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Projections of demand for residential care for older people in England to 2020

**Adelina Comas-Herrera,
Raphael Wittenberg
and Linda Pickard**

Discussion Paper 1719
December 2001

The **PERSONAL SOCIAL SERVICES RESEARCH UNIT** undertakes social and health care research, supported mainly by the United Kingdom Department of Health, and focusing particularly on policy research and analysis of equity and efficiency in community care, long-term care and related areas — including services for elderly people, people with mental health problems and children in care. The PSSRU was established at the University of Kent at Canterbury in 1974, and from 1996 it has operated from three sites:

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**PERSONAL SOCIAL SERVICES RESEARCH UNIT
LSE HEALTH AND SOCIAL CARE
LONDON SCHOOL OF ECONOMICS**

PROJECTIONS OF DEMAND FOR RESIDENTIAL CARE FOR OLDER PEOPLE

This paper sets out projections of future demand for residential and nursing home care for older people in 2010 and 2020. It has been prepared for the Department of Health's study of residential care supply. The context for that study is the current decline in the supply of residential and nursing home care.

Projections of future demand are an important contribution to consideration of future supply. If demand is projected to contract, a reduction in supply does not present an on-going problem. If demand is projected to expand, a reduction in supply constitutes a potential cause for concern. This means that policies aimed at stimulating supply need to be based on an analysis of likely future demand.

The projections presented in this paper were made using the Personal Social Services Research Unit's (PSSRU) long-term care projections model. It aims to make projections for England to 2031 of two key variables: the likely level of demand for long-term care services for older people and the costs associated with meeting this demand. The model covers a wide range of long-term care services for older people, including informal care, home-based formal services and residential services. A variant that could produce projections for the United Kingdom to 2051 was developed and used extensively to provide projections for the Royal Commission.

The model is a cell-based, or macrosimulation, model. It breaks down the projected older population by age, gender, dependency, household type and housing tenure. The probability of receiving care for each subgroup by dependency, household type etc was estimated from a range of data sources for a range of services. Unit cost and other data are used to estimate overall expenditure and expenditure by source of finance. The model is described in detail in Wittenberg et al. (1998 and 2001).

The latest version of the model incorporates March 2000 data on residents of residential care homes and nursing homes, 2000-based population projections by age and gender and unit costs for 2000/1. It uses data from the 1998/9 General Household Survey (GHS) for receipt of informal care and of non-residential care services. It is as up-to-date as possible, and takes year 2000 as the start year for projections.

The PSSRU model produces projections based on a specified set of assumptions. It should be stressed that the model does not produce forecasts. The approach involves simulating the impact on demand of specified changes in demand drivers, such as demographic pressures, or specified changes in policy, such as a shift from residential to home care. It does not involve forecasting future policies or future patterns of care.

The model is concerned with projecting demand rather than supply. The assumption is that the necessary supply to meet demand will be available provided that prices are sufficient to meet underlying costs. This is an important point in the context of the current debate about the adequacy of local authority contract rates for residential care. As the projections presented in this paper relate to numbers of care recipients rather than expenditure, assumptions about future rises in real unit costs and fees are not discussed here. Appropriate fee rates constitute an important separate issue.

The policy context is the recent decline in residential care home places and nursing home beds. The paper concentrates on projections of demand for residential and nursing home care but also presents projections of demand for home care. The key reason is that home care is a potential substitute for residential care. Older people generally prefer to remain in their own homes rather than enter residential care. Home care, though not necessarily cheaper than residential care, can be effective in enabling older people to remain in their own homes. Current policy is to promote independence and enable older people to remain in their own homes wherever possible.

Department of health data show that the number of residential care home places for older (including older mentally infirm) people rose from 254,000 in 1996 to 269,000 in 1998 and then fell to 263,000 in 2000. Similarly, the number of nursing home beds rose from 179,000 in 1996 to 195,000 in 1998 and then fell to 183,000 in 2000 (Department of Health, 2000a).

Because the availability of home care can often act as a substitute for residential care, it is important to examine the changes supply of residential care in the context of the supply of home care. The number of households (of all ages) receiving home care fell throughout this period, from 491,000 in 1996 to 447,000 in 1998 and 398,000 in 2000. Yet the number of contact hours of home care rose because the mean number of hours per household per week rose from 5.1 in 1996 to 5.8 in 1998 and 7.0 in 2000 (Department of Health, 2001). Similarly, a comparison of model estimates for England using the 1994/5 and the 1998/9 GHS data suggest a fall from 535,000 older users of home care in 1995 to 350,000 in 1998, a trend that has been accompanied by substantial rises in use of private domestic help. The trends in receipt of home care derived from the GHS are consistent with Department of Health data (Pickard et al., 2001a).

