

# **PLANNING STATEMENT APPENDICES**

# APPENDIX 1

## **Identifying the health gain from retirement housing**

**June 2012**

**Executive Summary**

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## Key Points

### 1 The extent and impact of demographic change

- The 65+ population will increase by 51% and the 80+ population by 82%, over the next twenty years.
- Life expectancy is rapidly increasing. By 2051, additional life expectancy for men aged 65 is projected to be 25 years; for women aged 65 it is projected to be nearly 28 years.
- Half of all housing equity is held by people aged 65 and over.
- In 2010 older people made a net contribution to economic wealth of around £40 billion across the UK. This is predicted to rise to £77 billion by 2030.
- Whilst life expectancy is increasing, the period of life lived disability-free is hardly changing.
- In 2011 an estimated 3.5 million people aged 65+ lived alone. This is projected to increase to just over 4.2 million by 2020 and to almost 5.3 million by 2030.

### 2 Housing tenure and preference

- Over three quarters of people aged 65-74 are living in property that they own.
- Twice as many people prefer to move to some form of sheltered housing as compared to residential care.
- Over six million older people are interested in the idea of retirement housing, or would be in the future.
- Despite 76% of older people being home owners 77% of specialist housing is for rent and only 23% for sale. Fewer than 40,000 specialist housing units are Extra Care housing. In comparison there are over 18,000 care homes with some 470,000 places.

### 3 The health of older people

- Nearly half of all disabled people are aged 65 and over.
- It is estimated that a third of people aged over 65 will develop dementia at some point in their older age.
- Older people are more likely to be vulnerable to cold weather.
- Proportionally, older people are most at risk of a fall.
- The combined cost of hospitalisation and social care for hip fractures (most of which are due to falls) is estimated at £2 billion a year.
- Three quarters of all strokes occur in people aged 65 and over, and those aged 75 and over are nine times more likely to have a first ever stroke.
- Visual impairment leads to 90,000 falls per year in England and Wales at a cost of £130 million per year.
- One in four older people have symptoms of depression that require treatment.

#### 4 What impact can housing have on health and well-being?

- Good housing design and housing adaptations can help reduce falls through removing or reducing home hazards
- Half of all fuel poor households include at least one person aged over 60 years and a quarter of fuel poor households include an occupant over 75 years old.
- Excess winter deaths are almost three times higher in the coldest quarter of housing than in the warmest.
- Residents with bedroom temperatures at 21°C are 50% less likely to suffer depression and anxiety than those with temperatures of 15°C
- There is a 30% increased risk of hip fracture in older women if they are suffering from depression.
- In homes that have received home energy improvements, almost a quarter of respondents report an easing of chronic conditions such as arthritis.
- Social isolation among older people is exacerbated by living in a cold home. 11% of people aged 65 or over are often or always lonely.

#### 5 The retirement housing choice

##### Designated housing

- Housing designed to be purchased by or allocated to older people but with no additional services other than those widely available within the community

##### Specialist housing/ sheltered housing

- Housing schemes with some elements of support built in. This may be through having access to a warden or scheme manager and alarm systems.

##### Very sheltered / extra care / assisted living / retirement communities

- Schemes which have 24 hour care and support available either on site or close by. Some larger schemes may have a care home on site.

#### Key features

- Designated land and accommodation
- Warm accessible accommodation
- Companionship and security
- Access to care and support
- Emphasis on offering quality of life

## **6 What is the impact of retirement housing on the health of older people?**

### **Health gain**

Residents in specialist housing for older people can have a significant positive impact on health.

- Extra Care housing produces considerably lower rates of mortality than a matched sample in care homes. Over 40% of people have a better level of physical functioning after moving.
- Specialist housing is associated with a reduced level of expected nights spent in hospital. This is estimated as producing an annual cost saving to the NHS of £2,598 per resident per annum.
- A significant proportion of those who enter Extra Care housing with care needs will go on to experience an improvement in their health corresponding to a reduction in the care package received.
- Residents of Extra Care housing are less likely to enter institutional accommodation.
- Over 50% of residents believe that private sheltered housing helps to promote good health. More than half of all residents (55%) consider their health to be good or very good.
- On average residents of retirement living schemes experience a 35% improvement in mobility and 20% in functions of daily living. There is also a 25% reduction in the use of medication by residents.
- The fall rate in the Extra Care housing population is 18% lower than in a similar advantaged population in receipt of care in the community.

### **Better use of health resources**

- Health benefits for residents in specialist housing included fewer overnight stays in hospital and residents felt it easier to return home since moving to Extra Care housing (this finding is important because of the high costs of in-patient care). Over half (54%) of residents studied had received no outpatient treatment (of those that did, the mean number of visits was 1.7 times per year); and 13% had not needed to visit their GP in the last year.
- The Bradford study of an Extra Care housing scheme, Rowanberries,<sup>1</sup> found that the better health enjoyed by those living in the scheme led to a 50% reduction in health care costs through a reduction in the intensity of nurse consultations and hospital visits.

<sup>1</sup> *Bäumker et al (2008). Costs and outcomes of an Extra Care housing scheme in Bradford. Joseph Rowntree Foundation.*

### Quality of life and well-being

- In a study conducted with McCarthy and Stone residents in specialist housing, 92% reported themselves as very happy or mainly contented with their new accommodation and, when asked if they would recommend where they lived to others in similar circumstances, 57% gave a 10 out of 10 positive score and only 5% gave a score of less than five.
- The Bradford study found that *"A purpose built environment, along with increased opportunities for social interaction with a peer group as well as the care and support on offer, will generate a greater sense of well-being and improved health status or maintenance of health status"*<sup>2</sup>.
- Biggs' study found that *"Residents not only lived longer than expected but achieved a quality of life far exceeding that experienced by residents in traditional homes, becoming ill at a lower rate than is usual."*

In a study undertaken by Greenwood and Smith<sup>3</sup> the positive contribution that Extra Care housing made to the health and well-being of occupants was attributed to:

- Being in a safer, warmer, more accessible environment in comparison to where people had lived before
- A reduction in social isolation due to increased social contact and companionship
- The recognition by staff of previously unrecognised health and care needs

In a series of interviews conducted by the Institute of Public Care (IPC) for the Housing Corporation<sup>4</sup>, managers were asked to assess the impact on health and well-being of a move to Extra Care housing. The responses were as follows:

**Table 5: Managers views of the gains from Extra Care Housing**

| Area of Improvement                                    | Number of schemes |               |             |
|--------------------------------------------------------|-------------------|---------------|-------------|
|                                                        | In all cases      | In some cases | In no cases |
| Greater Interaction & involvement                      | 15                | 14            |             |
| Improved self-care                                     | 6                 | 26            |             |
| Sense of Improved health & wellbeing by the individual | 14                | 21            |             |
| Improved mobility function                             | 3                 | 27            | 1           |
| Increase in sensory ability                            | 3                 | 23            | 6           |

<sup>2</sup> Croucher K et al (2006). Housing with care in later life. Joseph Rowntree Foundation

<sup>3</sup> Greenwood C and Smith J (1999). Sharing in Extra Care. Hanover Housing Group.

<sup>4</sup> Housing Corporation (2007). Raising the stakes: Promoting Extra Care housing.

**Table 5: Managers views of the gains from Extra Care Housing**

| Area of Improvement                                          | Number of schemes |               |             |
|--------------------------------------------------------------|-------------------|---------------|-------------|
|                                                              | In all cases      | In some cases | In no cases |
| Improvement in being able to undertake daily living function | 9                 | 26            |             |
| Improved sense of independence                               | 20                | 15            |             |
| Improved mental health                                       | 4                 | 25            | 5           |
| Increased feelings of happiness & enjoyment                  | 16                | 19            |             |

### Economic Benefits

Frontier Economics, for the Homes and Community Agency, estimated that the net impact of capital funding for specialist housing on the cost of wider public services is a saving of £444 per person per annum. *N.B. Their estimates were mainly directed at housing for rent, the gain would be greater where owner occupiers purchased housing using their own assets.*

When combined with the economic benefit of freeing up family housing then an estimate of minimum net gain from a moderate increase in the supply of retirement housing suggests that by 2033 the saving could be at least £307 million per annum<sup>5</sup>.

Retirement housing offers ...



<sup>5</sup> Calculated on the basis of: an annual saving of £629 per person per annum in owner occupied housing suitable for older people, 320,000 housing units developed over the 20 years, plus the 105,000 units that already exist and a saving of £40 million per annum through 'trickle down' in freeing up family housing.

