Elderly's homes may be seized to pay for care

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The deferral of the charge cap means many elderly people will have to use their homes to pay bills. Photo ALAMY

Councils have quietly amassed legal powers to seize thousands of homes owned by elderly people after ministers abandoned a flagship manifesto pledge to cap charges for residential social care.

Local authorities have put thousands of legal "charges" on private homes owned by the elderly who are racking up bills for their care. The charges mean the homes can be seized on the deaths of their elderly owners to pay off any debts.

Under a scheme known as a deferred payment agreement (DPA), the elderly can surrender their home to a council to pay for care. Local authorities will then pay the care home bills on their behalf, holding their home as security until they die or sell the property.

Preliminary figures published by NHS Digital show that 55 councils had 2,895 DPAs, where typically an elderly person's home is used as security. The total value of the agreements disclosed was £72.4m but the actual figure will be significantly higher because only about a third of local authorities responded.

The Conservatives pledged in their last manifesto to cap charges for residential care from April this year. The cap was to be £72,000 for people above state pension age but the government said last year it was postponing the policy until 2020. That means many elderly people will be forced to use their homes to pay their bills.

Norman Lamb, the Liberal Democrat MP and former care minister, said it was "outrageous" that the Tories had not met their manifesto commitment to introduce the cap. He said: "It is grossly unfair that if you have dementia and need care that everything you have ever worked for, including your house, must be used to pay the costs."

Elderly people who agree to use their homes as security may also be penalised by paying higher rates than those who have no assets and are entitled to free residential social care.

Self-funders can typically pay £200 a week more than the rates negotiated by councils.

Age UK has called the extra money paid by self-funders a "backdoor tax" that helps to subsidise those who cannot pay themselves and must rely on council funding.

There are about 400,000 elderly people living in care homes and roughly half pay for themselves out of their savings, or by selling their home or using a deferred payment agreement.

A report by the Family and Childcare Trust published last month found that in some areas of the country self-funders would use up the value of their home in less than four years.

Stephen Burke, director of the Good Care Guide, an independent forum that allows people to rate and review care, said the fact that thousands of family homes needed to be sold to pay for care was "symptomatic of a system in crisis".

"There is a huge increase in demand for a care system that is woefully underfunded," he added.

The Department of Health said the Care Act 2014 introduced reforms to ensure that the elderly did not need to sell homes in their lifetime to pay for
their care.

"We are significantly increasing the amount of money local authorities have access to for social care, by up to £3.5bn by 2020," it said.