1	96920	22.9

Notes:

1 From information recorded on forms SBH 212 and KO36. Information for England tabulated in DHSS (1986, 1987c, 1988, nd(b), nd(c)) and Department of Health (1989, 1990, 1991b). Information for Wales supplied by the Welsh Office and tabulated in Welsh Office (1990, 1991a).

2 Excluding institutions with operating theatres.

3 Patients aged 65 years and over requiring long-stay (i.e. 3 months and over) nursing care.

4 At 31 December.

5 At 31 March. Information for Wales for 1988 estimated from information at 31 December 1987 and 31 March 1989.

Table 6

National Health Service Beds for the Specialties of Geriatrics, Mental Handicap and Mental Illness in England and Wales, 1980-90

Year	Departments of geriatric medicine (000s)	Hospitals for people with a mental handicap (000s)	Hospitals for people with a mental illness (000s)
1980[2]	61	52	92
1981[2]	61	50	90
1982[2]	61	49	89
1983[2]	61	48	87
1984[2]	61	46	84
1985[2]	61	44	81
1986[2]	60	41	77
1988[3]	59	35	72
1989[3]	57	32	67
1990[3]	55	28	63

Notes:

1 Sources: DHSS (1987a); Department of Health (1991a); Welsh Office (1984, 1990, 1991a).

2 At 31 December.

3 At 31 March. Information for Wales for 1988 estimated from information at 31 December 1987 and 31 December 1988, and information for Wales for 1989 estimated from information at 31 December 1988 and 31 March 1990.

Table 7

Income Support[2] to People in Independent Residential Care and Nursing Homes in England, Scotland and Wales

Date	Expenditure (£m)		Number of claimants (000s)	% of residents receiving IS[4]
	Current prices	Aug 1990 prices[3]		
December 1979	10	21	12	14
December 1980	18	33	13	14
December 1981	23	38	13	13
December 1982	39	61	16	16
December 1983	104	153	26	23
December 1984	200	282	42	31
December 1985	348	464	70	44
February 1986	459	609	90	55
May 1987	671	844	117	na
May 1988	878	1059	147	na
May 1989	1105	1231	176	na
May 1990	1270	1289	189	63[5]
August 1990	1390	1390	199	na

Notes:

1 Sources: DHSS (1987d); House of Commons (1990, 1991); Central Statistical Office (1991).

2 Supplementary Benefit before April 1988.

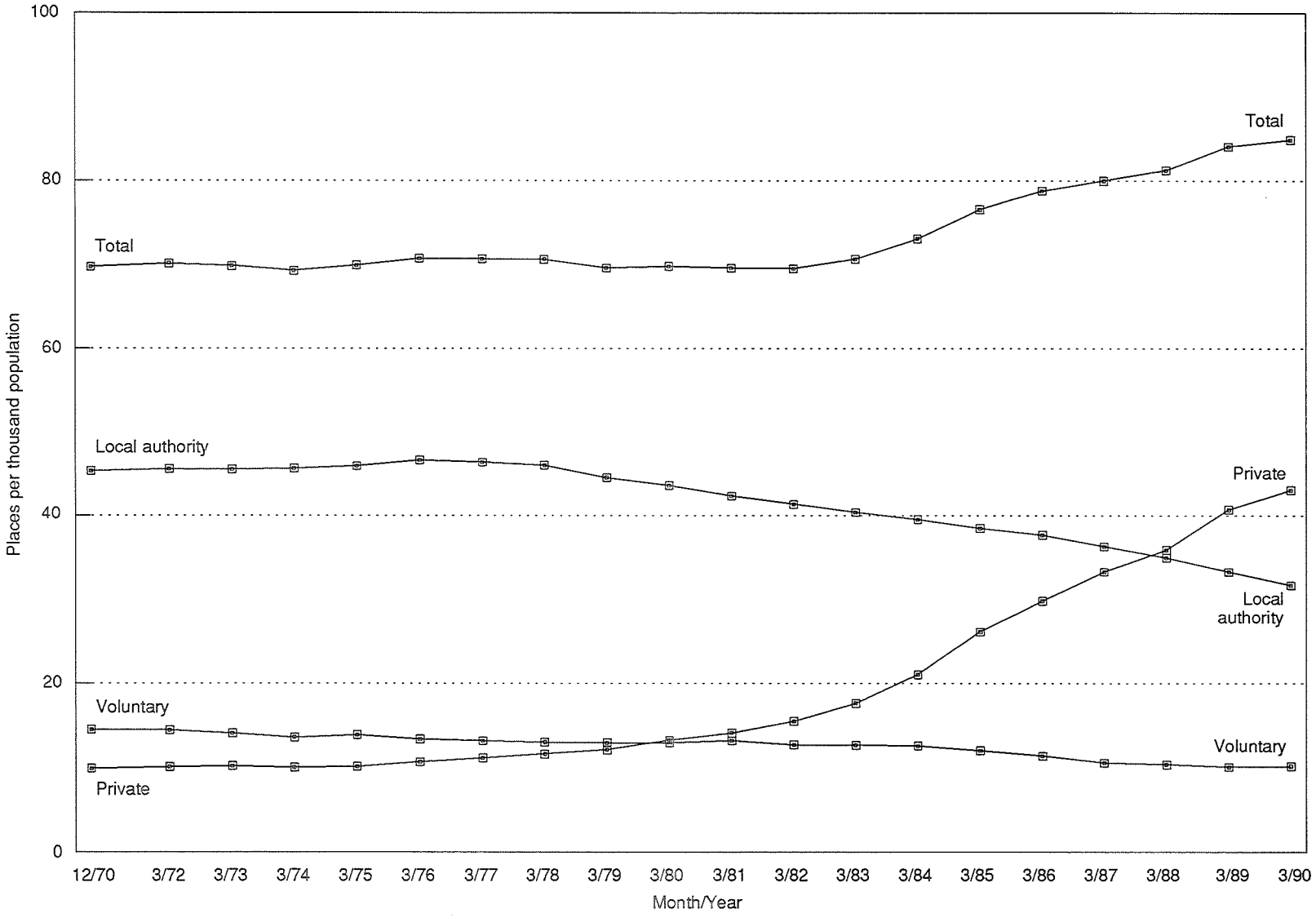
3 Adjusted to constant prices on basis of RPI (Central Statistical Office, 1991).