The next section describes the base case for the model and sets out a base case projection produced using the latest version of the model. Further sections set out projections of future demand for long-term care on varying assumptions about external pressures such as dependency rates and on varying scenarios about patterns of care. Both short-term projections to 2010 and longer term projections to 2020 are presented.

The base case projections

The base case projections act as a reference case against which the effect of changes in assumptions can be investigated. They take account of expected changes in factors exogenous to long-term care policy, such as demographic trends, trends in dependency and trends in housing tenure. They hold constant factors endogenous to long-term care policy such as patterns of care and the funding system. The key assumptions of the base case are as follows:

- the number of older people by age, gender and marital status will change in line with the latest official projections (Government Actuary's Department, 2001);
- age/gender specific dependency rates, as reported in the 1998/9 General Household Survey, remain unchanged over time;

- home ownership rates rise in line with the Anchor Housing Trust projections (Forrest et al., 1996);
- the proportion of older people receiving informal care with domestic tasks, formal community care services and residential and nursing home care remains constant for each sub-group by age, dependency, household type and other needs-related circumstances.

The latest version of the model treats year 2000 as the base year. There were 7.8 million people 65 and over in England in 2000. Around 400,000 older people (5.2% of older people) were in institutional settings in March 2000. Of these, approximately 240,000 were in residential care homes, 135,000 were in nursing homes and 26,000 were in long-stay hospital care. Data from the 1998/9 GHS suggest that slightly over 350,000 older people (4.5% of older people) received local authority home help or home care services.

Table 1 presents the projections of the overall volume of services required, and the balance of care between residential and home-based services, under the model's base case assumptions. The increases in the number of beds and services required would be those required to keep pace with demographic pressures. It shows that, between 2000 and 2020, the number of older people in institutions would need to rise by 23%, from around 400,000 to nearly 500,000. On these base case assumptions, the number of older people in nursing homes is projected to rise slightly faster (24%) than the number of older people in residential homes (22%).

Table 1. Base case projections of the numbers of recipients of residential and home-based services, people aged 65 and over, 2000-2020, England

	2000	2010	2020	% inc. 2000-2020
Nursing home numbers	135,000	145,000	167,500	24.1
Residential home numbers	240,000	256,500	292,500	21.8
Total number in institutions*	400,500	429,000	493,000	23.0
Home care recipients	371,000	398,000	457,000	23.1
Community nursing recipients	420,500	452,000	535,000	27.1
Day centre users	258,000	262,000	299,500	16.1
Private domestic help users	746,000	844,500	996,000	33.5
Meals recipients	318,500	336,000	386,000	21.3
Total recipients of home-based services	1,528,500	1,649,000	1,938,500	26.8
Total number of service recipients	1,929,000	2,078,000	2,431,500	26.0
% of recipients in institutional care	20.8%	20.6%	20.3%	

* including long-stay hospital care

The number of recipients of home-based services would need to rise faster than the number of residents in institutions, by 27%, to keep pace with demographic pressures. The number of users of local authority home care would need to rise by 23% and the number of users of private domestic help would need to rise by 33%. The difference is because the probability of using private domestic help is higher for those who own their home than for tenants and the base case of the model assumes a rise in home ownership.

Table 2 shows the numbers of people projected to be in residential care and nursing homes for 2000 and 2020 by source of finance, that is by whether they are self-funded or publicly-funded. It shows that, of the 375,000 residents in nursing and residential homes in 2000, 26 % are privately funded. This is based on data from Laing & Buisson (2001). The model projects that, under the base case assumptions, of the projected 460,000 residents in nursing and residential homes in 2020, the percentage funding their own care would be 30%. This does not take account of the changes made in April 2001 (the rise in the capital limits and the three month disregard of housing assets), which would offset part of this increase in the proportion of residents funding their own care.

These projections represent an increase of 17% in the number of publicly-funded residents and of 38% in the number of privately-funded residents between 2000 and 2020. The larger projected increase in the numbers of self-funded residents between 2000 and 2020 is driven by the projected increase in the percentage of people in residential care who both lived alone and owned their own home before admission to residential care. These are the group most likely to be required to fund their own care under current funding arrangements.

