

Options for social care

The current system has been uneasily defended by the main parties in recent years, with growing criticisms. This system seeks to define a distinction between normal living costs, and care costs. An elderly person, whether living in their own home or in a care home, gets some state financial support with care costs but is expected to make their own provision for accommodation and daily living and to pay for other social care provision. All healthcare is free for all.

This means when someone moves from their own home into a care home for the rest of their lives a decision has to be made about the use of the home they are vacating which will have implications for any means tested benefits and support. Clearly the elderly person no longer needs the home they leave, and that home should be used. The most likely outcome is sale to a new owner occupier, releasing capital. This capital is then used to pay for the day to day living costs at the care home. Alternatively, if the property has a high rental value, the elderly person could rent it out and use the rental income along with any other income to pay the care home fees.

There have been many critics who say this is unfair on grown up children hoping to inherit. If their parents live in their own home until death they will inherit a valuable property. If the last surviving parent moves into a care home they may inherit very little. To address this different outcome the Conservative Manifesto says why not increase the amount of capital someone in a care home can keep to 100,000 pounds from the current 23000 pounds, but also have the same rule for people continuing in their own home.

Judging this needs detail over how the distinction between healthcare, free to all, and other care which you will be billed for, would work out. The proposal allows an elderly person living in their own home to defer any payment, making it a charge on the estate.

The different outcomes that will still arise come from the high costs of care home provision. The basic accommodation and meal costs will tend to be much higher than living alone in your own home. Many more staff are involved and we want them to be decently paid. The owner also needs to cover the cost of capital to provide the property.

A lot of the grown up children, many of them pensioners themselves, have their own homes and savings by the time their last parent dies. The debate is whether they should pay more tax to help pay more of the costs of living of their parent's generation through the state, or whether they should accept as possible heirs that their own parent has to spend more of the money they have accumulated during their lives to pay the bills of their old age. One way or another the children have to help finance the very elderly. The truth is the state has no money, only the money it takes off us one way or another.

Published and promoted by Fraser Mc Farland on behalf of John Redwood, both at 30 Rose Street Wokingham RG40 1XU