

Old Grey Matter article submitted to EADT for publication Saturday 26th May 2018

Sorted?

Featured in the May edition no 131 of Campaign, the monthly newspaper of the National Pensioners Convention (NPC) is a report headlined '**NHS boss says sell your home to pay for care**'. Simon Stevens, the head of NHS England has told MPs that homes should be sold to pay for social care, instead of asking workers to pay more taxes. The NHS chief said deferred payments - where councils fund care and later claim back the costs from the estate after the individual has died - should be used more widely as part of the answer to funding our social care system. Mr Stevens also added that there needed to be a connection between the amount the public pay and the services they receive.

This echoed a recent call made by a cross-party group of MPs who urged the government to convert National Insurance (NI) into a specific tax for the NHS and care. However, despite being the head of the health service Mr Stevens seemed to be unaware that every year around 40,000 homes are sold to pay for social care costs as housing wealth is already taken into account when individuals are assessed.

Jan Shortt, NPC general secretary said: "Selling your house to pay for care is not the way we pool the risk and share the cost of looking after our most vulnerable older people. We are also concerned about any attempt to abolish NI because that's the way state pensions are funded."

The NPC is currently working on a number of solutions that include scrapping the Upper Earnings Limit on National Insurance (bringing in £10bn a year), capping pension tax relief at 20% (bringing in £12bn a year) or raising income tax (bringing in £7bn a year). Indeed, I would say a combination of all three would adequately cover the situation at a stroke – sorted!

Another article entitled '**Pension disparity revealed**' makes interesting reading. New research from HM Revenue and Customs reveals a huge disparity in pension incomes between different parts of the UK. The findings show that annual income for City of London based pensioners was £37,900 compared to just £12,300 in Stoke-on-Trent. In Scotland, pension incomes ranged from £20,000 in Stirling to £13,900 in North Lanarkshire and in Wales, pensions ranged from £18,700 in the Vale of Glamorgan down to £13,900 in Caerphilly.

These figures are supported by evidence from pay-day loan companies which claim there has been a 200% increase in the number of older people taking out one of these loans in the last two years. The latest statistics show that pensioners are now borrowing approximately £400 in pay-day loans every month just to survive, and as a result potentially placing themselves further into debt.

Other research also shows that as many as 1.4 million pensioners are now among the poorest 10% of people in Britain - up from 1million in 2015, whilst for the poorest pensioners, £3 in every £4 of their income comes from the state pension.

Ron Douglas, NPC president said: "Tackling pension inequality is a major issue and it's clear that things are getting worse. The real solution is to raise the state pension to £200 a week for all older people."

I would add that just as workers need a living wage, so do pensioners need a living pension at least up to or above the official poverty line – nothing else is acceptable in this fifth richest country of the world!

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