

## PROJECTED DEMAND FOR SUPPORTED HOUSING IN GREAT BRITAIN 2015 TO 2030

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## **Abstract**

This paper presents projections prepared for the Department of Communities and Local Government and the Department of Health of demand for supported housing for older people and younger adults in Great Britain to 2030 and associated future expenditure. We project that, to keep pace with demographic pressures, the number of supported housing units for older people in Great Britain will need to rise from 460,000 in 2015 to around 625,000 in 2030, an increase of 35%, and for younger adults from 190,000 in 2015 to around 220,000 in 2030, an increase of 16% (Figure 1). To meet this increase in demand, overall expenditure on supported housing across all user groups would need to rise from £4.13 billion in 2015 to £5.24 billion in 2030 in constant 2015 prices, an increase of 27%.

These projections are inevitably sensitive to assumptions about future rates of disability, homelessness and other conditions requiring supported housing and to assumptions about the future weekly costs of a supported housing unit. They should not be regarded as forecasts but as projections on the basis of specific assumptions about trends in such variables as future disability rates.

## Introduction

The Department of Health, on behalf of the Department of Communities and Local Government (DCLG), commissioned the Economics of Health and Social Care Systems Policy Research Unit (ESHCRU) to produce projections to 2030 of demand for supported housing in England, Scotland and Wales. This was to inform decisions on the future funding of supported housing. The projections relate to the increase in numbers of supported housing units required to keep pace with demographic pressures and the overall expenditure required to provide the projected number of units.

## Data and Methods

The Department for Work and Pensions (DWP) and the Department for Communities and Local Government (DCLG) commissioned Ipsos MORI Social Research Institute, Imogen Blood & Associates and Housing & Support Partnership to undertake an evidence review regarding the scale, scope and cost of supported housing across Great Britain. The report of this review (Ipsos MORI 2016) was published in December 2016 alongside a consultation document on the future funding of supported housing in Great Britain. The report provides data on the current number of supported housing units by country and user group and on expenditure on supported housing.

ESHCRU has constructed and regularly updates two projection models for long-term care, one for older people and the other for younger adult groups. These models make projections of four key variables: the future numbers of disabled older people and younger adults, the likely level of demand for long-term care services and disability benefits, the costs associated with meeting this demand and the social care workforce required to meet this demand. The models are described in Wittenberg and Hu (2015). ESHCRU uses the models regularly to produce projections for the DH and the Office for Budget Responsibility (OBR). Their latest projections are reported (with an adjustment) in the Fiscal Sustainability Report of January 2017 (OBR 2017).

The models do not make forecasts about the future. They make projections on the basis of specific assumptions about trends in such variables as future mortality rates and disability rates. The approach involves simulating the impact on demand for care and support of specified changes in demand drivers or specified changes in policy. It does not involve forecasting future policies or future patterns of care. This means that the projections reported in this paper should be treated as indications of likely future expenditures on supported housing if policies are unchanged and drivers of demand follow the specified trends.

Our projections of supported housing use the ONS 2014-based principle population projections (ONS 2015), the ONS 2008-based marital status and cohabitation projections (ONS 2010), data from the report of the review (Ipsos MORI 2016) and, through use of our long-term care models, data from the Health Survey for England, the Family Resources Survey and a Centre for Disability Research (CeDR) survey of learning disability (Emerson et al 2005).

## Supported housing for older people

We assume in our base case projections that the number of older people by age and gender will rise in line with the ONS 2014-based population projections and that the breakdown by (de facto) marital status will follow the ONS 2008-based marital status and cohabitation projections. ONS project that the population aged 65 and over in Great Britain will increase from 11.3 million in 2015 to 15.3 million in 2030, a rise of 35.2% over 15 years (Table 1).

**Table 1: Projected numbers of working age adults and older people in different countries of Great Britain, 2015-2030, ONS 2014-based principal projections, in million persons**

