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International Longevity Centre – UK and Cass Business School respond to Conservative manifesto

Social care reforms form a key part of the Conservative manifesto, launched earlier today.

Over the past few years, the International Longevity Centre – UK (ILC-UK) and Cass Business School have worked together to propose a number of radical solutions to the care funding crisis.

Here, they comment on the Conservative manifesto and set out the principles which they think will result in intergenerational fairness, a balance between the tax payer and individual responsibility and new savings mechanisms.

Professor Les Mayhew, Professor of Statistics, Cass Business School, said:

“Many of the measures proposed in the manifesto, including scrapping the cap an individual must pay for care and a greater focus on domiciliary care are sensible.

“However, what is missing is the incentive for people to save for their care in later years.

“Bringing new money into the system is an essential part of a long term and sustainable solution. This will not happen unless there are changes to the means testing system and new incentives introduced to save and plan ahead.”

David Sinclair, Director, ILC-UK commented:

“Whilst the cost to the tax payer for social care is dwarfed by the cost of health, it is increasingly recognised that a failure to tackle the care crisis will put increased pressure on health.

“The next Government must procrastinate on this issue no longer. We need incentives in place to convince individuals to make provision for their future care needs. The policy environment must be conducive to the financial services industry coming in with new products.

“We have witnessed 20 years of uncertainty and underinvestment in social care. Whoever wins the next election must simply get on with it.”

Professor Mayhew added:

“Worked and financially costed examples of new products and affordable payment options may be found in our research publications with ILC-UK and published in peer reviewed journals.”

Principles suggested by the ILC-UK and Cass include:

- An improved and more transparent means test that can be used for both domiciliary and institutional care including the removal of ‘cliff edges’ which cause abuse of the system presently.



- Measures to bring new money into the system by providing the necessary incentives to save and plan ahead
- The introduction of approved financial products to pay for care which take account of housing wealth as well as savings and income.
- Those who have saved to be treated more generously under means testing so that it pays to save for care.

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Media enquiries:

Amy Ripley, Senior Communications Officer, Cass Business School

T: +44 (0) 20 7040 3134, M: +44 (0) 7794 053 384, E: amy.ripley@city.ac.uk

References:

[Means Testing Adult Social Care in England. The Geneva Papers on Risk and Insurance - Issues and Practice, pp 1-30.](#)

[Paying for Care Costs in Later Life Using the Value in People's Homes. The Geneva Papers on Risk and Insurance - Issues and Practice.](#)

[Personal Care Savings Bonds: A New Way of Saving Towards Social Care in Later Life. The Geneva Papers on Risk and Insurance - Issues and Practice.](#)

[Flexible and affordable methods of paying for long term care insurance. ILC-UK, London.](#)

Notes to Editors

Cass Business School

Cass Business School, which is part of City, University of London, is a leading global business school driven by world-class knowledge, innovative education and a vibrant community. Located in the heart of one of the world's leading financial centres, Cass has strong links to both the City of London and the thriving entrepreneurial hub of Tech City. It is among the global elite of business schools that hold the gold standard of triple-crown accreditation from the Association to Advance Collegiate Schools of Business (AACSB), the Association of MBAs (AMBA) and the European Quality Improvement System (EQUIS).

ILC-UK

The International Longevity Centre – UK (ILC-UK) is a futures organisation focussed on some of the biggest challenges facing Government and society in the context of demographic change.



Much of our work is directed at the highest levels of Government and the civil service, both in London and Brussels. We have a reputation as a respected think tank which works, often with key partners, to inform important decision-making processes.

Our policy remit is broad, and covers everything from pensions and financial planning, to health and social care, housing design, and age discrimination. We work primarily with central government, but also actively build relationships with local government, the private sector and relevant professional and academic associations.