



Economics of
Social and Health Care
Research Unit

PSSRU Discussion Paper DP2944

Lay Summary

Projections of Demand and Expenditure on Adult Social Care 2015 to 2040

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This paper presents updated projections prepared for the Department of Health and Social Care of demand for long-term care for older people and younger adults in England to 2040 and associated future expenditure. The projections were produced using updated versions of the Personal Social Services Research Unit's (PSSRU) aggregate long-term care projections models and the CARESIM microsimulation model developed by Ruth Hancock at the University of East Anglia.

The key findings of the research are:

- Public expenditure on social services for older people is projected to rise from around £7.2 billion (0.45% of GDP) in 2015 to £18.7 billion (0.75% of GDP) in 2040 at constant 2015 prices; and
- Public expenditure on social services for younger adults is projected to rise from around £8.9 billion (0.55% of GDP) in 2015 to £21.2 billion (0.85% of GDP) in 2040 at constant 2015 prices.

These findings need to be treated with some caution. They are based on a set of assumptions about future socio-economic and demographic trends, for example that disability rates by age and gender will remain constant (except for learning disability) and that the unit costs of care will rise in line with Office for Budget Responsibility (OBR) assumptions on productivity growth. The projections relate to current patterns of care and the current funding system and do not take account of any of the funding reforms which have been proposed in recent years and on which the government plans to publish a Green Paper in summer 2018. They also do not allow for the potential impact of rising expectations or other behavioural changes.

Full paper available at <https://www.pssru.ac.uk/publications/pub-5421/>

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The Economics of Social and Health Care Research Unit is a joint collaboration between the Centre for Health Economics (CHE) at the University of York and the Personal Social Services Research Unit (PSSRU) at the London School of Economics and the University of Kent. ESHCRU is supported by a grant awarded by the English Department of Health: Policy Research Unit in Economics of Health and Social Care Systems.