|                            | 2015  | 2020  | 2025  | 2030  | 2015-2030, % |
|----------------------------|-------|-------|-------|-------|--------------|
| <b>England</b>             |       |       |       |       |              |
| Working age adults (18-64) | 33.4  | 34.1  | 34.4  | 34.7  | 3.8%         |
| Older people (65+)         | 9.7   | 10.6  | 11.7  | 13.2  | 35.6%        |
| % of older people          | 22.5% | 23.7% | 25.4% | 27.5% | 22.2%        |
| <b>Wales</b>               |       |       |       |       |              |
| Working age adults (18-64) | 1.85  | 1.84  | 1.82  | 1.79  | -3.2%        |
| Older people (65+)         | 0.62  | 0.68  | 0.73  | 0.81  | 29.1%        |
| % of older people          | 25.3% | 26.9% | 28.8% | 31.1% | 23.0%        |
| <b>Scotland</b>            |       |       |       |       |              |
| Working age adults (18-64) | 3.35  | 3.34  | 3.29  | 3.24  | -3.4%        |
| Older people (65+)         | 0.98  | 1.07  | 1.19  | 1.33  | 34.9%        |
| % of older people          | 22.7% | 24.3% | 26.5% | 29.1% | 28.1%        |
| <b>Great Britain</b>       |       |       |       |       |              |
| Working age adults (18-64) | 38.6  | 39.2  | 39.5  | 39.7  | 2.8%         |
| Older people (65+)         | 11.3  | 12.4  | 13.6  | 15.3  | 35.2%        |
| % of older people          | 22.7% | 23.9% | 25.7% | 27.8% | 22.7%        |

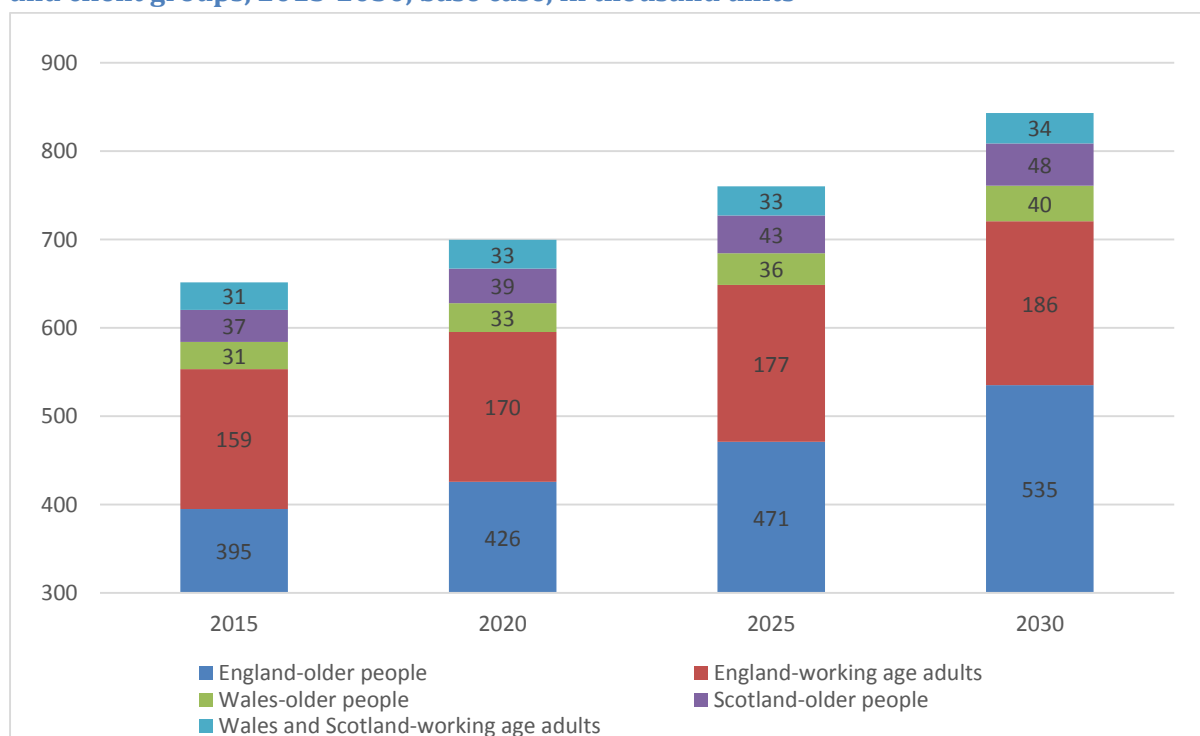
We divide the older population between those living in care homes or hospitals and those living in the community using a range of data on institutional care. We then breakdown the household population into six disability groups, using data from the Health Survey for England 2011 and 2012. We assume in our base case that disability rates remain constant by age and gender: this is discussed further below.

We assume that older people in supported housing generally have moderate levels of disability. More specifically we assume that most of them are unable to perform at least one domestic care task (instrumental activity of daily living), have difficulty performing at least one personal care task (activity of daily living) or are unable to perform without help one personal care task (which would usually be bathing). We assume that they generally do not have inability to perform two or more personal care tasks.