## **7 Conclusions**

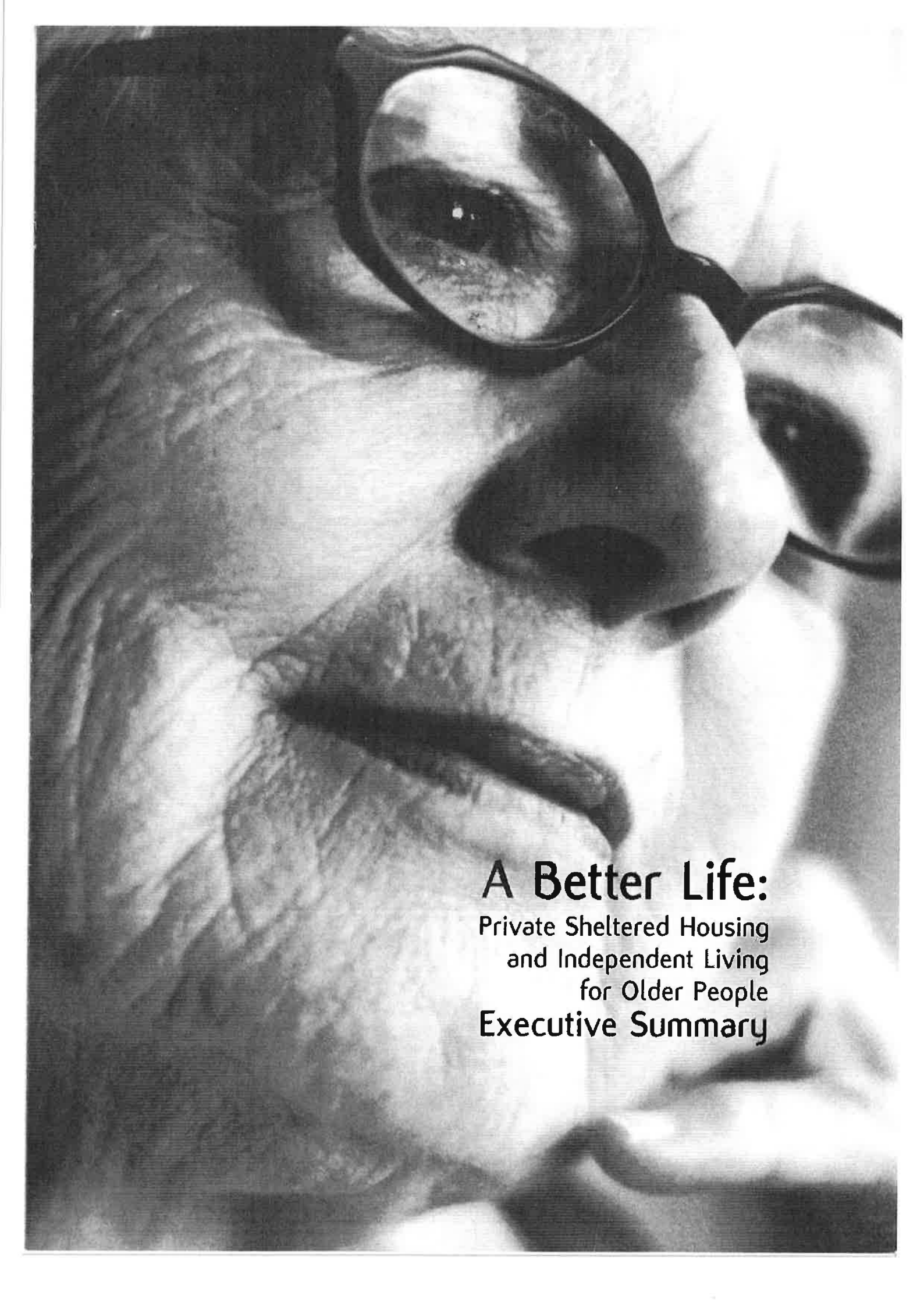
For local communities more owner occupied retirement housing offers:

- A reduction in expenditure on health provision through people purchasing into retirement housing schemes using their existing equity.
- A release of family housing through older people moving.
- A stimulus to local economies through increased housing development.

For older people more retirement housing offers:

- An improved lifestyle and health gain.
- A lessening of anxiety about their existing accommodation that people find increasingly hard to maintain.
- The potential to hold onto a substantial amount of their existing housing equity.
- Reduced heating and maintenance bills

# APPENDIX 2



# **A Better Life:**

**Private Sheltered Housing  
and Independent Living  
for Older People  
Executive Summary**

# Executive Summary

## The Reality of Private Sheltered Housing

This report sets out the findings of one of the largest studies into sheltered housing in the United Kingdom. It represents and examines the opinions of over 1,500 current and prospective residents of private sheltered housing – their priorities, levels of independence, health, happiness and contribution to their local community and the wider economy.

It aims to contribute to the wider debate on the needs and wellbeing of older people, ensuring appropriate housing choice and, in particular, the importance of housing in delivering a good quality of life.

Additionally, the report dispels many myths about private sheltered housing that seem to have been allowed to grow in the past.

To summarise the key findings that emerge from this report:

### 01 THERE IS A SHORTAGE OF PRIVATE SHELTERED HOUSING IN THE UK

- 39% of prospective residents have had to look further afield to find suitable accommodation as there was not enough in their area;
- 81% of prospective residents believe there should be more private sheltered housing in their area;
- If the rate of demand and provision remain at their current levels, there is likely to be a shortage of around 62,500 private sheltered housing units by 2020.

### 02 PRIVATE SHELTERED HOUSING HELPS OLDER PEOPLE ENGAGE WITH THE LOCAL COMMUNITY

- 39% of current residents live a more active life in private sheltered housing than they did before they moved there;
- 76% of current residents feel that they are a member of the local community;
- 92% of current residents have contact with friends/family on a regular basis.

### 03 PRIVATE SHELTERED HOUSING PROMOTES INDEPENDENT LIVING

- Since moving into private sheltered housing, 58% of residents have become less dependent on their children;
- 59% of residents have a more independent lifestyle in private sheltered housing than they did in their previous homes;
- 61% of prospective residents strongly believe that moving to private sheltered housing will help them maintain their independence;
- 83% of current residents believe that living in private sheltered housing helps maintain independence.

### 04 PRIVATE SHELTERED HOUSING IS A HOME FOR LIFE

- 66% of prospective residents strongly believe that moving into private sheltered housing will enable them to avoid the need to move into assisted living accommodation;
- 66% of current residents believe they will live longer in private sheltered housing;
- 86% of current residents believe that their home is a home for life.

### 05 "STAY PUT AND ADAPT" IS NOT THE BEST SOLUTION FOR MANY OLDER PEOPLE

- 29% of prospective residents spend more time on their own than they would like to;
  - 32% of current residents highlight companionship as the greatest advantage of private sheltered housing;
  - 66% of current residents enjoy their lifestyle more living in private sheltered housing than they did in their previous home;
  - 78% of prospective residents strongly believe moving into private sheltered housing will increase their security;
  - 84% of current residents moved into private sheltered housing to have better access to local shops and facilities. 81% did so to have supervision by a house manager. 60% did so in order to rid themselves of unwanted responsibilities.
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#### **06 LOCAL ECONOMIES BENEFIT SIGNIFICANTLY FROM PRIVATE SHELTERED HOUSING SCHEMES**

- One in three current residents walk to the local shops each day;
- 45% of current residents buy the bulk of their shopping within one mile of their private sheltered housing scheme, with 65% travelling no further than two miles;
- 62% of private sheltered housing residents prefer to shop in local centres rather than major town centres;
- Each week, a typical private sheltered housing scheme generates £11,735 in resident spending (£610,000 per year), generating an additional £1,750 per week (£92,000 per year) in local spending compared to what would have been generated in a conventional high density housing scheme (deadweight). Over the lifetime of a scheme, this equates to around £2.3 million more in local spending than would have been generated by a conventional scheme.

#### **07 PRIVATE SHELTERED HOUSING SCHEMES ALLEVIATE PRESSURES ON THE NHS**

- Only 21% of current residents have received inpatient medical care in the last 12 months. Amongst this group, the average number of nights of inpatient care is 7.4, under half the average for the national population aged 75+. This saves the NHS £2,598 per resident receiving inpatient care per year;
- The average number of visits per annum to a GP by current residents is 4.2 compared to 6 visits amongst the national population aged 75+;
- 41% of residents confirm that their health has improved since moving into private sheltered housing;
- 55% of current residents class their health as very good/ good.

#### **08 PRIVATE SHELTERED HOUSING SCHEMES INCREASE THE AVAILABILITY OF ORDINARY LOCAL HOUSING STOCK**

- 23% of those moving into private sheltered housing sell their previous homes to families;
- 43% of those moving into private sheltered housing sell to couples;
- 45% of current residents moved within five miles of their previous homes;
- 85% of those who purchase private sheltered housing flats will downsize from houses to do so.

#### **09 PRIVATE SHELTERED HOUSING OFFERS SUFFICIENT SPACE AND HIGH STANDARD SPECIFICATIONS FOR OLDER PEOPLE**

- 71% of prospective residents believe that they do not need to live in a house as big as the one they currently live in;
- 71% of current residents moved to private sheltered housing to meet their specific design and mobility needs.

#### **10 PRIVATE SHELTERED HOUSING TRANSFORMS THE QUALITY OF LIFE OF ITS RESIDENTS**

- 64% of current residents feel their sense of wellbeing has improved since they moved into private sheltered housing;
  - 78% of current residents believe that private sheltered housing helps to alleviate their worries and anxieties;
  - 88% of current residents believe that private sheltered housing helps to improve their personal security. 53% of current residents cite personal security as the biggest advantage of private sheltered housing;
  - 92% of current residents would recommend private sheltered housing and their way of life to their friends.
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# Annex B Economic Assessment

A Report for ORB

Residential Economic Impact Assessment

By Roger Tym & Partners

## Introduction

ORB employed the services of Roger Tym & Partners, a firm of development economists and planners, to estimate the economic impact of a typical McCarthy & Stone scheme on the local economy. Roger Tym & Partners have an established track record in estimating the economic impacts of commercial and housing schemes. The brief required a short study based on research acquired from an ORB survey of McCarthy & Stone residents, with reliance to a large extent on existing material and on the professional judgments of the consultants to estimate economic benefits.

The principal requirement was to consider economic benefits through:

- The *Local Income Effect* from additional expenditure generated in the local economy; and
- *Public Sector Cost Savings* from economies in the provision of health and social services by bringing people with similar needs (i.e. over 65 age group, into one location and providing suitable living accommodation).

## Local Income Effect

The benefits of the typical McCarthy & Stone development scheme will be realised through additional expenditure generated in the local economy. This expenditure by residents will lead to increased income in the local area followed by the multiplier effects of successive rounds of expenditure. We assume that this expenditure will be a net increase spending in the locality because more than half (54 per cent) of the residents will have moved from 6 or more miles away; and in any event those dwellings vacated by McCarthy & Stone residents will typically be filled by larger and younger households whose expenditure is unlikely to be less than that of their predecessors.

## Resident Spending in a McCarthy & Stone Scheme

To derive an estimate of Income Effect, we look at the additional income brought into an area through the spending profile of McCarthy & Stone residents. Average spend of the study group is based on household expenditure figures from ORB's survey of McCarthy & Stone residents, shown in Table 1.

