

Cap on social care costs ‘won’t help 95% of elderly’

A charity is warning that few pensioners will benefit from a proposed £100,000 limit because it will not cover accommodation

Andrew Gregory, Health Editor

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Only one pensioner in 20 would live long enough to benefit from the proposed cap SOLSTOCK/GETTY

About 95% of pensioners will not benefit from a proposed cap of £100,000 on the cost of social care because it does not cover accommodation bills, experts warn.

A typical pensioner could have eight years of care before reaching the limit — but the average care home stay is less than 22 months, according to research by the accountancy firm Grant Thornton.

In a letter to the chancellor, Philip Hammond, last week, George McNamara, the director of policy at the charity Independent Age, said the proposed cap “would only benefit around 20,000 people — fewer than 5% of the 421,000 people in residential care”.

It is expected to be included in a forthcoming green paper on social care, although publication has repeatedly been delayed.

McNamara raised fears that the proposal — which means nobody would pay more than £100,000 for care during their lifetime — would not include accommodation and food bills, “which can amount to more than 60% of the total cost of residential care”. Only the cost of help with getting dressed or washed and so on would be covered.

The research by Grant Thornton for Independent Age, cited in the letter to Hammond, reveals that only a small proportion of pensioners — one in 20 — would live long enough to benefit from the proposed cap. However, they would still be liable for the accommodation cost of residential care, now typically £20,000 a year.

McNamara said: “The reality is you are more likely to die than benefit from a £100,000 care cap.”

Currently, anybody with assets of more than £23,250 has to pay the full cost of their care, which forces many to sell their home or to spend money that they had hoped to leave to their loved ones.

Ministers have repeatedly pledged to make the system fairer, but social care reform has proved politically toxic. The issue nearly cost the Conservatives the last election.

Matt Hancock, the health secretary, has warned Theresa May that a £100,000 cap will cost billions of pounds and require significant tax rises.

Sally Copley, director of policy at the Alzheimer’s Society, said the proposal would fail to solve a crisis caused by social care cuts.

“Decades of starved funding is causing neglect and suffering and forcing people and their loved ones to foot the bill, and this is not the solution,” she said.

In the letter, McNamara warned that the cap would provide “poor value” for the tax rises that would be required. Care homes were getting worse in a third of areas, research by the charity revealed earlier this month.

A Treasury source said the details of the green paper had not been finalised. A Department of Health and Social Care source said ministers would consider the financial burden on all care-home residents when consulting on reform.

A government spokeswoman said: “Our green paper will set out our plans to reform the adult social care system to make it sustainable for the future.”

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