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3 February 2025

Dear Sir,

Letter of Comment re: P2024/114 - The Need to Stabilise the Private Care Home Market

The Policy & Resources Committee has considered the above policy letter dated 19th December 2024 and by a majority supports the proposals.

Deputies Trott, Le Tocq and Gollop support these proposals and agree there is a need for government intervention now to begin to mitigate the impacts of the changes in our demographic, and to support the invaluable private care-home sector and incentivise it to grow, as evidenced through the cross-Committee work on the development of the new long-term care model, published in the Findings Report¹.

Those Committee Members who do not fully support the proposals have valid concerns centred on the timing of such policy interventions and the impact that these changes may have on future policy decisions. Those Members also understand that based on the evidence there is limited time remaining this political term to address all related matters.

The Committee for Employment & Social Security can be commended for seeking to find a short to medium term solution to the challenges facing our long-term care provision which takes on board the concerns and feedback from States Members, community groups and the care provider market.

It is also apparent that the Committee for Employment & Social Security has sought to balance the requirement to meet the true costs of care, the impact on individuals requiring care, and where it can soften that impact such as through the proposals to phase the uplift of the co-payment (which covers accommodation and living costs) over a period of five years. While this approach will likely increase the costs of Income Support by an estimated £100,000² in 2025, rising to £2m in 2030, to support those who are unable to contribute the full amount of the higher co-payment, it is preferable to a significant one-off increase in costs of £171.98 per week from the current £342.02 per week (2025 terms).

¹ 2024 Findings Report: <https://gov.gg/CHttpHandler.ashx?id=183658&p=0>

² The estimated additional Income Support costs exclude any cost associated with medical expenses cover benefit.

However, the additional Income Support costs will create a £100,000 budget pressure in 2025.

While the introduction of a user contribution of £10,000 for those who can afford to pay may seem excessive to some, compared to other similar jurisdictions this is low. It also protects the wider assets such as the Principal Primary Residence which are included in the ability to pay assessment in other jurisdictions. Likewise, as a percentage of the overall costs of care it is similarly relatively low with private care-home costs averaging £60,000-£85,000 per annum (depending on level of care required) for an average duration of between 12 to 18 months. **The Committee notes that the costs for care in a public sector setting such as the Lighthouse Wards is substantially higher, (estimated to be an additional £35,000 to £45,000 per annum).**

Although these proposals will affect a relatively small percentage of the population, (1.6%, 1,010 people, in 2023), the Members would like to emphasise that the alternative of not supporting these changes could result in further care home closures and no growth in bed numbers to help meet the projected demand. If this occurs then the unmet demand will fall to the Committee *for* Health & Social Care to manage, where it can, at an expected, significantly higher cost to General Revenue, as illustrated above. These additional costs would extend beyond the care bed provision itself with the impacts on other health and care services also being felt, such as through more delayed discharges from hospital resulting in cancelled day-patient services.

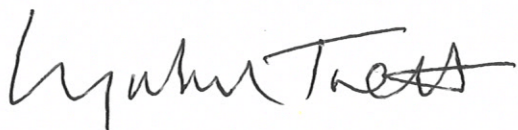
There is no guarantee that these measures, if approved, will secure all the growth in beds needed, although the Committee has had some encouraging early discussions with care providers about the creation of new homes. The stability and appropriateness of the funding provided for care is an important factor of influence to any investment decisions in this regard, alongside the suitability of appropriate site(s) for new care homes, as determined by the investor, and the subsequent cost of developing those sites into a facility able to deliver care.

Equally, while this comparatively modest user care cost contribution will offset some of the impact on the Long-Term Care Insurance Fund of the additional costs, it by no means addresses the long-term sustainability of the Long-Term Care Insurance Scheme. The Policy & Resources Committee is unanimous in urging the Assembly to be cognisant that further work is required next term to put in place a sustainable model of long-term care that will continue to provide the care and support needed to our community. It will be important that this work aligns with tax policy developments and the progress in securing a sustainable health and care system.

The Policy & Resources Committee is pleased to note the Committee *for* Employment & Social Security has identified this within Proposition 13 so that the next Assembly remains equally sighted on the future work needed to fully address the challenges identified.

In summary, the Committee supports these proposals by a majority and advises the Assembly to support these short to medium term changes. They are designed to ensure the continued support of, and encourage much needed growth in, the private care-home market, so our community can receive quality, long-term bed-based care when it is needed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lyndon Trott', with a stylized flourish at the end.

Deputy Lyndon Trott OBE
President

Cc: Committee *for* Employment & Social Security