OLD GREY MATTER ARTICLE
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Care not Cuts Please

The National Pensioners Convention (NPC) Campaign bulletin for August reported the dreadful social care situation I highlighted here last month under the headline ‘Flawed care cap delayed until 2020’.
‘Just weeks after the general election, the Conservative government has broken a manifesto promise and announced the proposed cap on care costs that was due to come into force next April, will now be delayed until 2020. For those with property or assets worth more than £118,000, the cap was supposed to limit the amount they would have to pay towards their social care to £72,000 - but critics argued the plan was flawed from the start. Individuals would still have had to pay the £12,000 annual accommodation costs and the amounts paid that would actually count towards the cap would be those the local council would pay if they were buying the care - not the amount self-funders actually paid. It was also estimated that had the care cap been introduced in 2016, it would have benefited just one in 16 people. With the delay, those with assets of more than £23,250 will now continue to fund all their care costs in full. Pressure for the delay has come largely from local authorities who have argued that without additional funds, they would be unable to administer the new arrangements.
Cuts to social care funding are estimated at £3.5bn in the last five years, and over 1m older people no longer receive the care they need due to rationing by local councils. The government had also hoped that the private insurance market would step in with new products to help people save for their care costs, but in a recent survey carried out by the BBC, none of the leading companies had any plans to do so.
Most recently, the UK Home Care Association has joined the debate claiming they will be unable to afford to pay the proposed higher minimum wage of £9 an hour due in 2020 to their care staff. They have called on the Chancellor to give more money to councils to fund social care in this autumn's spending review and for care services to be "zero-rated" for VAT.
The NPC say none of the main political parties appear to have an answer to the crisis in social care, yet the public would support taxes that guaranteed better services. Dot Gibson, NPC general secretary said: “We have a toxic mix of low paid and poorly trained care staff with chronic underfunding and rationing of services that leads to older people being the victims of the collapse of social care in this country. The Care Act 2014 will do absolutely nothing to improve this situation and now it looks as if any other changes will have to wait for another five years. That is simply unacceptable and the NPC will be lobbying MPs on 4 November to call for a new integrated National Health and Care Service, funded through general taxation.”
Meanwhile, more pensioners than ever are treating their homes like "cash machines" by releasing equity to bolster income because retirement savings are failing to cover living costs. More than 5,400 over-55s used "equity release" to borrow a record £384m against their homes between April and June - a rise of 18% on the last three months. The loans can have higher interest rates and be hugely expensive because the longer you live, the more interest accumulates, with no repayments being made along the way to reduce the debt. The market has boomed among cash-poor but property-rich pensioners and withdrawals are running at £4.2m day. However, complaints about equity release are on the increase, according to the Financial Ombudsman.’

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