

The care cost cap fits all



The care funding review ordered by the Government is likely to limit the amount we have to pay for professional care in our old age. Jonathan Fry welcomes the proposals and sees it as an opportunity for improving the choices we will have when we can no longer look after ourselves

There's an old adage that you should be kind to your children when they're young because it is they who will choose your care home when you are older. To a large extent, of course, it's true.

When we become unable to look after ourselves either for physical or mental reasons, we rely on our loved ones and the health services to ensure that we are given the support we need. But despite the essential safety nets that exist to ensure that the elderly aren't left to suffer and die through neglect, the options for us to have some choice over the level and quality of care we receive still largely depend on how much we can afford to pay.

Funding the care of the elderly is now one of the priorities exercising the minds of politicians, who realise that current levels of public funding for even the most essential care services will not be adequate to cover the cost of caring for a population that is living longer.

A review into the funding of care and support, undertaken by economist Andrew Dilnot after being commissioned by the Coalition Government a year ago, has just been published. It proposes that taxes should rise in order to cap the cost to the individual of buying professional care in their old age at £35,000, whether it is provided in a care home or the person's own home.

This doesn't cover the cost of up to £10,000 a year for board and lodgings in a care home or top-up fees where grants do not cover the full cost of a care home



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place. You might still have to sell your home to pay for the heating, lighting, food, laundry and domestic staff who look after you.

Nevertheless, the cap on care costs will limit the financial burden on those who have saved for their old age. It is currently estimated that a quarter of pensioners need to spend relatively little on professional care, while another quarter will face bills exceeding £50,000 and one in ten will need care costing in excess of £100,000, especially those who

need long-term residential nursing care. Under the existing system, if you've got the money, you face paying the full amount of the professional care you receive.

The Government is said to support Andrew Dilnot's proposals and such is the importance of the review that the Conservatives, Lib Dems and Labour parties are likely to set aside politics in order to reach a consensus on how the extra money the cap will require will be raised.

For us as individuals, it means we should start planning now to set aside the £35,000 we might be required to pay for care in our old age, either through savings, insurances or annuities, and, for the wealthier ones among us, to plan for how we might use the savings or investments that now won't be siphoned off to pay for care in order that we - or our loved ones - have more choice over where and how well we are looked after in our old age.

We should talk to our solicitors and financial advisers now, because the greater the financial security we provide for ourselves, the more choice we are likely to have regarding the options for long-term care, whether that is in a residential home, or by having additional care in our own homes. ■

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