Table 2. Base case projections of older recipients of institutional services by source of funding, 2000 and 2020, England

	2000			2020		
	Self-funded	Publicly funded	All	Self-funded	Publicly funded	All
Number of residents in institutions*	99,000 (26.4%)	276,000 (73.6%)	375,000	137,000 (29.8%)	323,000 (70.2%)	460,000

*Except long-stay hospital

These base case projections show little change in demand for residential care until 2010 but an expansion in demand between 2010 and 2020, mainly in the second half of that period. It is important to note that the increases in demand for institutional care projected by the model for the period 2020 to 2031 are larger than between 2000 and 2020. This is because the post-war baby boom cohort will reach late old age from around 2020.

These projections take account only of expected changes in the numbers of older people by age, gender, marital status and housing tenure. They assume no change in dependency rates. They also assume no change in patterns of care, that is, in the proportion of older people (by age, gender and household type) in residential care and nursing homes. The next sections consider the potential impact of variations in these assumptions.

Changes in life expectancy

The base case projections used the Government Actuary's Department's (GAD, 2001) principal 2000-based population projections. The sensitivity of the projections to changes in the population projections is explored below, by comparing the 2000-based

population results to those obtained using the 1998-based principal and variant projections. The longer term assumptions about expectation of life in the 2000-based projections are slightly higher than in the 1998 projections (Shaw, 2001).

The GAD has produced higher and lower life expectancy variants to the 1998-based principal population projections, but not yet for the 2000-based projections. The high life expectancy variant assumes that mortality rates will be falling by 1% per year by 2032 compared with 0.5% in the principal projection. The low life expectancy variant assumes mortality rates will be constant by 2032. Past population projections have tended to underestimate life expectancy, resulting in the underestimation of the numbers of very older people. However, in 1998 the GAD revised substantially its life expectancy assumptions (Shaw, 2000). Table 3 shows the projected numbers of people aged 65 and over and 85 and over expected under the different GAD population projections.

Table 3. Number of older people according to the different population projections, 2000 and 2020, England

	2000	2020			
	Base case	2000-based principal	1998-based principal	1998-based high life expectancy	1998-based low life expectancy
All 85 and over % increase 2000-2020	993,000	1,306,000 31.5%	1,295,000 30.3%	1,372,000 37.8%	1,220,000 23.6%
All 65 and over % increase 2000-2020	7,800,000	10,149,000 30.1%	10,111,000 29.7%	10,293,000 31.9%	9,923,000 27.6%

Source for population projections: GAD, 2001.

The 2000-based population projection projects 0.8% more persons aged 85 and over in 2020 than the 1998-based projection. It also projects 0.4% more people aged 65 and over in 2020 than the earlier projection. The differences are relatively modest.

Table 4 shows the projected numbers of people in nursing and residential homes and projected recipients of home care, under the different population projections. The projected numbers of older people in institutions would be slightly higher under the 2000-based population projections (493,000) than under the 1998-based principal projection (490,500). The number of users of home-based services would also be slightly higher.

Table 4. Projections under different assumptions about the numbers of older people, 2000, 2010, 2020, England

		2000	2010	2020	% inc. 2000-2020
Nursing home numbers	1998-based principal	135,000	145,000	166,500	23.5
	High life expectancy	135,500	147,500	173,000	27.8
	Low life expectancy	134,500	142,000	160,500	19.5
	2000-based (model base case)	135,000	145,000	167,500	24.1
Residential home numbers	1998-based principal	240,000	256,500	291,000	21.3
	High life expectancy	240,500	261,500	302,000	25.6
	Low life expectancy	239,000	251,000	280,000	17.3
	2000-based (model base case)	240,000	256,500	292,500	21.8
Total number in institutions	1998-based principal	400,500	428,500	490,500	22.5
	High life expectancy	401,000	437,000	508,500	26.7
	Low life expectancy	398,500	420,000	473,000	18.6
	2000-based (model base case)	400,500	429,000	493,000	23.0
Home care recipients	1998-based principal	371,000	397,000	454,000	22.4
	High life expectancy	371,500	404,000	469,500	26.3
	Low life expectancy	369,500	389,500	438,500	18.7
	2000-based (model base case)	371,000	398,000	457,000	23.1
Total recipients of home-based services	1998-based principal	1,527,000	1,644,000	1,927,500	26.2
	High life expectancy	1,530,000	1,668,000	1,980,500	29.5
	Low life expectancy	1,522,500	1,619,000	1,874,500	23.1
	2000-based (model base case)	1,528,500	1,649,000	1,938,500	26.8
Recipients of all services and % of recipients who are in institutions	1998-based principal.	1,927,500 (20.8%)	2,072,500 (20.7%)	2,418,000 (20.3%)	25.4
	High life expectancy	1,931,000 (20.8%)	2,105,000 (20.8%)	2,489,000 (20.4%)	28.9
	Low life expectancy	1,921,000 (20.6%)	2,039,000 (20.6%)	2,347,500 (20.1%)	22.2
	2000-based (model base case)	1,929,000 (20.8%)	2,078,000 (20.6%)	2,431,500 (20.3%)	26.0