Table 1: Average weekly McCarthy & Stone household expenditure

|                                       | (£), 2003 Prices |
|---------------------------------------|------------------|
| Sample No.                            | 1,000            |
| No. of Responses                      | 724              |
|                                       | 60.37            |
|                                       | 12.67            |
| Food and non-alcoholic drinks         |                  |
| Alcoholic drink                       | 4.72             |
| Tobacco                               | .23              |
| Clothing and footwear                 | 13.02            |
| Household goods                       |                  |
| Household services                    | 14.05            |
| Personal goods and services           |                  |
| Motoring                              |                  |
| Fares and other travel costs          | 7.60             |
| Leisure goods                         |                  |
| Leisure services                      |                  |
| Miscellaneous                         | 14.87            |
| Total household expenditure           | 250.00           |
| Average weekly expenditure per person | 203.40           |

Table 1 shows that the average McCarthy & Stone resident household will spend £250 per week.

We use the weekly spend figure per person to aggregate the spend generated by a typical McCarthy & Stone scheme. Such a scheme is usually located close to a town or local centre for ease of access by elderly residents. The land area coverage of a typical scheme is 0.4 hectares (1 acre), providing around 45 retirement apartments and housing around 55 residents; together with a house manager's apartment. On the basis of these calculations, the typical McCarthy & Stone scheme generates a weekly spend of £11,250 by the residents. In addition, the manager's household expenditure, assuming a two person household, is £485 per week,<sup>7</sup> bringing the weekly total to £11,735.

<sup>7</sup> Based on ONS Family Expenditure Survey figures for non-retired households with one man and one woman.

## Resident Spending from a Conventional Housing Scheme

To assess the additionality of this spend (i.e. the difference from what would have happened in the absence of the McCarthy & Stone scheme), we compare it with the spending generated by a conventional housing scheme on a site of 0.4 hectares. We set out a conventional scheme based on Government guidance to form a benchmark against which the local income benefits of a McCarthy & Stone scheme can be identified.

In its Planning Policy Guidance for Housing (PPG3), 2000, the Government sets out that planning authorities should encourage no fewer than 30 dwellings per hectare for housing developments, and encourage densities of between 30 and 50 dwellings per hectare. Given that most McCarthy & Stone schemes are on the edge of town centres it is likely that higher densities will be required by the planning authorities. For the counterfactual comparison we therefore take the Government's higher average figure of 50 dwellings per hectare (i.e. 20 dwellings on a site of 0.4 hectares). We assume that each dwelling houses one household of 2.4 people based on the average size of a household in England & Wales (Census 2001).

To estimate the average spending generated in a conventional scheme, we use the information from the Family Expenditure Survey (FES) for the financial year April 2000 to March 2001.<sup>34</sup> This estimates an average weekly household expenditure of £390. It ranged from £130 a week in the lowest of the ten income groups to £850 a week in the highest. The average size of household was 2.4 persons, which is consistent with the finding in the 2001 Census.

FES expenditure figures are based on the April 2000 to March 2001 period, while the McCarthy & Stone survey figures are in current prices (i.e. 2003). We therefore factor up the FES results by an annual growth of 2.2 per cent over two years, which is equivalent to the Retail Price Index (RPI) annual rate of change between July 2001 and July 2003. This gives an average household spend in 2003 of £403 (£168 per person).

With a conventional scheme of 20 houses on a typical McCarthy & Stone site, assuming 20 households, this provides a total weekly spend of £8,060, and £420,000 per year. The alternative McCarthy & Stone scheme of 45 apartments, housing around 55 residents and house manager (two person household), is estimated to produce a weekly spend of £11,735 (£610,000 per year).

McCarthy & Stone sites have a myriad of previous uses but we felt it was appropriate to use a conventional housing scheme with the highest level of density for comparison. This is likely to provide the highest local economic benefit of the typical alternative uses on McCarthy & Stone sites. Other typical uses include edge of town centre employment uses such as car showrooms, petrol stations, public houses and sometimes light industry. The benefits to the local economy of these former uses are largely derived through local jobs and these jobs result in some local spend. However, given the low employment density associated with these uses, they are only likely to generate around two to three jobs and very low aggregate spend. Also, the nature of their products (the supply of cars, petrol, etc.) is likely to result in very high to complete leakage of spending on suppliers.

## McCarthy & Stone Resident Spending v. Counterfactual Spending

A typical lifetime of a new housing scheme is commonly estimated at 60 years for accounting purposes. To assess the total impact in terms of spending we multiply the spending over the lifetime of a housing scheme in Table 2, and then adjust this to present values. Present value measures the value of a future pound (i.e. the benefits) set by a discount rate. Without discounting, the assessment process is distorted. As we do not know the future value of a pound today we rely on the annual discount rate of 3.5 per cent set by the Government in its Green Book (the Government's set Guidance for Economic Appraisal of development projects).

<sup>34</sup>The FES is a survey of a random sample of private households in the United Kingdom carried out by the Office for National Statistics (ONS). It provides a wealth of information about household expenditure and household income. In 2000-01 6, 637 households took part in the FES. The response rate was 59% in Great Britain and 56% in Northern Ireland.

Table 2: Additionality of Spending over the Lifetime of a MS Scheme (£)

|                                                   | MS Scheme (A) | Conventional Scheme (B) | Additionality (A-B) |
|---------------------------------------------------|---------------|-------------------------|---------------------|
| Annual spending of residents                      | 610,300       | 420,000                 | 190,300             |
| Spending over lifetime of scheme                  | 36,616,600    | 25,200,000              | 11,416,600          |
| Present value of spending over lifetime of scheme | 15,757,000    | 10,844,00               | 4,913,000           |

As illustrated in Table 2, the total present value of additional spending over the lifetime of a McCarthy & Stone scheme is likely to be around £5 million above the counterfactual, conventional housing scheme.

## Quantifying Local Economic Benefits

The local income impact derives from two sources:

- Resident spending – spending by residents to the benefit of the local economy.
- Induced effects – the multiplier effect of successive rounds of expenditure. This depends on assumptions about leakage from the local area, taxation rates and the propensity to consume.

Local benefit is secured through reducing the level of leakage associated with the goods and commodities on which residents spend their money. Leakage is the proportion of spending which benefits those outside of the study area. In other words, we want to know how much of a McCarthy & Stone resident's spending is spent in the local area and not outside.

To estimate the local benefit of a McCarthy & Stone scheme against a conventional scheme we firstly look at the breakdown of the weekly spend by commodity and service types to establish how much might be retained in the local economy. We disaggregate spending by the FES classification, shown in Table 3, and judge the level of local leakage associated with each commodity/ service. We base this on differing levels of leakage<sup>99</sup> in calculating economic impact of expenditure within a typical local authority area. We consider that defining the local economy in terms of the local authority area is appropriate in this case.

<sup>99</sup> English Partnerships, *Additionally: A Full Guide* (July 2002)

| Leakage   | Description                                                                           | Leakage Factor |
|-----------|---------------------------------------------------------------------------------------|----------------|
| None      | All of the spending goes to local business and people living in the local area        | 0%             |
| Low       | The majority of the spending goes to local businesses and people                      | 25%            |
| Medium    | A reasonably high proportion of the spending will be retained within the area         | 50%            |
| High      | Many of the benefits will go to people living outside the area of benefit             | 75%            |
| Very high | A significant proportion of those benefiting live outside of the area of benefit      | 90%            |
| Total     | All of the benefits go to businesses and people living outside of the area of benefit | 100%           |

Table 3: Local Leakage of Spending by Commodities

| Commodities/ Services                                                           | Leakage   | Leakage Factor |
|---------------------------------------------------------------------------------|-----------|----------------|
| Housing (e.g. mortgage, council tax)                                            | Very High | 90%            |
| Fuel and power                                                                  | Very High | 90%            |
| Food and non-alcoholic drinks                                                   | Low       | 25%            |
| Alcoholic drinks                                                                | High      | 75%            |
| Tobacco                                                                         | High      | 75%            |
| Clothing & footwear                                                             | Medium    | 50%            |
| Household goods (e.g. toilet paper, furniture)                                  | Medium    | 50%            |
| Household services (e.g. Contents insurance, personal cleaner, home help)       | Low       | 25%            |
| Personal goods & services (e.g. jewellery, toiletries, medicines, hairdressing) | Low       | 25%            |
| Motoring (e.g. car purchase, repairs, petrol, tax etc.)                         | Very High | 90%            |
| Fares and other travel costs (e.g. bus, rail, taxi, aeroplane, coach)           | Medium    | 50%            |
| Leisure goods (e.g. books, magazines, toys, newspapers etc.)                    | Medium    | 50%            |
| Leisure services (e.g. cinema, shows, bingo, holiday etc.)                      | Medium    | 50%            |
| Miscellaneous/ other expenditure                                                | Medium    | 50%            |

On the basis of the assumed leakage associated with spending on different commodity/ services in Table 3, we estimate the direct impact in the local economy in Table 4. This shows an estimated 40 per cent of total spending by McCarthy & Stone residents to be injected into a local economy. A conventional scheme results in a marginally higher (41 per cent) proportion.

Table 4 shows no significant difference between the two schemes in terms of proportion of resident spending in the local economy based on assumptions given to spending type. However, McCarthy & Stone residents as a group are less likely to own a car and more likely to spend in the immediate local area.

The McCarthy & Stone residents' survey shows 62 per cent prefer to shop in a local centre compared with 19 per cent in a major town centre and just 10 per cent in an out of town retail park; 84 per cent consider the walking distance to shops and local facilities to be important in choosing their accommodation; and 65 per cent walk to the local shops at least every other day (34 per cent visit daily). These statistics indicate a high propensity to spend in the local centre closest to the scheme. While it is difficult to ascertain what the pattern would be for an average household in a conventional scheme, the likelihood is that more money is spent outside this area owing to higher probabilities of residents working elsewhere and having access to a car.