The report of the review found that there are 395,000 supported housing units for older people in England. Of these 14% are for couples. This implies 340,000 single older people and 110,000 married older people in England currently living in supported housing units, if the vacancy rate is zero. The report found that there are 462,000 supported housing units for older people in Great Britain, of which 397,300 are for single older people and 64,700 are for married older people. We use these figures as the base for our projections.

We project that, to keep pace with demographic pressures, the number of supported housing units for single older people in England will need to rise from 340,000 in 2015 to 535,000 in 2030 and the number of such units for married older people will need to rise from 55,000 to 85,000 in 2030. This is a total projection of 535,000 supported housing units for older people in England in 2030, an increase of 35.5% over 2015 (Figure 1 and Table 2). Equivalent projections for Wales and Scotland are set out in Tables 3 and 4 respectively.

**Figure 1: Projected units of supported housing in Great Britain broken down by countries and client groups, 2015-2030, base case, in thousand units**



**Table 2: Projected units of supported housing by client group in England, 2015-2030 (Base case, in thousand units)**

|   | 2015  | 2020  | 2025  | 2030  | 2015-2030,% |
|---|-------|-------|-------|-------|-------------|
| <b>Older people</b>                       | 395.0 | 425.8 | 471.2 | 535.2 | 35.5%       |
| <b>Working age clients</b>                |       |       |       |       |             |
| Learning disability                       | 38.5  | 47.9  | 53.9  | 59.8  | 55.3%       |
| Mental health problems                    | 29.5  | 30.7  | 31.4  | 31.2  | 5.8%        |
| Physical disability or sensory impairment | 9.0   | 9.4   | 9.6   | 9.6   | 6.2%        |
| Single homeless people                    | 30.0  | 30.3  | 30.6  | 31.2  | 4.2%        |
| Other working age clients                 | 51.5  | 51.2  | 51.9  | 53.7  | 4.3%        |
| <b>Total</b>                              | 553.5 | 595.3 | 648.6 | 720.7 | 30.2%       |

**Table 3: Projected units of supported housing by client group in Wales, 2015-2030 (Base case, in thousand units)**

|   | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|---|------|------|------|------|-------------|
| <b>Older people</b>                       | 30.5 | 32.7 | 35.9 | 40.2 | 31.7%       |
| <b>Working age clients</b>                |      |      |      |      |             |
| Learning disability                       | 3.2  | 3.9  | 4.3  | 4.6  | 44.8%       |
| Mental health problems                    | 1.1  | 1.2  | 1.2  | 1.1  | -1.3%       |
| Physical disability or sensory impairment | 0.2  | 0.2  | 0.2  | 0.2  | -1.0%       |
| Single homeless people                    | 1.1  | 1.0  | 1.0  | 1.0  | -0.9%       |
| Other working age clients                 | 2.4  | 2.3  | 2.3  | 2.3  | -3.9%       |
| <b>Total</b>                              | 38.5 | 41.3 | 44.8 | 49.5 | 28.5%       |

**Table 4: Projected units of supported housing by client group in Scotland, 2015-2030 (Base case, in thousand units)**

|   | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|---|------|------|------|------|-------------|
| <b>Older people</b>                       | 36.5 | 39.0 | 42.6 | 48.0 | 31.6%       |
| <b>Working age clients</b>                |      |      |      |      |             |
| Learning disability                       | 6.0  | 7.2  | 8.0  | 8.6  | 44.6%       |
| Mental health problems                    | 2.3  | 2.3  | 2.3  | 2.3  | -1.4%       |
| Physical disability or sensory impairment | 2.6  | 2.6  | 2.6  | 2.5  | -1.1%       |
| Single homeless people                    | 5.9  | 5.7  | 5.6  | 5.6  | -3.8%       |
| Other working age clients                 | 6.2  | 6.1  | 6.0  | 6.0  | -4.2%       |
| <b>Total</b>                              | 59.4 | 63.0 | 67.1 | 73.0 | 23.0%       |

We project that, to keep pace with demographic pressures, the number of supported housing units for single older people in Great Britain will need to rise from 397,300 in 2015 to 524,600 in 2030 and the number of such units for married older people will need to rise from 64,700 to 98,900 in 2030. This is a total projection of 624,000 supported housing units for older people in Great Britain in 2030, an increase of 35.0% over 2015 (Table 5).

