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“Care services reform fails to address looming long-term care funding gap”
Industry expert slams proposed long-awaited reforms

The Government has today launched a Green Paper on the reform of care services in England. It contains a range of proposals which are now subject to public consultation.

Commenting [Ian Owen, chairman of Partnership](#), and the only private sector member of the Department of Health’s stakeholder panel which advised on the Green Paper, said:

“After the long delay, the publication of the Green Paper comes as a major disappointment. The fact that no new funding is being offered means that the £6 billion care funding gap identified in the Wanless report is no closer to being bridged. Indeed, with our ageing population, the gap will only grow over time.

“The Green Paper only seems to acknowledge existing insurance-based products as an after thought, whereas we think they have a crucial role to play in addressing the care challenge resulting from the UK’s ageing population. In addition to providing reassurance and comfort for people at a vulnerable stage of their life, and indeed their families, these products also relieve pressure on the public purse.

“In our view, encouraging people to make as much provision as they can for retirement – whether through savings, property or pension – is the most realistic approach. They can then purchase an Immediate Needs Annuity if they actually require care. In this way, individuals can take responsibility for themselves and choose the level of care they need. This provides certainty of inheritance for their family as well. Such products are available today, and the market can expand if a genuine customer demand is encouraged.

“What is really needed is for the three major political parties to lead a complete overhaul of the nation’s attitudes towards paying for long-term care. With people living longer, and many competing claims on the public finances, the state cannot afford to fund the increasing demand. It is now time for the private sector to work with the Government, local authorities and charities to help find effective solutions for this problem, which will only intensify.

“While the Green Paper will focus on long-term provision, it is important that people do not lose sight of the fact that every day more than 100 new older people enter care every day. At the moment, most only receive financial advice when their savings are gone and they have to rely on the state. Far more needs to be done immediately to tackle the maze of bureaucracy and confusion which confronts older people and their families when they need to consider long-term care issues.”

[Partnership](#) provides a range of payment plans which guarantee to pay out a regular income to help with care fees for the remainder of a person’s life.

-ENDS-

For further information on Partnership or to arrange an interview with Ian Owen contact Enda Joyce or Sabrina Russo at hanover on 020 7400 4480. Details on Partnership’s long-term care payment plan and case studies are also available on request.

Notes to Editors

1. About Partnership

Partnership is the UK's longest established provider of financial products for people living with health conditions. It offers a range of products in three key areas: retirement, long term care, and protection and caters for a wide range of conditions – from the manageable such as hypertension – to more serious conditions like cancer.

2. Immediate Needs Annuities are currently provided by Partnership and Axa and have high customer satisfaction levels. The typical cost at the moment is around £80,000. As this is much smaller than the value of most homes, the balance from the sale can be left as inheritance for the family.

3. The figures which illustrate the UK's ageing population are stark. Projections from the Office of National Statistics suggest that the percentage of the total population who are over 65 will rise from 16% at present, to over 22% in 2031 and nearly 26% in 2071. The number of people over 85 in the UK is predicted to have doubled in the next 25 years and to have trebled in the next 35 years. While one in five people currently require residential care in their old age, Department of Health estimates suggest that one in three men and one in two women reaching 65 will need long-term care and support at some stage.