Table 4: Retained Weekly Resident Spending by Scheme

|                              | Before Leakage          |                     | After Leakage           |                     |
|------------------------------|-------------------------|---------------------|-------------------------|---------------------|
|                              | McCarthy & Stone Scheme | Conventional Scheme | McCarthy & Stone Scheme | Conventional Scheme |
| Total Weekly Expenditure (£) | 11,600                  | 8,100               | 4,600                   | 3,300               |
| % of Spend Retained          |                         |                     | 40%                     | 41%                 |

Table 5: Total Weekly Impact of Resident Spending by Scheme

|                           | Factor  | MS Scheme (£) | Conventional Scheme (£) |
|---------------------------|---------|---------------|-------------------------|
| Total spend               |         | 11,700        | 8,100                   |
| Local Spend               | 40%/41% | 4,700         | 3,300                   |
| Local spending multiplier | 1.3     | 1,400         | 1,000                   |
| Total local spend         |         | 6,100         | 4,300                   |

Having obtained a reasonable estimate of direct spending, we are able to look at the additional impact through the expenditure multiplier in the local economy. The multiplier effect measures further economic activity, or in the case of a residential development, further spending associated with additional local income and local supplier purchases. The additional spend is generated by local shops, suppliers, services, etc., further along the supply chain. For example, purchase of a haircut provides income to the barber, some of which he will then go on to spend in the locality.

In Government guidance on assessing regeneration projects,<sup>40</sup> local authority area multipliers are shown to range from 1.21 to 1.38 depending on the type of project intervention (no example is given for a residential scheme). Studies have been undertaken elsewhere which attempt to calculate multiplier levels in local areas, however, there remains a paucity of information on spending multipliers from residential schemes. The closest assessment is visitor spend as this will be spending brought into a local area albeit through a different conduit: that of tourism. Stephen Wanhill's<sup>41</sup> study of different multiplier techniques found that income multipliers for UK cities and towns ranged between 1.19 to 1.40 in seven studies he looked at, with a mean multiplier value of 1.28. Research by RTP<sup>42</sup> on the impact of visitor spending in Brighton & Hove district found an income multiplier of 1.38 in the local economy.

The multiplier will differ for each local authority, so while we are unable to provide a specific multiplier we assume a conservative figure of 1.3, based on the evidence set out above. So for every £1 spent locally there is an additional 30 pence injected into in the local economy from further rounds of spending.

Applying this multiplier to the direct spending derived above, we are able to estimate the total impact on local economies from a McCarthy & Stone scheme compared with a conventional scheme in Table 5.

### Local Benefits from McCarthy & Stone Resident Spending v. Counterfactual Spending

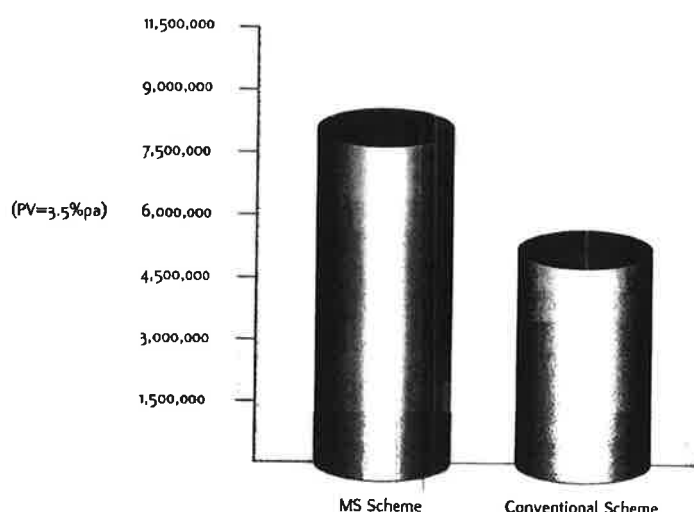
The annual income a McCarthy & Stone scheme will inject into a local economy additional to what might have happened, ie the counterfactual, is estimated to be around £1,750 per week (£92,000 per year). However, it is also appropriate to examine the total impact over the lifetime of a scheme. In Figure 1 we compare the local impact over a 60 year period, the average life of a standard built modern home, which is discounted to present value. This shows a McCarthy & Stone scheme impact to be £8 million, which is £2.3 million above what a conventional scheme is likely to deliver.

<sup>40</sup>The ODPM, Draft 3R (Draft Final, April 2003) and EGRUP (1995) Documents

<sup>41</sup>Stephen Wanhill, The Measurement of Tourist Income Multipliers, Tourism Management, 15(4), pp281-283

<sup>42</sup>Roger Tym & Partners, Economic Impact Assessment of the Brighton Centre (2002)

Figure 1. Lifetime Local Spending Impacts of Schemes (£ Present Value)



## Public Sector Cost Savings

### Introduction

An additional impact of a McCarthy & Stone scheme is the savings in public sector service delivery costs to the residents. Generally, the need for health and social care services increases with age, as does the burden on public services to meet this need. There will be time and cost savings for doctors, health care assistants, etc., where needs are concentrated in a smaller geographical area. In addition, residents of McCarthy & Stone developments are likely to move into residential care later than residents of non-specialised dwellings. And if admitted to hospital they have a greater chance of earlier release from hospital or temporary care, thereby freeing up space and reducing delays for other patients.

The difficulty is in identifying what the likely savings are from a typical McCarthy & Stone scheme. We therefore refer to research that looks into the economic savings and benefits from developments of schemes like McCarthy & Stone's to illustrate potential economic benefits.

## Research into Costs Savings

A Pida (1997)<sup>4</sup> report found that if homes were adapted so more people would be able to cope with the tasks of daily living in their own home, then more people might not need to move into specialist housing, or would delay such a move. Specialist housing costs may well fall on the spending of local health authorities.

The study sought to quantify this based on annual cost savings that accrue from a delayed move into residential care. Figures used in the report are taken from the Personal Social Services Unit at the University of Kent for 1994/5; however, we have obtained updated figures for 2000/01, which are shown in Table 6.

Table 6: Average Care Costs for Elderly People, 2000/01

| Provider        | Costs per person per week (£) |
|-----------------|-------------------------------|
| Private         | 303                           |
| Voluntary       | 296                           |
| Local Authority | 471                           |

Source: PSSRU, Unit Costs of Health and Social Care, 2001

<sup>4</sup> Pida PLC, A Cost Benefit Analysis of Lifetime Homes (1997)

# APPENDIX 3

# McCarthy and Stone

## Local area economic impact assessment

### Executive Summary

#### 1 Summary table

| Area of economic impact                                              | Average MCS Retirement Living development                                                   | Average MCS Assisted Living development |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------|
| Capital investment                                                   | £3.6 million                                                                                | £4.5 million                            |
| Community & employment benefits / yr                                 | £2.23 million one-off<br>£18,900 pa                                                         | £2.44 million one-off<br>£180,000pa     |
| Housing stock released                                               | £7.53 million<br>66% under-occupied                                                         | £9.20 million<br>66% under-occupied     |
| Average Council Tax (based on survey results)                        | £69,000                                                                                     | £69,000                                 |
| Average New Homes Bonus (based on survey results)                    | £343,000                                                                                    | £343,000                                |
| Resident spend in local economy / yr                                 | £670,000                                                                                    | £1,234,000                              |
| Resident spend in local economy above general needs development / yr | £125,200                                                                                    | £261,300                                |
| Health & Social care savings / yr                                    | £1,419 directly attributed<br><br>£30,000 / person / year when entry to residential care is | £1.04 million                           |

|                     |                      |        |
|---------------------|----------------------|--------|
|                     | prevented or delayed |        |
| Social capital / yr | £5,000               | £5,000 |

## 2 Introduction

This summary presents the results of a study by the Institute of Public Care at Oxford Brookes University of a sample of McCarthy and Stone Retirement Living and Assisted Living Extra Care schemes and interviews with 100 owners across that sample in England, Wales and Scotland. The study aimed to assess the local area economic impact of Retirement Living and Assisted Living Extra Care schemes. It took into account the health and well-being benefits to individual owners and the wider contribution to local communities in terms of investment, employment and other factors.

To summarise, the key findings from the report are:

### Health and social care

**Total estimated saving in health and social care costs per development (Retirement Living): £1,419 per year directly attributed. £30,000 / person / year when entry to residential care is prevented or delayed**

**Total estimated saving in health and social care costs per development (Assisted Living): £1.04 million per year**

Both Retirement Living and Assisted Living Extra Care schemes facilitate the health and well-being of owners in a variety of ways:

- 80% of owners of Retirement Living and Assisted Living apartments felt more secure in their current home compared with their previous one.
- 71% felt warmer.
- 65% said that they have a better quality of life and felt less socially isolated.
- Visits to the GP and hospital in-patient admissions were lower for owners in the last 12 months compared with the previous 12 months in their old homes, with a slight increase in district nurse visits.
- For a typical Retirement Living scheme of 50 residents, it is estimated that the lower number of GP visits results in a reduction in costs to the NHS of £1,419 per annum.
- Assuming 63% of residents of a typical 55 apartment Assisted Living Extra Care scheme would otherwise have needed residential or nursing care, this would cost just over £1 million per annum in residential care costs, assuming annual cost of residential care are £30,000 per annum.
- Design-related benefits of Retirement Living and Assisted Living Extra Care schemes enabled people to live without additional help in their

own homes, even when they require a mobility aid for moving around outside the scheme.

## **Capital investment**

**Total capital investment per development (Retirement Living): £3.6 million**

**Total capital investment per development (Assisted Living): £4.5 million**

For the wider community, Retirement Living and Assisted Living Extra Care schemes make significant contributions to the local economy both during the construction stage and the operational stage, providing capital investment and employment in local communities.

- An average Retirement Living scheme generates £3.60 million of expenditure (including labour, materials, fixtures and fittings) through its development and construction stage.
- An average Assisted Living Extra Care schemes generates £4.55 million of expenditure through its development and construction stage.
- The overall impact of the construction stage of Retirement Living developments is estimated to be £8.64 million.
- The overall impact of the construction stage of Assisted Living Extra Care developments is estimated to be £10.92 million.
- Many schemes brought a significant contribution through Section 106 payments to the local area.
- Five schemes brought an average of £343,000 per development in New Homes Bonus monies.
- Schemes frequently involved a degree of site clearance and preparation, often constructed on former retail or industrial sites which help to revive and improve empty sites.
- Assuming homes are valued at current average house prices<sup>1</sup>, residents moving into a typical Retirement Living scheme of 45 apartments will release £7.53 million from the sale of their homes; and residents moving into a typical Assisted Living Extra Care scheme of 55 apartments will release £9.20 million from the sale of their homes.
- Two-thirds (66%) of the owners freed up an under-occupied home. Most owners freed up a family home, with 60% moving from homes with three or more bedrooms. Where the buyer was known, 65 per cent of their homes had been sold to a couple or a family.
- Where known, 42% of previous homes had been repaired or improved since the owners moved to a McCarthy and Stone apartment.