**Table 5: Projected units of supported housing by client group in Great Britain, 2015-2030 (Base case, in thousand units)**

|   | 2015  | 2020  | 2025  | 2030  | 2015-2030,% |
|---|-------|-------|-------|-------|-------------|
| <b>Older people</b>                       | 462.0 | 497.5 | 549.7 | 623.4 | 34.9%       |
| <b>Working age clients</b>                |       |       |       |       |             |
| Learning disability                       | 47.7  | 59.0  | 66.2  | 73.0  | 53.0%       |
| Mental health problems                    | 32.9  | 34.2  | 34.9  | 34.6  | 5.2%        |
| Physical disability or sensory impairment | 11.8  | 12.2  | 12.4  | 12.3  | 4.2%        |
| Single homeless people                    | 37.0  | 37.0  | 37.2  | 37.8  | 2.2%        |
| Other working age clients                 | 60.1  | 59.6  | 60.2  | 62.0  | 3.2%        |
| <b>Total</b>                              | 651.4 | 699.6 | 760.5 | 843.2 | 29.4%       |

The report of the review estimated that expenditure on supported housing for older people was £2.1 billion in England and £2.4 billion in Great Britain in 2015. If the weekly cost of a supported housing unit remains constant in real terms, expenditure on supported housing for older people would need to rise to 2.82 billion in England (Table 6), £195 million in Wales (Table 7), £240 million in Scotland (Table 8) and £3.25 billion in Great Britain (Table 9) in 2030 in constant 2015 prices, to enable the number of units for older people to rise in line with our projections.

**Table 6: Projected costs of Housing Benefit for supported housing by client group in England 2015-2030 (Base case, in £million)**

|   | 2015  | 2020  | 2025  | 2030  | 2015-2030,% |
|---|-------|-------|-------|-------|-------------|
| <b>Older people</b>                       | 2,080 | 2,240 | 2,480 | 2,815 | 35.5%       |
| <b>Working age clients</b>                |       |       |       |       |             |
| Learning disability                       | 345   | 425   | 480   | 535   | 55.3%       |
| Mental health problems                    | 265   | 275   | 280   | 280   | 5.8%        |
| Physical disability or sensory impairment | 80    | 85    | 85    | 85    | 6.2%        |
| Single homeless people                    | 265   | 270   | 275   | 280   | 4.2%        |
| Other working age clients                 | 460   | 455   | 460   | 480   | 4.3%        |
| <b>Total</b>                              | 3,490 | 3,750 | 4,060 | 4,470 | 28.0%       |

**Table 7: Projected costs of Housing Benefit for supported housing by client group in Wales 2015-2030 (Base case, in £million)**

|   | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|---|------|------|------|------|-------------|
| <b>Older people</b>                       | 150  | 155  | 175  | 195  | 31.0%       |
| <b>Working age clients</b>                |      |      |      |      |             |
| Learning disability                       | 30.2 | 36.7 | 40.3 | 43.7 | 44.8%       |
| Mental health problems                    | 10.8 | 10.9 | 10.9 | 10.6 | -1.3%       |
| Physical disability or sensory impairment | 1.7  | 1.7  | 1.7  | 1.6  | -1.0%       |
| Single homeless people                    | 10.0 | 9.9  | 9.9  | 9.9  | -0.9%       |
| Other working age clients                 | 22.9 | 22.1 | 21.8 | 22.1 | -3.9%       |
| <b>Total</b>                              | 225  | 240  | 255  | 280  | 26.0%       |



**Table 8: Projected costs of Housing Benefit for supported housing by client group in Scotland 2015-2030 (Base case, in £million)**

|   | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|---|------|------|------|------|-------------|
| <b>Older people</b>                       | 180  | 195  | 215  | 240  | 32.3%       |
| <b>Working age clients</b>                |      |      |      |      |             |
| Learning disability                       | 59.9 | 72.8 | 80.0 | 86.6 | 44.6%       |
| Mental health problems                    | 23.0 | 23.4 | 23.3 | 22.7 | -1.4%       |
| Physical disability or sensory impairment | 25.7 | 26.2 | 26.2 | 25.5 | -1.1%       |
| Single homeless people                    | 59.0 | 57.7 | 56.2 | 56.7 | -3.8%       |
| Other working age clients                 | 62.5 | 61.2 | 60.2 | 59.9 | -4.2%       |
| <b>Total</b>                              | 410  | 435  | 460  | 490  | 19.4%       |

**Table 9: Projected costs of Housing Benefit for supported housing by client group in Great Britain 2015-2030 (Base case, in £million)**

|   | 2015  | 2020  | 2025  | 2030  | 2015-2030,% |
|---|-------|-------|-------|-------|-------------|
| <b>Older people</b>                       | 2410  | 2590  | 2870  | 3250  | 34.9%       |
| <b>Working age clients</b>                |       |       |       |       |             |
| Learning disability                       | 435   | 535   | 600   | 665   | 52.9%       |
| Mental health problems                    | 300   | 310   | 315   | 315   | 5.0%        |
| Physical disability or sensory impairment | 105   | 115   | 115   | 110   | 4.8%        |
| Single homeless people                    | 335   | 340   | 340   | 345   | 3.0%        |
| Other working age clients                 | 545   | 540   | 540   | 560   | 2.8%        |
| <b>Total</b>                              | 4,125 | 4,425 | 4,775 | 5,240 | 27.0%       |