4 The symbol 'na' is used to denote information that was not available.

5 Estimate as at March 1990. Sources of total number of residents/places: Department of Health (1991b, nd(a), nd(c)); Common Services Agency for the Scottish Health Service Information and Statistics Division (1990); Scottish Office (1991); Welsh Office (1991b, 1992a). Occupancy rates estimated from PSSRU/CHE survey (Darton et al., forthcoming).

Figure 1.

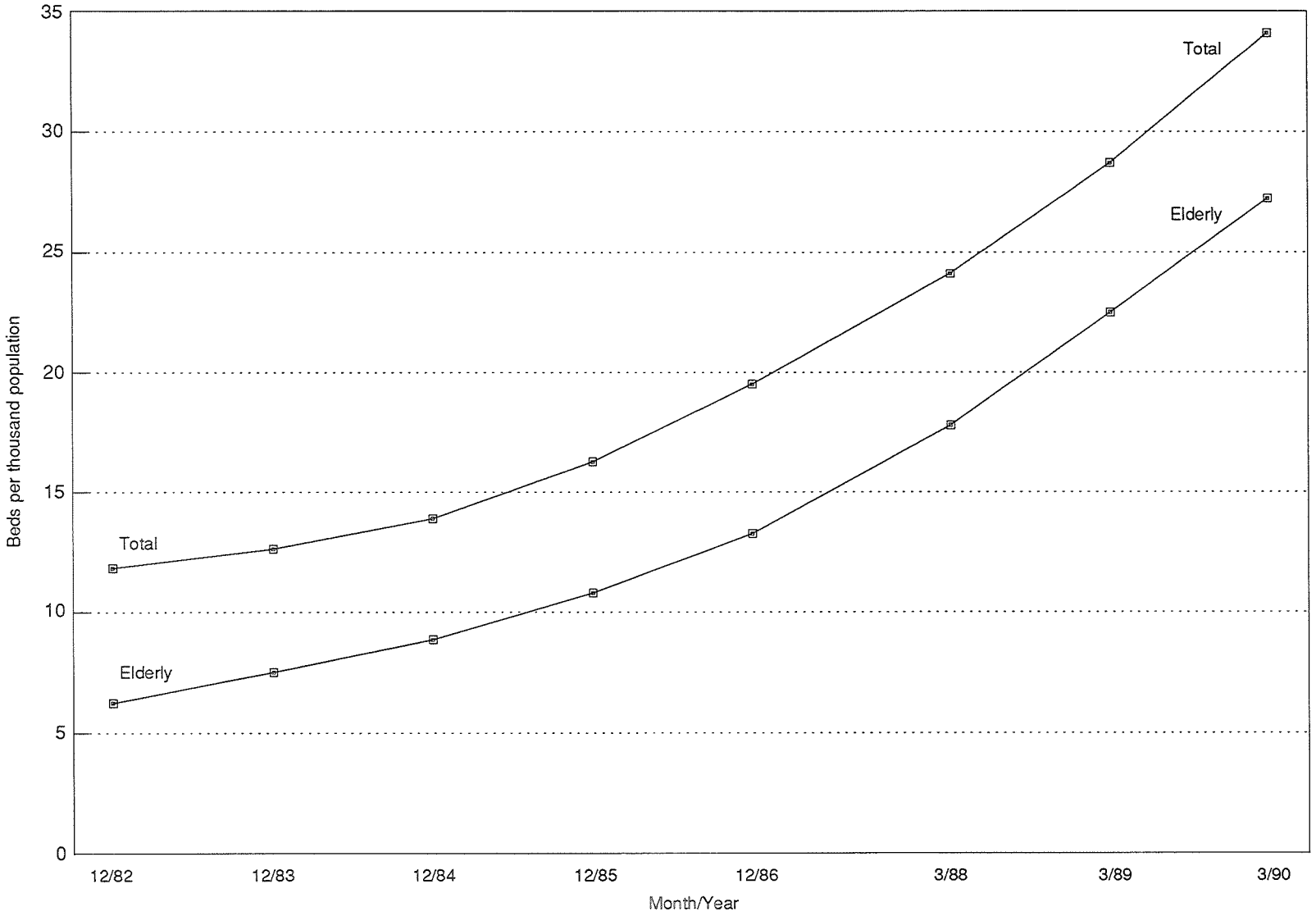
Residential Places for Elderly People and People with a Physical Handicap in England and Wales, 1970-90, per 1000 Population Aged 75 and Over



Sources:
Central Statistical Office, Annual Abstracts of Statistics.
Department of Health and Welsh Office statistics.

Figure 2.

Independent Nursing Home and Hospital Beds in England and Wales, 1982-90, per 1000 Population Aged 75 and Over



Sources:
Central Statistical Office, Annual Abstracts of Statistics.
Department of Health and Welsh Office statistics.