<sup>1</sup> Land Registry House Price Index, December 2013.

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## Community benefits

**Total value of community benefits per development (Retirement Living): £2.23 million one-off, £87,900 per year including Council Tax**

**Total value of community benefits per development (Assisted Living): £2.44 million one-off, £249,000 per year including Council Tax**

- Much of this investment is spent locally. Construction and other staff contributed to the local economy through their use of local cafes, bakers, other retail outlets, petrol stations, bed and breakfasts, etc.
- Wages of construction workers (including sub-contractors) are on average: £2.23 million for Retirement Living schemes and £2.44 million for Assisted Living schemes.
- Retirement Living schemes typically employ a dedicated house manager, while Assisted Living Extra Care schemes employ an average of 17 staff including a qualified estates manager, care, catering, cleaning and gardening staff, providing a wide range of local employment opportunities.
- Average annual staffing expenditure in Retirement Living schemes was £18,900; and just under £180,000 in Assisted Living Extra Care schemes, much of which will be spent by staff locally.
- Schemes contributed to the aim of retaining older owner occupiers in their local area by providing them with a wider choice of appropriate accommodation.
- Many owners felt warmer in their McCarthy and Stone apartment, while also finding it cheaper to run – indicating the dual benefits of improved energy efficiency.
- Lower rates of car ownership contributed positively to the environment.
- Living at high densities, owners contributed sizeable sums to local authorities through their council tax payments. The total sum of council tax payments received per scheme averaged nearly £69,000 per annum.

## Additional expenditure in the local economy

**Total expenditure in the local economy per development (Retirement Living): £670,000 per year, £125,000 more than a general needs housing scheme**

**Total expenditure in the local economy per development (Assisted Living): £1,234,000 per year, £261,000 more than a general needs housing scheme**

In terms of the local economic impact of Retirement Living and Assisted Living Extra Care schemes, the study found strong evidence of significant additional expenditure, compared to a hypothetical conventional housing

development on a similar site. This contributes to the viability and sustainability of local shops and services.

- More than three-quarters (78%) of owners used local shops at least once a week; and around 90 percent used local shops and/or supermarkets more than once a month.
- Other local services were also used regularly by owners, with around a quarter using services such as local taxis, hairdressers, pubs, cafes and restaurants more than once a week.
- In a typical Retirement Living scheme, residents generate annual local spending of over £670k.
- The additionality of residents' spending in a Retirement Living scheme compared with a conventional housing development after allowing for leakage, multiplier effects and (deadweight) is estimated to add over £125,200 a year to the local economy.
- Over the 60 year lifetime of a Retirement Living scheme, the additional local spending is calculated to amount to over £8.598 million which is £3.155 million more than a conventional housing development on a similar sized site.
- In a typical Assisted Living Extra Care scheme, residents generate annual spending of over £1.234 million.
- The additionality of residents' spending in an Assisted Living Extra Care scheme compared with a conventional housing development after allowing for leakage, multiplier effects and deadweight is estimated to add over £261,300 a year to the local economy.
- Over the 60 year lifetime of an Assisted Living Extra Care scheme, the additional local spending is calculated to amount to over £15.294 million which is £6.585 million more than a conventional housing development on a similar sized site.
- In conventional housing developments, a substantial flow of housing expenditure will leave a community through mortgage payments. In comparison, much of the housing spending in a McCarthy and Stone scheme will be on service charges which include salaries of staff, many of whom live locally.

### **Social capital**

**Total estimated social capital value per development (Retirement Living): £5,000 per year**

**Total estimated social capital value per development (Assisted Living): £5,000 per year**

Retirement Living and Assisted Living Extra Care schemes provided additional social capital in local communities:

- Over one-third of residents (37%) in the McCarthy and Stone schemes contributed to their local area through their involvement in community activities. Based on hours contributed and valued at minimum wage rates, per scheme this would be equivalent to an annual contribution of just over £5,000.
- 6% of those interviewed provided significant amounts of informal care to their spouses. It is likely that by moving to more age-suitable housing, some informal carers were able to provide care for longer to their partners, thereby delaying or preventing a move into residential care.
- By providing greater housing choice to owners, specialist housing for older people meets important societal needs as indicated by people's reasons for moving: nearly two-thirds (65%) sought more appropriate housing; 44% wished to feel more secure and 31% to be closer to family members.
- Around two-thirds of owners felt less socially isolated in their McCarthy and Stone apartment compared with their previous home. It is likely that the proportions who feel socially isolated will decrease, as a number of those interviewed were relatively recent arrivals.

Overall, this analysis indicates that both Retirement Living and Assisted Living Extra Care schemes bring substantial benefits to local economies where they are established, while increasing the range of housing choices for older people. For individual owners, there are health and social benefits – some of which are related to the design of housing tailored to the needs of older people. For the wider community, schemes can attract investment, provide employment and social capital, environmental improvements, and free up family housing which can contribute to the health of local housing markets, while generating substantial Council Tax revenues. They provide a valuable means to increase the available housing stock, using sites effectively through their high densities.

The additional expenditure in the local economy generated by both Retirement Living and Assisted Living Extra Care schemes is significant. The figures presented here are conservative estimates, actual spending in local economic areas is likely to be even higher, given the level of use of local shops by owners in the two types of scheme.

# APPENDIX 4

# Housing markets and independence in old age: expanding the opportunities

Executive Summary | May 2011 | Professor Michael Ball

This report highlights the benefits of specialised private retirement accommodation and recommends a number of simple policy changes at no cost to the public purse to help increase its supply and address the challenges of housing an ageing population.

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## Introduction – why OORH matters

This report outlines the findings of a major piece of research on housing for older people who live in specialist private retirement accommodation, called owner occupied retirement housing (OORH). This type of housing is purchased, on a leasehold basis, and found in specially designed blocks of apartments which have communal facilities, house managers and other networks of support integrated within them. There are currently around 105,000 OORH dwellings in the UK, about 2% of the total number of homes for those aged 65 and over.

Why should policy makers be concerned about OORH? The reason is that it delivers a series of benefits for residents, their families, communities, the public sector and society in general. The key benefits of OORH are:

### Personal

- A higher quality of life for residents and their families. The report notes that 92% of OORH residents are very happy or contented and the great majority would recommend the accommodation to others.
- Greater security and convenience, and reduced feelings of isolation and vulnerability.
- Improved independence, well-being and health.

### Environment and neighbourhood

- Environmentally better than traditional housing, with reduced energy use, including less travel. The report states that 51% of OORH residents said that their energy bills were noticeably less.
- Sustains local shopping and other services, helping to sustain local communities. 80% use the shops almost daily or often; over 40% used the library or post office almost daily or often.

### Government/social

- Private rather than public – its provision entails no cost to the public purse.
- Reduced demand on public sector resources and health services. Residents manage better and spend fewer nights in hospital.
- The release of home equity in retirement; though not all release home equity.

### Communities

- Most OORH residents have family and friends in the locality. Older people form an important part of the core of most communities.
- Increases availability of much-needed family housing in areas of shortage. On moving, most OORH residents free up substantial family homes, with two thirds moving from homes with three or more bedrooms. This boosts supply in local housing markets.

This report highlights that far more elderly people could benefit from this type of accommodation than live in it now. However, due to supply side constraints created by restrictive planning and housing policies, many older people are not being provided with the opportunity to purchase OORH. **Relatively simple policy changes could address this without any cost to the public purse.**

## Why the supply of OORH needs to increase

The population is ageing but older people have not featured much in recent policy discussions about localism, housing or planning. As the UK's population grows and ages over the next 20 years, **the number of households over 65 years old will increase at a particularly fast rate. There are expected to be an extra 3.5 million older households by 2033 in England alone, a 60% increase on today.** By then, a third of all households will consist of those aged over 65, up from 28% in 2008.

The ageing of the UK population is going to have a substantial housing impact. Many older households will face growing health and housing difficulties as they continue to age. Although people are living longer, unfortunately the incidence of age-related ailments is not being delayed at the same rate to progressively older ages.

Home owners aged 65 and older collectively own £1 trillion of housing equity and most want to stay where they currently live for as long as possible. However, as many as 130,000 older people moved in 2008. Many move to be in preferred accommodation or to enjoy living at a different location and few are motivated by releasing housing equity. But, for others, the drivers are primarily push factors associated with being unable to manage in their current home: due to declining health, increasing isolation or financial problems. Even amongst non-movers, there will be many potential reluctant stayers. This is coupled with the fact that most home owners wish to maintain ownership of their home. OORH offers the opportunity for an improved lifestyle while remaining an owner occupier.

**However, the report notes that due to policy restrictions surrounding housing and planning, the supply of OORH has not matched growing demand. Build rates are low and need to grow four times from that achieved even before the 2007/8 downturn to cope with just a moderate increase in demand. Forecasts in the research show a potential increase in the use of this accommodation from 2% currently to 5% of housing for those aged 65 and over the next decade or so. This would generate a build rate of 16,000 OORH units a year, compared to just 4,400 delivered in 2007.**

In a society which is increasingly searching for ways of growing private provision, housing for the elderly seems an obvious candidate for a greater emphasis on the private sector, especially as so many older households are now owner occupiers. Also, within private provision, the benefits of direct property ownership can be maintained.

## The benefits of OORH

The report notes the substantial benefits of OORH for many older people. OORH dwellings are around 10% cheaper than the median values of the previous homes sold, giving significant average equity release, while maintaining continued housing equity. Over 40% are able to withdraw £25,000 or more housing equity but, at the same time, many others have none. An overall increase in the supply of OORH would lower the price of this type of housing, enabling millions more of the elderly to contemplate this as a lifestyle.