There is considerable debate about whether disability rates in old age will rise, fall or remain broadly constant as life expectancy continues to rise (see Dunnell 1995). Our base case assumption that disability rates will remain constant by age and gender despite falling mortality rates could be regarded as optimistic. If age-specific disability rates remain constant while life expectancy rises, the number of years with disability will rise as well as the number of years without disability. We have therefore tested two scenarios developed by Jagger et al. (2009a) in which disability rates in old age rise over the period 2015 to 2030.

As well as considering individual scenarios for the specific diseases - dementia, arthritis, stroke and coronary heart disease - Jagger et al. (2009b) have developed combined scenarios, including:

- improving population health – there is a decline in risk factors, particularly smoking and obesity, and in the prevalence of disabling diseases;
- continued current trends – continuation of current trends in chronic conditions associated with disability, which results in increasing disability prevalence rates among older people.

Under the improving population health scenario the number of supported housing units for older people and associated expenditure would need to rise by 37.4% in England and 36.8%

in Great Britain, only slightly faster than under our base case (Tables 10 and 11). Under the continued trends scenario, however, the number of supported housing units for older people and associated expenditure would need to rise by 43.9% in England and 43.3% in Great Britain, substantially faster than under our base case.

**Table 10: Projected units of supported housing for older people in different countries of Great Britain, 2015-2030, under alternative assumptions on future prevalence rates of disability, in thousand units**

|                      | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|----------------------|------|------|------|------|-------------|
| <b>England</b>       |      |      |      |      |             |
| Improved health      | 395  | 427  | 475  | 543  | 37.4%       |
| Continued trends     | 395  | 436  | 491  | 568  | 43.9%       |
| Base case            | 395  | 426  | 471  | 535  | 35.5%       |
| <b>Wales</b>         |      |      |      |      |             |
| Improved health      | 30.5 | 32.7 | 36.1 | 40.8 | 33.5%       |
| Continued trends     | 30.5 | 33.4 | 37.4 | 42.7 | 39.8%       |
| Base case            | 30.5 | 32.7 | 35.9 | 40.2 | 31.7%       |
| <b>Scotland</b>      |      |      |      |      |             |
| Improved health      | 36.5 | 39.1 | 42.9 | 48.6 | 33.2%       |
| Continued trends     | 36.5 | 39.9 | 44.4 | 50.9 | 39.5%       |
| Base case            | 36.5 | 39.0 | 42.6 | 48.0 | 31.6%       |
| <b>Great Britain</b> |      |      |      |      |             |
| Improved health      | 462  | 499  | 554  | 632  | 36.8%       |
| Continued trends     | 462  | 509  | 573  | 662  | 43.3%       |
| Base case            | 462  | 498  | 550  | 623  | 34.9%       |

**Table 11: Projected costs on housing benefits for older people in different countries of Great Britain, 2015-2030, under alternative assumptions on future prevalence rates of disability, in £million**

|                      | 2015  | 2020  | 2025  | 2030  | 2015-2030,% |
|----------------------|-------|-------|-------|-------|-------------|
| <b>England</b>       |       |       |       |       |             |
| Improved health      | 2,080 | 2,245 | 2,500 | 2,855 | 37.4%       |
| Continued trends     | 2,080 | 2,295 | 2,585 | 2,990 | 43.9%       |
| Base case            | 2,080 | 2,240 | 2,480 | 2,815 | 35.5%       |
| <b>Wales</b>         |       |       |       |       |             |
| Improved health      | 150   | 160   | 175   | 195   | 33.5%       |
| Continued trends     | 150   | 160   | 180   | 205   | 39.8%       |
| Base case            | 150   | 155   | 175   | 195   | 31.7%       |
| <b>Scotland</b>      |       |       |       |       |             |
| Improved health      | 180   | 195   | 215   | 245   | 33.2%       |
| Continued trends     | 180   | 200   | 225   | 255   | 39.5%       |
| Base case            | 180   | 195   | 215   | 240   | 31.6%       |
| <b>Great Britain</b> |       |       |       |       |             |
| Improved health      | 2410  | 2600  | 2890  | 3295  | 36.7%       |
| Continued trends     | 2410  | 2655  | 2990  | 3450  | 43.2%       |
| Base case            | 2410  | 2590  | 2870  | 3250  | 34.9%       |

## Supported housing for younger adults

For younger adults (aged 18 to 64 years) we have produced separate projections for the following groups: learning disability, mental health, physical disability or sensory impairment, single homelessness and others. The ONS projects that the total population aged 18 to 64 in Great Britain will increase from 38.6 million in 2015 to 39.7 million in 2030, a rise of 2.8% over 15 years (Table 1).