Use of the high and low life expectancy projections makes a bigger difference. The number of residents in institutions would need to grow by 23% under the 2000-based principal projection (model base case), by 27% under the 1998-based high life expectancy assumption and by 19% under the 1998-based low life expectancy scenario, to keep pace with demographic projections. It should be noted that, as discussed in Wittenberg et al. 2001 (p.17), the assumptions underlying the 1998-based GAD high and low life expectancy variants produce a range of life expectancy at birth which is somewhat narrow compared with variants produced by other organisations.

Changes in the future dependency rates

A key variable in determining the future numbers of recipients of long-term care services is the health of older people. The model base case assumes that age-specific dependency rates remain constant over the next 20 years. There is, however, considerable debate as to whether age-specific dependency rates can be expected to rise, fall, or remain broadly constant in the future (Wiener et al., 1994; Bone et al., 1995; Dunnell, 1995). If age-specific dependency rates remain constant while life expectancy rises, the number of years with dependency will rise (as well as the number of years without dependency). A less pessimistic scenario for future dependency would be to assume that, as life expectancy rises, the numbers of years without dependency rise by the same amount and the number of years with dependency remains constant.

To assess the effects of varying dependency rates on long-term care, three different scenarios have been simulated. The first is a pessimistic scenario in which age-specific dependency rates rise by 1% per year. The second is an optimistic scenario in which age-specific dependency rates fall by 1% per year. The third is another optimistic scenario in which, as life expectancy rises, years without dependency rise by a similar amount, while years with dependency remain broadly constant. In this scenario, older people's disability rates decline so that, for each age group, the rate of dependency in 2031 is the same as the dependency rate for people five years younger in 1998. For example, a person aged 70 in 2031 would have the same chance of being dependent as a 65-year-old in 1998. This scenario is based on a similar scenario developed by Wiener *et al.* at the Brookings Institution (Wiener et al., 1994) and is referred to here as the 'Brookings' scenario.

Table 5 shows the projected numbers of people in nursing and residential homes and recipients of home care, under the alternative dependency assumptions described above.

Table 5. Projections under different assumptions about dependency, 2000, 2010 and 2020, England

		2000	2010	2020	% inc. 2000-2020
Nursing home numbers	Dependency rates fall 1% pa	131,000	127,000	133,000	1.5
	Brookings scenario	132,000	126,500	129,500	-2.1
	Dependency rates rise 1% pa	136,000	161,500	206,500	51.5
	Base case (constant rates)	135,000	145,000	167,500	24.1
Residential home numbers	Dependency rates fall 1% pa	232,500	224,500	231,500	-0.4
	Brookings scenario	235,000	223,500	224,000	-4.5
	Dependency rates rise 1% pa	242,000	285,500	359,500	48.6
	Base case (constant rates)	240,000	256,500	292,500	21.8
Total in institutions	Dependency rates fall 1% pa	388,000	376,000	390,500	0.7
	Brookings scenario	392,000	374,500	380,500	-3.0
	Dependency rates rise 1% pa	404,000	478,500	606,500	50.2
	Base case (constant rates)	400,500	429,000	493,000	23.0
Home care recipients	Dependency rates fall 1% pa	366,000	371,500	404,500	10.5
	Brookings scenario	367,500	374,000	407,000	10.8
	Dependency rates rise 1% pa	375,000	426,000	519,000	38.5
	Base case (constant rates)	371,000	398,000	457,000	23.1
Total recipients of home-based services	Dependency rates fall 1% pa	1,520,000	1,600,000	1,837,500	20.9
	Brookings scenario	1,522,000	1,610,000	1,853,500	21.8
	Dependency rates rise 1% pa	1,536,500	1,703,500	2,063,000	34.3
	Base case (constant rates)	1,528,500	1,649,000	1,938,500	26.8
Recipients of all services and % of recipients who are in institutions	Dependency rates fall 1% pa	1,908,000 (20.3%)	1,976,000 (19.0%)	2,228,000 (17.5%)	16.8
	Brookings scenario	1,914,000 (20.5%)	1,984,500 (18.9%)	2,234,000 (17.0%)	16.7
	Dependency rates rise 1% pa	1,940,500 (20.5%)	2,182,000 (21.9%)	2,669,500 (22.7%)	37.6
	Base case (constant rates)	1,929,000 (20.8%)	2,078,000 (20.6%)	2,431,500 (20.3%)	26.0

