

Spending and the case for social care

The government is currently looking into how we provide and pay for social care.

Today we have a mixed scheme. The general principle behind it is if someone needs meals and housing, these are normal costs they should pay for out of their incomes and pensions. If someone needs medical treatment or a stay in hospital, this is something that comes free under the NHS guarantee.

If someone needs help at home with everyday activities then they have to pay. If they are on a low income with few assets then the state pays. The value of their home is not taken into account when working out if they can afford the home care. If someone has to go into a care home then they have to pay if they have income and assets. The state pays when the assets have largely gone. The value of their former home is part of their assets for this purpose, and they have to sell their former home to pay for the care home. Of course if they have a partner that still needs to live in their own home this does not apply.

Some think this is unfair, as it means if an elderly person needs to go into a home they lose their home and its value if the fees so require. Conversely if an elderly person can stay in their own property, they keep the asset and get more help with the care costs if on a low income.

I do not think we should change this general approach. It would be too dear to offer people free care home provision so they can leave their former home to their children, whilst it would be too tough to demand people living in their own homes to have to pay a levy on the price of their home. No political party has come up with a popular way of making this fairer and easier. Some have suggested taking some of the value of the home for the person continuing to live in it, by way of an additional death tax, whilst putting some cap on the amount of the value of the former home someone needs to spend on care home fees. I would be interested in views on it, but still think it too difficult to sell the idea of what will be called a new death tax over and above IHT.

I want some additional money to increase the quality and quantity of social care, for people of all ages and disabilities. Better care is a good in its own right, where many of us are happy to make a contribution through taxation. It will also reduce more strain on the NHS by getting people back home more quickly after hospital treatment.