The number of people with learning disability is expected to rise faster than the overall population as survival rates of people with learning disabilities continue to improve. For the other younger adult groups we are not aware of projections of future numbers. We have therefore prepared projections of supported housing required for younger adult groups other than learning disability on the basis of demographic change alone.

### Learning disability

The Centre for Disability Research (CeDR) at Lancaster University has produced projections of the numbers of people with severe learning disabilities who are likely to be eligible for adult social care. We have adopted as our base case a central estimate of the CeDR projections (Emerson 2008). The central estimate assumes that all adults with critical or substantial levels of need and 50% of those with moderate needs are eligible for care

services. On the basis of this projection, we project that the number of supported housing units for people with learning disabilities will need to rise by around 55% in England and around 53% in Great Britain over the 15 year period 2015 to 2030. This would be for England a rise from 38,500 units in 2015 to 59,800 units in 2030 (Table 2 and Figure 1) and for Great Britain a rise from 47,700 units in 2015 to 73,000 units in 2030 (Table 5) to keep pace with need. To enable the number of units to increase accordingly, if the weekly cost of a supported housing unit remains constant in real terms, expenditure on supported housing for people with learning disability would need to rise from £345 million in 2015 to £535 million in 2030 in constant 2015 prices in England or from £435 million in 2015 to £665 million in 2030 in Great Britain (Tables 6 and 9).

CeDR produced several projections of the numbers of people with severe learning disabilities under varying assumptions about future trends. Their low demand variant assumes that only adults with critical or substantial levels of need are eligible for care services and adults with moderate level of need are not eligible. Under this variant projection, the number of supported housing units for people with learning disabilities will need to rise less rapidly. For England the number of units would rise from 38,500 in 2015 to 55,600 rather than to 59,800 in 2030 and for Great Britain from 47,700 in 2015 to 67,900 rather than to 73,000 in 2030 (Table 12). Associated expenditure would need to rise for England to £495 million rather than £535 million in 2030 and for Great Britain to £615 million rather than £665 million (Table 13).

**Table 12: Projected units of supported housing for people with learning disability in different countries of Great Britain, 2015-2030, under alternative assumptions on service demand, in thousand units**

|   | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|---|------|------|------|------|-------------|
| <b>England</b>                                |      |      |      |      |             |
| Lower demand from learning disability clients | 38.5 | 46.2 | 50.9 | 55.6 | 44.5%       |
| Base case                                     | 38.5 | 47.9 | 53.9 | 59.8 | 55.3%       |
| <b>Wales</b>                                  |      |      |      |      |             |
| Lower demand from learning disability clients | 3.2  | 3.7  | 4.0  | 4.3  | 34.7%       |
| Base case                                     | 3.2  | 3.9  | 4.3  | 4.6  | 44.8%       |
| <b>Scotland</b>                               |      |      |      |      |             |
| Lower demand from learning disability clients | 6.0  | 7.0  | 7.5  | 8.0  | 34.5%       |
| Base case                                     | 6.0  | 7.2  | 8.0  | 8.6  | 44.6%       |
| <b>Great Britain</b>                          |      |      |      |      |             |
| Lower demand from learning disability clients | 47.7 | 56.9 | 62.4 | 67.9 | 42.3%       |
| Base case                                     | 47.7 | 59.0 | 66.2 | 73.0 | 53.0%       |

**Table 13: Projected costs on housing benefits for people with learning disability in different countries of Great Britain, 2015-2030, under alternative assumptions on service demand, in thousand units**

|   | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|---|------|------|------|------|-------------|
| <b>England</b>                                |      |      |      |      |             |
| Lower demand from learning disability clients | 345  | 410  | 455  | 495  | 44.5%       |
| Base case                                     | 345  | 425  | 480  | 535  | 55.3%       |
| <b>Wales</b>                                  |      |      |      |      |             |
| Lower demand from learning disability clients | 30.2 | 35.4 | 38.0 | 40.7 | 34.7%       |
| Base case                                     | 30.2 | 36.7 | 40.3 | 43.7 | 44.8%       |
| <b>Scotland</b>                               |      |      |      |      |             |
| Lower demand from learning disability clients | 59.9 | 70.3 | 75.5 | 80.5 | 34.5%       |
| Base case                                     | 59.9 | 72.8 | 80.0 | 86.6 | 44.6%       |
| <b>Great Britain</b>                          |      |      |      |      |             |
| Lower demand from learning disability clients | 435  | 516  | 569  | 616  | 41.6%       |
| Base case                                     | 435  | 535  | 600  | 665  | 52.9%       |

