

# 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 100,0000 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

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## Tax cuts to continue under Conservative plans

The Conservative Manifesto has confirmed the 2015 promise of raising the starting threshold for Income Tax to 12500, and the threshold for 40% tax to 50000.

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## Who should pay for care?

There are three possible answers to who should pay for an individual's care. The individual themselves may have the money to do so. The individual's family may have the money and the capacity to provide the care. The state – in other words the rest of us – could do so.

By common political consensus in the UK we take a differing view on who should pay for a child's care, and who should pay for an elderly person.

All mainstream parties and most people agree that as a child cannot work and does not usually have any money of their own, the parents should normally provide. We expect mother and father, or mother or father, to offer food, shelter and clothing, and to look after the child when not at school. Both parents are expected to contribute financially where they can. The state steps in if the parental income is insufficient, offering help with money and housing. The state also has powers in extreme cases of poor parental behaviour towards the child to remove the child and find surrogate parents willing to look after the child.

In the case of elderly people more emphasis has been placed on the elderly person themselves contributing financially to their care and maintenance where they have substantial savings. No party has proposed making children responsible for their elderly relatives, nor would that be an acceptable proposal, though in practice many families do provide answers to the care needs of their elderly members. The state provides all healthcare free, and provides free places in care homes for those who need them and have little by way of assets or income. There has also been an issue over differing treatment of an elderly person who chooses to stay living in their own home, and those who move into care homes, vacating their old property. There are issues over what constitutes free healthcare, and what is normal living cost.

The contentious question revolves around how much capital an elderly person should be able to pass on after death, and how much should be used up during their later years on paying for their living costs and care. I am interested to hear your thoughts on the right balance over who pays for what. In the next post I will talk more about the various options.

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## [More money for schools and social care](#)

As one who has lobbied for more cash for local schools and social care, I was pleased to see both in the Conservative Manifesto.

The document confirms the government will press ahead with fairer funding, giving larger increases for schools with the smallest per pupil sums today. It also offers an additional 4000 million pounds over the next Parliament to the schools budget, so the gap can be narrowed without cutting the budgets of the better funded.

It also proposes more money for social care, paid for in part from removing the winter fuel allowance from better off pensioners.

Both increases will be welcome in West Berkshire and Wokingham Council areas, as the budgets are currently tight.

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## [Taming the market?](#)

I have received many phone calls from media and newspaper outlets wanting me to criticise the Conservative leadership for proposing some curbs on big business in areas like energy to help consumers. There is growing frustration by these people, often pro Remain commentators desperate to create a split in the pro Brexit Conservatives. Let me explain why they are wasting their time.

Many Conservatives regard delivering Brexit as the most important thing the next government has to do. We want strong and stable leadership able to get through the legislation needed. Together we seek a mandate to show the Lords the public are behind the Commons on this matter. The legislation to remove the power of the EU will be a Manifesto Bill, which by convention the Lords

allow to pass. If we deliver Brexit well, then the UK can embrace free trade with non EU countries. The UK can be more outward looking and enterprising, to be able to pursue our own path to prosperity. We can choose our own taxes, spend our own money and amend our own laws.

Conservatives including the Prime Minister of course regard markets as the important source of choice, jobs and prosperity. Together we are against renationalising the railways, the water companies and the Postal service. Together we seek to create a climate favourable to business in the UK, and are pleased that so far Conservative led governments since 2010 have created conditions which have led to a big surge in investment and jobs. Together we want lower taxes, with proper rewards for work and venturing. Together we want to see more challenger businesses and more innovative small companies rise and flourish as signs of a healthy enterprise economy.

Belief in the importance of markets and competition is not the same as belief in a free for all. I and others of like mind have always accepted that Parliament and government needs to set out a clear legal framework to control business and ensure fair competition. We have always accepted the need for redistribution through taxes and benefits. We seek lower tax rates, but not lower tax revenues. One of the reasons we want lower tax rates on work and profit is to encourage more growth and prosperity. We support a legal framework to protect employees from any bad employer that might be out there.

Like the Prime Minister, I am all in favour of imposing requirements on large companies that have an overmighty market position, and especially intervening against monopolies and cartels that act against the customer interest. No Conservative supports large corporations tax cheating, overcharging or abusing their market power. Large corporations who distort markets or let their customers down or get out of line with the mood of the public they serve should not expect Conservative candidates and future MPs to turn against their Leader if she wishes to curb their abuses. The UK under the Conservatives should be a great place to do business for all those with competitive goods and services who wish to serve UK customers in all their diversity.

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