The report outlines the following benefits of OORH:

- **A higher quality of life for its residents.** The report notes that 92% of OORH residents are very happy or contented and most would recommend their accommodation to others. 83% said they were happier in OORH and 51% also said that their energy bills were noticeably less.
- **Improved health for residents and reduced impact on the NHS.** The overall balance of residents' perceptions of being able to manage their health was that it was better since their moves. As OORH accommodation is designed for impaired mobility, residents can manage better and spend fewer nights in hospital. This finding is important because of the high costs of in-patient care for older people.
- **OORH is good for the environment.** 51% of OORH residents said that their energy bills were noticeably less than they had been in their previous homes. This is backed up by comparative analysis of the energy costs of larger, older homes and new purpose-built energy-efficient flats. What is more, people tended to travel less once living in OORH, because they are often closer to friends and relatives and to shops and other facilities. Moving into OORH also allows the new owner of the previous home to undertake renovations to improve the energy efficiency of that house, increasing the energy savings potential.
- **OORH boosts local neighbourhoods.** Older people regularly use shops and local facilities during weekdays, when they are often underutilised, and at weekends. 80% use the shops almost daily or often; over 40% used the library or post office almost daily or often. The elderly are integral to any local area and because most have lived there for a long time have built deep roots in their neighbourhoods. This is reflected in extensive family and friendship networks. So, providing OORH means a much wider group of people benefit than simply the person or couple buying the property. Many local market-based services are under threat with the growth of out-of-town shopping and the Internet, but the elderly are more likely to use local amenities than many other residents.
- **OORH has a positive impact on local housing markets.** On moving, most residents free up a substantial family home, with two thirds moving from homes with three or more bedrooms. This boosts local housing markets – for every 5,000 OORH sold, property to the value of £1.1 billion is released into local housing markets. The turnover of this type of housing is essential for a healthy housing market.

## How public policy constrains the delivery of OORH

The research found that the building industry provided this type of accommodation in a competitive environment, so that its price and availability is driven by the costs and availability of construction inputs, including land.

Therefore, a number of policy-related factors have inadvertently contributed to restraining the supply of OORH to date and therefore limited its potential benefits. These include:

- **A lack of understanding of the benefits of OORH at a local and national level.** Evidence of a less than positive attitude to OORH is found in the extent to which McCarthy & Stone have had to go to appeal in relation to its sites. A large portion of its developments are only permitted on appeal, because agreement could not be struck with the local planners (65% of cases). Even on the minority of schemes where the appeal is refused, a clear blueprint is provided by the Inspector that then allows most sites to then receive consent at local authority level in a form of development that the authority had originally indicated to be objectionable. This process of being forced to appeal seems a particularly inefficient, wasteful and time-consuming way of planning for the provision of OORH and raises the prices of the homes built.
- **An inappropriate use of S106/s75(Scotland) charges.** Local planning authorities negotiate with developers of OORH for s106/s75 and Community Infrastructure Levy contributions. The analysis in this research shows that in the case of OORH some or all of the development charges are borne by the user: in this case, elderly middle income households, who do not seem a sensible group to target for this taxation. Under s106, development contributions are made towards providing affordable housing, much of which is used for providing accommodation for younger people. This policy is discriminatory against older people.
- **The role of inflexible building regulations.** The current government has committed itself to reducing the regulatory burden but many issues remain and raise the costs of providing homes for the elderly, especially as there are specific factors that add costs and compliance problems for OORH building. A fundamental problem is that regulations are 'one-size-fits-all'.

## How can public policy help increase the supply of OORH in the future?

The report makes the following four recommendations for amending planning and housing policy to boost the delivery of more OORH and meet demand. All entail little, if any, cost to the public purse.

1. **Better national strategic guidance on housing for the elderly.** The forthcoming National Planning Policy Framework offers an avenue to provide a set of ground rules for the delivery of more suitable accommodation and can help cut through local bureaucracy. It should include recognition in principle that demographic change and an ageing society are central issues for planning. It should also recognise that the elderly should be able to operate effectively in the private market and that the planning process should facilitate that.
2. **Better local strategic guidance on housing for the elderly.** This includes the allocation of sites for OORH in local plans and references to the benefits of this type of accommodation in local housing strategies. The greatest emphasis regarding housing for the elderly and planning is obviously at the local level. It will be highly useful in the context of a more positive, socially responsible attitude towards OORH, if the sector was integrated into planning strategies, local development frameworks and strategic housing market assessments rather than treated on a generally negative and individual site-by-site basis as currently occurs.
3. **Treat OORH as a form of affordable housing.** To improve the supply and lower the price of OORH, this type of housing should be redefined as the equivalent of affordable housing in terms of negotiations with builders over development charges. Treating all OORH as a form of affordable housing in planning terms, because of its significant personal and community benefits, would help reduce prices and increase availability. However, to impose price or quality caps on part or all of it would damage supply. Rather this proposal suggests that all OORH new build should be given enhanced planning status alongside low-cost home ownership for younger households, which is already treated as a form of affordable housing.
4. **Rethinking building regulations.** The government's principle of less all-round is a good one. The analysis here suggests that it would be useful if regulations and other requirements were more sensitive to differences in types of residential building and recognised the distinct roles that they play within housing markets. Regulations have differential costs and outcome impacts depending on the housing types and sub-markets in question. There is also a regulatory bias towards the most common types of built structure. Greater flexibility in allowable solutions, including recognition of the dynamics of household moves, would avoid imposing unnecessary burdens that limit the supply of OORH.

## Conclusion

OORH encapsulates many of the ideas that the current coalition government is promoting. This type of housing is about self-help: using resources built up over a lifetime to fund an appropriate lifestyle in older age, when the frailties of life begin to mount.

It is about private endeavour: utilising personal resources and social networks rather than relying on the state. It is about being able to enjoy life in older age, even when health matters may impose constraints.

It is about maintaining a sense of independence in old age, within an improved framework of emotional and physical security. Also, it is about building up communities: with people living in situations where friendships can be made and mutual support offered and where they can engage with the wider community, especially through links to families and friends.

It is about bringing families together, with grandparents being better linked with their children and their grandchildren living in the local area. It is about recognising the intergenerational linkages in any local community, the cycle of life, and the relation of local resources to these.

It is about ways of living that keep down public costs and save energy, without compromising preferred lifestyles.

The changes recommended in this report are in line with current government policy intentions. If enacted, the benefits would be substantial and the costs limited.

# APPENDIX 5

## **COMPENDIUM OF REPORTS PROMOTING SPECIALIST HOUSING FOR OLDER PEOPLE**

**Updated: October 2013**

### **INTRODUCTION:**

A number of reports have been published over the past four years that promote the strategic need for more and better housing options for those in later life. This document provides a quick summary of these publications. If these sources need to be quoted, they should be taken from the original publication rather than this document to ensure accuracy.

It is intended that information from these reports be referenced where appropriate by McCarthy & Stone to support future planning applications. The reports are listed in order of importance, not chronologically.

### **INDEX:**

1. **DCLG: Draft Practice Guidance - National Planning Policy Guidance, August 2013**
2. **DCLG: Laying the Foundations – A Housing Strategy for England, 21 November 2011**
3. **DCLG: National Planning Policy Framework, March 2012**
4. **Department of Health: Social Care White Paper, July 2012**
5. **The Dilnot Commission, July 2011**
6. **House of Lords Select Committee of Demographic Change and Public Services: Ready for Ageing? March 2013**
7. **Demos: Top of the Ladder, September 2013 Institute of Public Care: Identifying the health gain from retirement housing, June 2012**
8. **Scottish Government: Age, Home And Community: A Strategy For Housing For Scotland's Older People: 2012 – 2021, December 2011**
9. **ADASS & Housing LIN: A resource pack for Strategic Housing for Older People, Dec 2011**
10. **HAPPI: Housing our ageing population, panel for innovation, 2009**
11. **University of Reading, Professor Michael Ball: Housing markets and independence in old age: expanding the opportunities, May 2011**
12. **Housing LIN et al: Housing in Later Life: Planning for an ageing population. A toolkit for local authorities, December 2012**
13. **Shelter: A better fit? Creating housing choices for an ageing population, April 2012**
14. **Centre for Social Justice: Age of opportunity: transforming the lives of older people in poverty, July 2011**
15. **International Longevity Centre: Establishing the extra in Extra Care, September 2011**
16. **Joseph Rowntree Foundation: Older people's housing: choice, quality of life, and under-occupation, May 2012**
17. **Joseph Rowntree Foundation: Market Assessment of Housing Options for Older People – a report for Shelter and the Joseph Rowntree Foundation, April 2012**
18. **DEMOS: Coming of age, May 2011**
19. **National Housing Federation: Providing an alternative pathway: the value of integrating housing, care and support, January 2013**
20. **National Housing Federation: Breaking the mould: re-visioning older people's housing, February 2011**
21. **Age UK: Agenda for Later Life 2012 – Policy priorities for active ageing. February 2012.**

22. Intergenerational Foundation: Hoarding of housing: The intergenerational crisis in the housing market, October 2011
23. Building and Social Housing Foundation: More homes and better places: solutions to address the scale of housing need, September 2011
24. All Party Parliamentary Group on Housing and Care for Older People, July 2011
25. PSSRU / Housing LIN: Improving housing with care choices for older people: an evaluation of extra care. December 2011
26. DCLG: Lifetime Neighbourhoods, December 2011
27. DCLG: Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society, February 2008
28. DCLG: More Choice, Greater Voice. A toolkit for producing a strategy for accommodation with care for older people. February 2008
29. HCA / Frontier Economics: Financial Benefits of Investment in Specialist Housing for Vulnerable and Older People. 2010
30. Housing LIN / Ridgeway Associates: The Future Direction of Extra Care Provision in the South East Region: a review and report on extra care housing in the region. 2011
31. Housing LIN: Pretty Vacant: Vacancy chains and Extra Care Housing. Stimulating local housing markets. June 2011
32. Housing LIN: Downsizing for older people into Specialist Accommodation. February 2011.