## Mental health

We project that the number of supported housing units for younger people with mental health needs in England will need to rise by around 6% over 15 years, from 29,500 in 2015 to around 31,200 in 2030 to keep pace with the projected increase in the population (Table 2). The equivalent for Great Britain is a rise of around 5% over 15 years, from 32,900 in 2015 to around 34,600 in 2030 to keep pace with the projected increase in the population (Table 5). To fund this increase, expenditure on supported housing for younger people with mental health needs would need to rise from £265 million in 2015 to £280 million in 2030 in England and from £300 million in 2015 to £315 million in 2030 in Great Britain at constant 2015 prices (Tables 6 and 9).

## Physical disability or sensory impairment

We project that the number of supported housing units for younger people with physical disabilities will need to rise by around 6% in England and around 4% in Great Britain over the 15 year period. This is for England from 9,000 in 2015 to around 9,600 in 2030 and for Great Britain from 11,800 to 12,300 to keep pace with the projected increase in the population (Tables 2 and 5). To fund this increase, expenditure on supported housing for younger people with physical disabilities would need to rise in England from £80 million in 2015 to £85 million in 2030 and for Great Britain from £105 million in 2015 to £110 million in 2030 (Tables 6 and 9). These projections are at in constant 2015 prices and assume that the weekly cost of a supported housing unit remains constant in real terms.

## Single homeless people

The report of the review (Ipsos MORI et al 2016) found that there are 30,000 supported housing units for single homeless people in England and 37,000 in Great Britain. To keep pace with the projected increase in the population these numbers will need to rise in England to 31,200 and in Great Britain to 37,800 in 2030 (Tables 2 and 5). To fund this increase, expenditure on supported housing for single homeless people would need to rise in England from £265 million in 2015 to £280 million in 2030 and for Great Britain from £335 million in 2015 to £345 million in 2030 at constant 2015 prices (Tables 6 and 9).

Since the number of homeless people has been rising much faster than the working age population in recent years, we have also considered a scenario in which the numbers rise by 1% annually above the rate required simply to meet the rising numbers of people of working age. On this basis the number of units for this group will need to rise in England to 36,300 and in Great Britain to 44,000 in 2030 (Table 14). Expenditure to fund this larger rise in numbers of units would need to be £325 million in 2030 for England (an increase of 20.9% over 2015) and £400 million for Great Britain in constant 2015 prices (Table 15).

**Table 14: Projected units of supported housing for single homeless people in different countries of Great Britain, 2015-2030, under alternative assumptions on service demand, in thousand units**

|  | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|--|------|------|------|------|-------------|
| <b>England</b>                             |      |      |      |      |             |
| Higher demand from single homeless clients | 30.0 | 31.9 | 33.9 | 36.3 | 20.9%       |
| Base case                                  | 30.0 | 30.3 | 30.6 | 31.2 | 4.2%        |
| <b>Wales</b>                               |      |      |      |      |             |
| Higher demand from single homeless clients | 1.1  | 1.1  | 1.2  | 1.2  | 15.1%       |
| Base case                                  | 1.1  | 1.0  | 1.0  | 1.0  | -0.9%       |
| <b>Scotland</b>                            |      |      |      |      |             |
| Higher demand from single homeless clients | 5.9  | 6.0  | 6.2  | 6.5  | 11.6%       |
| Base case                                  | 5.9  | 5.7  | 5.6  | 5.6  | -3.8%       |
| <b>Great Britain</b>                       |      |      |      |      |             |
| Higher demand from single homeless clients | 37.0 | 39.0 | 41.3 | 44.0 | 18.9%       |
| Base case                                  | 37.0 | 37.0 | 37.2 | 37.8 | 2.2%        |

