

## The 2017 Election Promises on Care Costs

Anyone who doubts the enormity of Britain's looming care crisis should consider this recent assessment from the Local Government Association, which forecasts that by 2020 the funding gap will have reached £5.8billion. 'If councils stopped filling in potholes, maintaining parks and open spaces, closed all children's centres, libraries, museums, leisure centres, turned off every street light, cut their bonuses, removed all their company cars and shut all discretionary bus routes, they would not have saved enough money to plug this gap.' So let's be under no illusion. This is one of the greatest challenges Britain faces today and will touch nearly every one of us as either we, or those close to us, need help in old age. Without urgent and radical reform, the current system will collapse under the weight of our ageing population. Doing nothing is simply not an option. However, the road to social care reform has been long and winding, with 12 Green Papers, White Papers and consultations and 4 independent reviews in the past 19 years. So what hope did the manifestos of the main political parties offer that the next government will achieve greater success than its predecessors?

In the 2017 Conservative manifesto, they had the opportunity to move this forward but unfortunately they somewhat bungled the presentation on what was reasonable and fair as far as it went. The proposal was grossly misrepresented by Labour who frightened elderly people into believing they would have to pay more for care home fees than they do now. This was not true. Under the Conservative proposals, the first £100,000 of assets would have been protected and no old person would have to sell their home. That's considerably more generous than the existing system, where just £23,500 is protected. Because of disquiet over the planned changes, Theresa May subsequently promised to take the sensible decision to put them out to consultation, with the promise of a lifetime cap on care fees firmly on the table. How high that cap would have to be to prevent the system crumbling remains to be seen.

However, in the election campaign prior to this, the Health Secretary, Jeremy Hunt said that they were dropping the idea of a cap because *'we've looked again at this proposal and we don't think it's fair. The reason we don't think it's fair is because you could have a situation where someone who owns a house of a million pounds, two million pounds, has expensive care costs of perhaps £100,000-200,000, ends up under that proposal not having to pay those care costs because they're capped, and those costs get borne by taxpayers, families, younger families who possibly are themselves struggling to make ends meet. We don't think that's fair on different generations.'*

This of course caused considerable confusion but the Conservatives did confirm a cap was in their plans if they won the election, but with a much reduced majority result we shall see whether or not they deliver. The imposition of a care cap, which was first proposed by economist Sir Andrew Dilnot in 2011, would limit the amount that any individual pays for their care in later life. After the cap has been hit, additional costs would be picked up by the state. The 2015 Tory manifesto stated: 'We will cap charges for residential social care from April 2016 ... so that no one has to sell their home. For the first time individual liabilities will be limited, giving everyone the peace of mind that they will receive the care they need and they will be protected from unlimited costs if they develop very serious care needs such as dementia.' The cap, set at £72,000 for people above state pension age, was scheduled to be introduced under the coalition's Care Act. In addition, no-one with assets of less than £118,000 would be asked to pay. However, after the election, The Cameron government backed down, reneging on the election promise and deferred it until 2020 as the scale of the care crisis became clear.

If the Conservatives do honour the 2017 pledge by Mrs May., the cap is likely to be higher than the £72,000 proposed by David Cameron and of course just covering care costs, not accommodation costs. So for anyone in a care home, the Conservative manifesto pledge was for

assets protection of £100,000 plus a care cap. Older people would also benefit from a 'guarantee' that they will not be forced to sell their homes to pay for care while they are alive, deferring payments until after death.

However, what was now potentially different is that people receiving care in their own home would have their home included in their assets, so bringing home care in line with existing policy for residential care. So anyone requiring 'social care' would have their properties included in the assessment of their assets to determine whether or not they would have to pay. You could argue that this is quite equitable in the circumstances but is unlikely to happen with the Conservatives having no overall majority in Parliament.

So what of the Labour promises during the 2017 election campaign? Well, largely devoid of ideas and principle, it was largely reduced to sneering on the sidelines. Labour's characterisation of the Tory manifesto proposals as a 'dementia tax' is somewhat sickening. Contributing towards services received does not constitute a tax. And to suggest that all pensioners who need care suffer from dementia is an insult to millions of elderly people who need a helping hand, even though their minds are still perfectly sharp.

With depressing predictability, Labour's brilliant solution was to throw an imaginary £8billion at the problem, presumably from general taxation. With the black hole in Labour's spending commitments estimated at £58billion, why not throw in a few billion more? As well as indulging in fantasy economics, Jeremy Corbyn was also guilty of gross duplicity, as Labour's plan to slash inheritance tax allowance would have affected many more families than the planned Tory care reforms and mean people being able to pass on far less to their children. But the scaremongering and misrepresentation did frightened elderly people into believing they will be forced to pay more in care home fees than they do now. And of course, if all the carrots promised to the younger generation had and will even have to sell their homes and will even have to sell their homes come to fruition and a Labour Government was elected, the younger generation would be the ones paying for it in years to come, not the elderly.