Under the pessimistic scenario, in which dependency rates rise by 1% a year, the numbers of older people in residential and nursing homes is projected to rise to over 600,000 by 2020, compared with 493,000 under the base case (Table 5). In contrast, under the optimistic scenario, in which dependency rates fall by 1% a year, the numbers of older people in residential and nursing homes would remain broadly constant to 2020. Under the Brookings scenario, in which people live less disabled lives, the numbers of older people in residential and nursing homes would actually fall slightly by 2020. This shows that, if dependency rates fall significantly, demand for residential and nursing home care for older people need not rise over the next two decades despite the projected rising numbers of older people.

The impact of the different dependency assumptions is smaller for home-based services than for residential services. Under the base case scenario, in 2020 there would be nearly 1,950,000 users of home-based services. This represents an increase of 27%. Under the pessimistic scenario, in which dependency rates rise by 1% a year,

the numbers of recipients of home-based services is projected to rise to more than 2,050,000 by 2020 (an increase of 34%), 120,000 more people than under the base case. Under the scenario in which dependency rates decrease by 1% a year and under the Brookings scenario, the numbers of recipients of home-based services is projected to rise to around 1,850 in 2020 (around 100,000 less people than under the base case). The different sensitivity to the dependency scenarios for the different services reflects the way in which residential care services are even more concentrated on the most dependent groups of older people than home care services.

Changes in patterns of care

The model can be used as a tool to explore the impact of changes in the patterns of care on the projected numbers of older people in residential care. Two different scenarios exploring changes in patterns of care are presented here. The first considers a rise in the use of institutional care in future years as a possible result of a potential decline in informal care. The second assumes a shift in the balance of care from institutional to domiciliary care.

The first scenario assumes that a fall in the provision of informal care in future years would have the effect of increasing admissions to institutional care (Pickard et al., 2001b). There is some evidence that institutional care may act as a substitute for informal care (Grundy and Glaser, 1997). The scenario explores what might happen to demand for institutional care if older people with the most substantial dependency needs who currently receive informal care within their own households moved into institutions in greater numbers instead. The scenario is explored by assuming that older people who live with others have, in future years, the same likelihood of admission to residential care as those who live alone. The scenario focuses on older people who are most likely to receive informal care, those who share a household with others. It then allocates to them the same probability of admission to institutions as elderly people who are least likely to receive informal care, those who live alone. The projections under this scenario are described as a 'Decrease in informal care' in Table 6.

The second scenario presented in Table 6 replicates the assumptions used in the National Beds Inquiry (NBI). The NBI assumed that the number of people in residential and nursing homes would rise in line with demographic pressures but that by 2019 there would be a shift of between 5% and 15% to non-residential care (Department of Health, 2000b). The central assumption is a shift of 10% to non-residential care. The NBI further assumed that those "shifted" from residential or nursing homes would receive between 6 and 10 hours home care per week (central assumption 8 hours) and that those "shifted" from nursing homes would receive 1 to 2 community nursing visits per week (central assumption 1.5).

The NBI scenario considered here assumes that the projected numbers in residential and nursing care in 2020 would be 10% less than under the base case. An equivalent number of people have been added to the projected number of home care recipients. Also, a number equivalent to a 10% reduction in nursing home residents has been added to the projected number of community nurse recipients. The projections under this scenario are described as 'NBI assumptions' in Table 6.