**Table 15: Projected costs on housing benefits for single homeless people in different countries of Great Britain, 2015-2030, under alternative assumptions on service demand, in thousand units**

|  | 2015 | 2020 | 2025 | 2030 | 2015-2030,% |
|--|------|------|------|------|-------------|
| <b>England</b>                             |      |      |      |      |             |
| Higher demand from single homeless clients | 265  | 285  | 300  | 325  | 20.9%       |
| Base case                                  | 265  | 270  | 275  | 280  | 4.2%        |
| <b>Wales</b>                               |      |      |      |      |             |
| Higher demand from single homeless clients | 10.0 | 10.4 | 10.9 | 11.5 | 15.1%       |
| Base case                                  | 10.0 | 9.9  | 9.9  | 9.9  | -0.9%       |
| <b>Scotland</b>                            |      |      |      |      |             |
| Higher demand from single homeless clients | 59.0 | 60.7 | 62.1 | 65.8 | 11.6%       |
| Base case                                  | 59.0 | 57.7 | 56.2 | 56.7 | -3.8%       |
| <b>Great Britain</b>                       |      |      |      |      |             |
| Higher demand from single homeless clients | 334  | 356  | 373  | 402  | 20.4%       |
| Base case                                  | 334  | 338  | 341  | 347  | 3.8%        |

### Other working age groups

We have considered supported housing for the remaining groups of younger adults collectively, since the numbers are low especially in Wales and Scotland. We project that the number of supported housing units for these groups of younger people will need to rise, to keep pace with demographic change, by around 4.3% in England and around 3.2% in Great Britain over the 15 year period. For England this is an increase from 51,500 in 2015 to around 53,700 in 2030 and for Great Britain from 60,100 to 62,000 (Tables 2 and 5). To fund this increase, expenditure on supported housing for these groups would need to rise in England from £460 million in 2015 to £480 million in 2030 and for Great Britain from £545 million in 2015 to £560 million in 2030 (Tables 6 and 9). These projections are in constant 2015 prices and assume that the weekly costs of a supported housing unit for each individual user group remain constant in real terms.

### Unit costs of supported housing units

There is scope for debate about whether the weekly costs of supported housing will in practice remain constant in real terms over the next 15 years. There are two issues. First, if the proportion of supported housing which is extra care housing rises (falls), this is likely to lead to real terms increases (decline) in weekly costs. Second, the costs of the constituent goods and services of which supported housing costs are comprised could vary over time in

real terms. We have therefore conducted sensitivity analyses in which the weekly costs rise by 0.5% points or fall by 0.5% points per year.

On the basis of constant real unit costs for each user group, we project that overall expenditure across all groups would need to rise for England from £3.5 billion in 2015 to £4.47 billion in 2030 in constant 2015 prices, an increase of 28%. If however unit costs fell by 0.5% per year overall expenditure would need to rise to £4.15 billion, an increase of under 19%, or if it rose by 0.5% per year to £4.82 billion, an increase of 38% (Table 16).

**Table 16: Projected total costs on housing benefits in different countries of Great Britain, 2015-2030, under alternative assumptions on future real unit costs, in £million**

|                        | 2015  | 2020  | 2025  | 2030  | 2015-2030,% |
|------------------------|-------|-------|-------|-------|-------------|
| <b>England</b>         |       |       |       |       |             |
| 0.5% increase per year | 3,490 | 3,845 | 4,270 | 4,815 | 38.0%       |
| 0.5% decrease per year | 3,490 | 3,660 | 3,860 | 4,145 | 18.8%       |
| Base case              | 3,490 | 3,750 | 4,060 | 4,470 | 28.0%       |
| <b>Wales</b>           |       |       |       |       |             |
| 0.5% increase per year | 225   | 245   | 270   | 305   | 35.8%       |
| 0.5% decrease per year | 225   | 235   | 245   | 260   | 16.9%       |
| Base case              | 225   | 240   | 255   | 280   | 26.0%       |
| <b>Scotland</b>        |       |       |       |       |             |
| 0.5% increase per year | 410   | 450   | 485   | 530   | 28.7%       |
| 0.5% decrease per year | 410   | 425   | 435   | 455   | 10.7%       |
| Base case              | 410   | 435   | 460   | 490   | 19.4%       |
| <b>Great Britain</b>   |       |       |       |       |             |
| 0.5% increase per year | 4,125 | 4,540 | 5,025 | 5,650 | 37.0%       |
| 0.5% decrease per year | 4,125 | 4,320 | 4,540 | 4,860 | 17.8%       |
| Base case              | 4,125 | 4,425 | 4,775 | 5,240 | 27.0%       |

For Great Britain we project that overall expenditure across all groups would need to rise from £4.13 billion in 2015 to £5.24 billion in 2030 in constant 2015 prices, an increase of 27%. If however unit costs fell by 0.5% per year overall expenditure would need to rise to £4.86 billion, an increase of under 18%, or if it rose by 0.5% per year to £5.65 billion, an increase of 37% (Table 16).



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