## 1. Draft Practice Guidance National Planning Policy Guidance, August 2013 – NEW

- <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/http://www.communities.gov.uk/publications/housing/housingstrategy2011>. New online national planning guidance was published on 28 August 2013 for a six week consultation. The guidance is set to replace 7,000 pages of previous planning guidance, and housing for older people features heavily in the new version.
- The section on housing need and methodology (link above) notes:

***“The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households (Department for Communities and Local Government Household Projections 2013). Plan makers will need to consider the size of dwellings needed in the future in order to free up houses that are under occupied. The age profile of the population can be drawn from Census data. Projections of population and households by age group should be used. The future need for older persons housing broken down by tenure and type eg sheltered, enhanced sheltered, extra care and registered care can be obtained from a number of online tool kits provided by the sector.”***
- The section on viability (<http://planningguidance.planningportal.gov.uk/blog/guidance/viability-guidance/how-should-viability-be-assessed-in-decision-taking/>) notes:

***“The viability of individual development types, both commercial and residential, should be considered. Relevant factors will vary from one land use type to another....For older people’s housing, the scheme format and projected sales rates may be a factor in assessing viability.”***

## 2. Laying the Foundations - A Housing Strategy for England, 21 November 2011

- <http://www.communities.gov.uk/publications/housing/housingstrategy2011>. The Government's Housing Strategy seeks to reignite the housing market and get the nation building again. It includes a package of reforms and importantly a New Deal on Older People's Housing.

The Housing Strategy includes policy measures specifically aimed at the retirement housing market. Specific statements on pages 47 and 48 include:

***“The Government is committed to ensuring that housing and planning policies positively reflect the wide range of circumstances and lifestyles of older people, who already occupy nearly a third of all homes.***

***“Good housing for older people can enable them to live healthy, independent lives and reduces pressure on working families in caring for older relatives. It can also prevent costs to the NHS and social care. For some older people a move to a smaller, more accessible and manageable home can also free up much-needed local family housing.***

***“Many older people choose to move home to enable them to remain independent, to release equity and to access appropriate support and care. We will encourage local authorities to make provision for a wide range of housing types across all tenures, including accessible and adaptable general-needs retirement housing, and specialised housing options including sheltered and Extra Care housing for older people with support and care needs.”***

***“We are working with planners and developers to facilitate industry-led guidance to enable local strategic planning and delivery of a wider range of innovative, high quality housing for older people based on robust data and needs analysis, including demographic projections and profiling.”***

***“The Government welcomes the continued work of the independent Housing our Ageing Population Panel for Innovation (HAPPI) to raise the profile of good quality specialised housing for older people and to promote innovation in this sector.”***

- In addition, on P16 the document refers to the positive references regarding demographic change in the NPPF.

### 3. DCLG: Final National Planning Policy Framework, March 2012

- <http://www.communities.gov.uk/planningandbuilding/planningsystem/planningpolicy/planningpolicyframework/> The National Planning Policy Framework is a key part of the Government's reforms to make the planning system less complex and more accessible, and to promote sustainable growth.
- The document contains many positive references to increasing housing delivery generally. It reiterates the economic messages in the Government's *Plan for Growth*, published with the Budget in March 2011, including the need to free up planning to help drive the economy.
- Para 50 notes that local authorities should plan for a mix of housing based on current and future demographic and market trends and the needs of different groups in the community, such as older people. Importantly, this section mentions the need to plan for all tenures and home ownership.
- Para 159 repeats these points, with older people mentioned twice in the final version, compared to once before in the earlier draft. The glossary of the NPPF refers to older people as those over retirement age 'whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs'.

### 4. Social Care White Paper, July 2012

- <http://www.dh.gov.uk/health/2012/07/careandsupportwhitepaper/> The Department of Health published the 'Caring for our future: reforming care and support' White Paper, which sets out the vision for a reformed care and support system.
- The White Paper includes a specific section on the role of housing (chapter 3). It notes that:  
***"We know that people's housing plays a critical role in helping them to live as independently as possible, and in helping carers to support others more effectively. However, people told us during the Caring for our future engagement that there were not enough specialised housing options for older and disabled people. To help stimulate the development of more housing options, we will set up a new care and support housing fund, which will provide £300 million of capital funding over five years from 2013/14 to encourage providers to develop new accommodation options for older people and disabled adults."***  
***"Local authorities must plan for a range of accommodation to meet different people's needs and requirements. However, we believe that there is a particular need to develop a greater supply of accommodation for the growing number of older people who are homeowners. We will look at ways for our capital fund to encourage the development of specialised housing for this group. Evidence from the Personal Social Services Research Unit has shown that extra-care homes (one model of specialised housing) provide good outcomes for recently retired people who have low-level care needs, as well as being cost effective alternative to residential care."***

### 5. The Dilnot Commission. July 2011.

- [www.dilnotcommission.dh.gov.uk/our-report/](http://www.dilnotcommission.dh.gov.uk/our-report/) The Commission was an independent body tasked by Government with reviewing the funding system for care and support in England. It was chaired by Andrew Dilnot.
- Importantly, the Commission made the link between better housing and reducing the impact on adult social care budgets. P2 and P61 note:  
***"The Commission understands the critical role that housing provision plays in improving well-being and delivering better outcomes for individuals. Being housed in suitable accommodation can improve someone's overall quality of life by offering greater security, support and peace of mind. Specific support through aids, adaptations and home modifications can help people remain at home and manage needs better."***

***“We know people are very attached to their family home and our proposals should support people in staying there for as long as they wish. However, sometimes more appropriate housing could bring significant benefits – some may find that downsizing or moving to a more suitable type of accommodation could improve their health and overall welfare. We want people to start planning earlier because this will allow them to exercise far greater control than if they wait until they develop a significant care and support need or face distressing and critical circumstances. For example, the Commission hopes that more people will be able to consider extra care housing in the future, if they are more aware of this type of provision and can be more certain over their financial planning.”***

#### **6. House of Lords Select Committee of Demographic Change and Public Services: Ready for Ageing? March 2013**

- The introduction outlines that the UK population is ageing rapidly, though as a society we are under prepared for this growth. Key projections include:
  - 51% more people aged 65 and over on England in 2030 compared to 2010
  - 101% more people aged 85 and over in England in 2030 compared to 2010
  - Over 50% more people with three or more long term conditions in England by 2018 compared to 2008
- The report makes a number of conclusions and recommendations for housing and older people. People with housing equity should be enabled to release it simply without excessive charges or risk. The government should work with the financial services industry to ensure such mechanisms are available and to improve confidence in them. Central and local government, housing associations and house builders need urgently to plan how to ensure that the housing needs of the older population are better addressed and to give as much priority to promoting an adequate market and social housing for older people.
- Annex 16 focuses specifically on housing provision. It notes the 2006 Wanless Social Care Review, which reported that 27% of older people would consider specialist housing if it were available and in February 2012, a YouGov poll for Shelter concluded that 33% of people over 55 were interested in specialist housing, which equates to more than six million people. It adds that, despite the growing demand for specialised accommodation, there are just 106,000 units for home ownership and 400,000 units for rent in the UK as a whole. In addition, build rates are lower now than in the 1980's and in 2010, there were just 6,000 units for rent and 1,000 for ownership built, compared to 17,500 for rent and 13,000 for ownership built in 1989. The UK lags behind other countries in terms retirement home provision, particularly the United States and Australia.
- The report blames this lack of provision on the fact that public policy does not proactively encourage innovation and increasing supply in this sector. Developers working in the market often lose out to other businesses when applying for planning permission. The report suggests that local government should signal their intention to ensure better housing provision for older people by insisting that local planning agents both encourage the private market in housing provision for older people, and by making specific mention of older people's needs when drawing up their planning strategies.
- Within Annex 16 (Housing Provision), it notes that the Community Infrastructure Levy (CIL) and Code for Sustainable Homes have serious cost implications and that the same obligations do not always apply for different home builders. It illustrates that housing developers are not operating on a level playing field for land acquisition, despite the growing need to ensure specialist housing supply. McCarthy & Stone is quoted in these sections.
- The report highlights that the National Planning Policy Framework (NPPF) signals that it is important to consider future demographic change when making planning decisions. The NPPF said that it is also crucial to *“address the needs of people over retirement age, including the active, newly retired through to very frail elderly, whose housing needs can encompass accessible,*

*adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs."*

- The report highlights that Central and local government should jointly review how the National Planning Policy Framework's suggestions might be clarified and tightened to do more to ensure sufficient housing provision for older people. The report suggests also that health and Wellbeing Boards, on which local planners should be represented, should draw up plans for how communities can prepare themselves for older populations and involve housing associations and private developers to ensure that there is enough specialist housing, adequate transport and other easily accessible facilities for older people.

## **7. Demos: Top of the Ladder, September 2013 – NEW**

- <http://www.demos.co.uk/projects/topoftheladder>. The report notes that chronic undersupply of appropriate housing for older people is the UK's next housing crisis.
- While all eyes are on those struggling to get on the bottom of the property ladder, those at the top are often trapped in homes that are too big and unmanageable. This is due to a lack of suitable homes to downsize into and in turn has a negative effect not just on older people's health and wellbeing, but on the rest of the housing chain.
- The Top of the Ladder uses original quantitative research to investigate older people's housing preferences, and the likely impact of giving them greater choice. It estimates that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move, freeing up 3.29 million properties. Apart from these gains, retirement housing has a very beneficial effect on older people's health, wellbeing and social networks, and could save health and care services considerable resources.
- Those looking to downsize hold £400 billion of equity in their homes to be able to pay for their new retirement property, if they were available.
- The report suggests that this would be a triple-win for government, improving older people's lives while stimulating the property and home-building market, at little cost to the public purse. It recommends changes to the planning code to encourage the development of retirement housing, while also providing practical help and giving financial incentives to encourage downsizing. It concludes by arguing that the Government should adopt a 'whole chain' view of the housing market, as helping those at the top of the ladder will unlock supply and benefit those on every other step.
- The report found:
  - One in four (25 per cent) over 60s would be interested in buying a retirement property – equating to 3.5 million people nationally.
  - More than half (58 per cent) of people over 60 were interested in moving.
  - More than half (57 per cent) of those interested in moving wanted to downsize by at least one bedroom, rising to 76 per cent among older people currently occupying three-, four- and five-bedroom homes.
  - These figures show that 33 per cent of over 60s want to downsize, which equates to 4.6 million over 60s nationally.
  - More than four in five (83 per cent) of the over 60s living in England (so not Scotland, Wales or Northern Ireland) own their own homes, and 64 per cent own their home without a mortgage.
  - This equates to £1.28 trillion in housing wealth, of which £1.23 trillion is unmortgaged. This is far more than the amount of savings this group has (£769 billion).
  - Therefore the over 60s interested in downsizing specifically are sitting on £400 billion of housing wealth.
  - If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would release around £356 billion worth

- of (mainly family sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes.
- If those wanting to buy a retirement property were able to do so, this would release £307 million worth of housing.
- Combining NewPolicy Institute (NPI) analysis of current market chain effects of older people dying and moving each year with our own analysis of ELSA, we can estimate that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move, freeing up 3.29 million properties, including nearly 2 million three-bedroom homes.
- If just half of those interested in downsizing more generally were able to do so, 4 million older people would be able to move, freeing up 3.5 million homes.
- Demos recommends three ways to help solve this crisis:
  - Giving retirement housing special planning status akin to affordable housing, given its clear and demonstrable social value
  - Tackling S106 and Community Infrastructure Levy (CIL) planning charges, which make many developments untenable and affect them disproportionately compared with general needs housing developments
  - Quotas and incentives for reserving land for retirement housing, and linking this to joint strategic needs assessment and health and wellbeing strategies for local areas.