Table 6. Projections under different patterns of care, 2000, 2010 and 2020, England

		2000	2010	2020	% increase. 2000-2020
Nursing home numbers	NBI assumptions	135,000	136,500	151,000	11.9
	Decrease in informal care	135,000	151,500	185,000	37.0
	Base case	135,000	145,000	167,500	24.1
Residential home numbers	NBI assumptions	240,000	242,000	263,000	9.6
	Decrease in informal care	240,000	298,000	394,500	64.4
	Base case	240,000	256,500	292,500	21.8
Total in institutions	NBI assumptions	400,500	406,000	447,000	11.6
	Decrease in informal care	400,500	479,000	619,000	54.6
	Base case	400,500	429,000	493,000	23.0
Recipients of home care	NBI assumptions	371,000	421,000	503,000	35.6
	Decrease in informal care	371,000	392,500	442,500	19.2
	Base case	371,000	398,000	457,000	23.1
Total recipients of home-based services	NBI assumptions	1,528,500	1,672,000	1,984,500	29.8
	Decrease in informal care	1,528,500	1,627,500	1,885,000	23.3
	Base case	1,528,500	1,649,000	1,938,500	26.8
Recipients of all services and % of recipients who are in institutions	NBI assumptions	1,929,000 (20.8%)	2,078,000 (19.5%)	2,431,500 (18.4%)	26.0
	Decrease in informal care	1,929,000 (20.8%)	2,106,500 (22.7%)	2,504,000 (24.7%)	29.8
	Base case	1,929,000 (20.8%)	2,078,000 (20.6%)	2,431,500 (20.3%)	26.0

Under the scenario in which there is an increase in institutional care due to a potential decline in informal care, there is an increase of 27% in the projected numbers of older people in residential care between 2000 and 2020 (Table 6). This compares with a projected increase of 23% in the projected numbers of older people in residential care under the base case. The impact on demand for residential care of this scenario in which older people living with others have the same likelihood of admission to residential care as those living alone is substantial. The projected number of older people in institutional care in 2020 would be 619,000 under this scenario, compared with 493,000 in 2020 under the base case.

The projections under the NBI scenario show that the numbers in institutional care are projected to increase by 12% between 2000 and 2020 (Table 6). This compares with a projected increase of 23% under the base case. The impact on demand for residential care of a shift of 10% to home care is substantial. The projected number of older people in institutional care in 2020 would be 447,000 under this scenario as against 493,000 under the base case. The impact would clearly be even greater if a shift in excess of 10% was considered.

Conclusions

There is currently considerable concern about declining supply of residential care and nursing home places for older people. Projections of future demand are an important contribution to consideration of future supply. Falls in supply constitute a greater cause for concern if demand is projected to expand than if demand is expected to contract.

The PSSRU model projects that only a modest increase in the number of residential care and nursing home beds for older people is required to keep pace with the expected population changes in the next 10 years. A return to roughly the levels of supply available in 1998 would suffice. A more substantial increase in demand is expected between 2010 and 2020, and then beyond 2020, as a result of a more rapid increase in the projected numbers of older people. This model base case projection takes account of expected changes in factors exogenous to long-term care policy, such as demographic trends and trends in housing tenure. It holds constant factors endogenous to long-term care policy such as patterns of care and the funding system.

The projections of future demand for long-term care residential and home-based services are sensitive to assumptions about life expectancy and future levels of dependency. As there is substantial uncertainty about the future numbers of older people and, in particular, about their dependency rates, it is important for policy-makers to plan for a degree of uncertainty in future demand for residential and home-based services.

The scenarios explored here about patterns of care show that changes in policy can have a substantial impact on the future number of residential and nursing home places required. On the one hand, a decline in the provision of informal care that resulted in an increase in admissions to residential and nursing home care for older people would significantly increase demand for residential and nursing home places over and above demographic pressures. On the other hand, even a relatively small shift of 10% towards home care provision for older people would significantly reduce the increase in demand for residential care.

The broad implications for policy are clear. Rehabilitation services to reduce dependency rates, increased support for informal carers to prevent loss of informal care and increased domiciliary care for older people to promote care at home could have a marked impact on demand for residential care. They could potentially prevent demand for residential and nursing home care rising over the next two decades despite the projected increase in numbers of older people. In the absence of such measures, and with no change in dependency rates, demand for residential care for older people is projected to increase slightly to 2010 and more markedly between 2010 and 2020.

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