#### **8. Institute of Public Care: Identifying the health gain from retirement housing, June 2012**

- [http://ipc.brookes.ac.uk/publications/pdf/Identifying\\_the\\_health\\_gain\\_from\\_retirement\\_housing.pdf](http://ipc.brookes.ac.uk/publications/pdf/Identifying_the_health_gain_from_retirement_housing.pdf)  
This report highlights that one of the best options to deal with the care crisis lies in a substantial growth in the development of specialist housing suitable for older people. It calls on the government to recognise this in the 2012 White Paper on adult social care.
- The paper highlights from a wide evidence base that increased companionship and security, better access to care and support and warmer, more accessible accommodation through the development of good quality retirement housing could reduce the need for health care expenditure. It calls for the Government to stimulate a greater provision of retirement housing, particularly for owner occupation where delivery rates have been low. Specific recommendations include:
  - Encourage delivery through the planning process with incentives for local authorities to release land for development of older people's housing schemes.
  - A stamp duty holiday for older people moving into specialist housing and for those buying their property.
  - Reduction in council tax for older people in specialist housing.
  - Financial support around pack and move schemes and also legal and conveyance fees for older people moving into retirement housing.
  - A longitudinal study comparing health performance of different forms of retirement housing
  - A national kite mark for housing that identifies it as offering accessibility and the capacity to have a range of health and care services available.

#### **9. Scottish Government: Age, Home And Community: A Strategy For Housing For Scotland's Older People: 2012 – 2021, December 2011**

- <http://www.scotland.gov.uk/Publications/2011/12/16091323/0>. This strategy focuses on ways to realise the aspiration of enabling older people to live independently at home, and shift the balance away from residential care.
- Chapter 3 calls for better strategic leadership at a local authority level, stating that "It is important that ... organisations work in partnership, strengthening the connections between housing, health

and social care. Other chapters focus on making better use of existing properties, providing better information and improving preventative support services.

- Chapter 5 refers to existing models of housing. It notes on P47:  
***"Housing with care or support covers specialised forms of housing for older people, including amenity housing, sheltered housing, very sheltered housing and extra care housing. Around 6% of people aged 65 and over live in these types of housing. As people's needs increase, these more specialised forms of housing, which include varying levels of additional support, can help them to remain in their own homes for longer. Housing with care or support is popular with the great majority of current residents as a positive choice of independence with support. Most of this housing is in the social rented sector, although private retirement housing offering similar services, has increased in popularity in recent years. One of the main benefits to residents of such housing is its impact in reducing isolation and loneliness, through the opportunity to live in a ready-made community with provision of social activities."***
- Specialist housing: The document notes on P6 that the Scottish Government is:  
***"keen to encourage the development of new models of housing that enable older people to maintain their independence in the community."***  
***"Our vision is for a housing system by 2020 which provides an affordable home for all. To achieve this, we will need a strong recovery in the construction sector and a substantial increase in the number of homes of all types, including housing to meet the needs of older people and disabled people.... The public purse is under huge financial strain, which is why we need creative and innovative approaches to deliver maximum value."***
- Pages 70 to 72 refer to good housing designs for older people. It notes:  
***"A greater variety of new homes which are attractive to older people could be helpful in supporting the housing market and in releasing larger family homes."***  
***"We are keen to encourage the development of new and innovative models of housing that enable older people to maintain their independence in the community. As discussed in Chapter 5, sheltered housing is changing. New build housing with care and support often offers services to the wider community, expanding the provision of preventative support and building social networks.... Retirement villages can also provide another option for older people, who wish to live in a community setting with support and care available on site."***
- P74 includes a case study of McCarthy & Stone's Assisted Living schemes. With the strategy's commitment to introduce new models of accommodation and care for older people in Scotland, this can be taken as an endorsement of this model by the Scottish Government.

#### **10. ADASS & Housing LIN: A resource pack for Strategic Housing for Older People, December 2011**

- <http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOPv2/>. To coincide with the Government's Housing Strategy and the 'New deal for older people's housing', the Strategic Housing for Older People (SHOP) Resource Pack offers a sector-led approach to meeting the housing demand and supply challenges for an increasingly ageing population. It has a particular focus on private sector provision.
- The papers and accompanying tools help local authorities plan for specialist housing for older people, predict demand and promote cross-tenure provision. It outlines the growing need for more specialist housing. For instance, P7 notes:  
***"The challenge is considerable and immediate given the time it can take for new housing to move from concept to completion. It is a challenge not just for public sector housing but also for the private sector, given the high levels of home ownership amongst older people. It is a challenge for planners and architects and also to those who fund housing development, to recognise the substantial change that will need to take place in the way our communities are designed over the coming years."***

## 11. HAPPI – Housing our ageing population, panel for innovation. 2009

- <http://www.homesandcommunities.co.uk/housing-ageing-population-panel-innovation> This is one of the leading reports on housing for older people. It notes the need to plan ahead positively, creating demand for better choice through a greater range of housing opportunities. It focuses on ways to improve the quality of life of our ageing population by influencing the availability and choice of high quality, sustainable homes and neighbourhoods. P3 states that:  
***“Local Planning Authorities should play a key role to ensure delivery of desirable housing in great places, tuned to local need and demand.”***
- Pages 11 to 20 highlight why meeting older people's housing needs is a national priority. P11 notes:  
***“Without a vision of an alternative, more positive future, ‘selling up’ tends to be a last resort – realising a valuable asset as well as losing a much-loved home. For some couples, where one partner develops acute care needs, the choice is stark: to sell up and move to an expensive care home or end their lives apart. Few people want either.”***
- Recommendations on P19 note that:  
***“The time has come for a new national effort to build the homes and create the environments that will meet our needs as we all grow older.... We recommend that local authorities play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the country.”***
- Through a series of case studies, it illustrated how well-designed housing can facilitate social interaction across generations, by providing shared communal spaces and cafés or leisure facilities that are available to residents and the local community. P28 notes:  
***“On several study visits [we] heard from residents that they value being able to choose when to be alone and when to be with others.... Throughout the HAPPI visits, the importance of a sense of belonging to a neighbourhood was evident.... Remaining active in the context of a community, in a neighbourhood we know, is crucial to our quality of life and how we feel about the future.”***
- Pages 46 to 56 state how various bodies can help deliver this form of housing:
  - i. ***“In their strategic role, Local Authorities acquire a detailed understanding of the age profile of those in their area.***
  - ii. ***In their place-making role, local authorities take the lead in bringing together local housing providers, PCTs, Adult Social Care Services and the voluntary sector to pursue the policies which will ensure sufficient, well-designed homes, having regard to the ethos of Lifetime Neighbourhoods.***
  - iii. ***Planners recognise the special characteristics of housing for older people in Local Development Frameworks covering both new developments and the regeneration of existing neighbourhoods, and in any Supplementary Planning Documents covering additional local requirements for specialist provision such as extra care, retirement villages and continuing care retirement communities.***
  - iv. ***In entering into Section 106 agreements (or equivalent measures) to secure planning gain from private developers, Local Authorities balance the value of achieving a higher level of affordable/social housing for younger households with the advantages of securing housing for older people for those on a range of incomes.***
  - v. ***In disposal of land in their ownership, consideration be given to the importance, for economic and social sustainability, of development of housing for older people.***
  - vi. ***All Local Strategic Partnerships be invited to establish a sub-group to consider older people's housing, health and care needs.”***

**12. University of Reading, Professor Michael Ball: Housing markets and independence in old age: expanding the opportunities, May 2011**

- [www.henley.reading.ac.uk/web/FILES/REP/HousingMarketsinOldAge.pdf](http://www.henley.reading.ac.uk/web/FILES/REP/HousingMarketsinOldAge.pdf) Sponsored by McCarthy & Stone. It highlights the benefits of specialised private retirement accommodation and recommends policy changes to help increase its supply. Chapter 5 notes the benefits of OORH (owner occupied retirement housing) to families, residents, and communities (including downsizing). Chapter 6 notes the benefits of OORH to public services and the environment. P5 states:

***"The report notes the substantial benefits of OORH for many older people. OORH dwellings are around 10% cheaper than the median values of the previous homes sold, giving significant average equity release, while maintaining continued housing equity. Over 40% are able to withdraw £25,000. The report outlines the following benefits of OORH:***

- i. A higher quality of life for its residents.***
- ii. Improved health for residents and reduced impact on the NHS.***
- iii. OORH is good for the environment.***
- iv. OORH boosts local neighbourhoods.***
- v. OORH has a positive impact on local housing markets."***

- P16 notes:

***"A central argument of this report is that OORH is significantly under-provided. Far greater numbers of elderly people would benefit from living in this type of housing, if they were given greater opportunity to do so and if there was a better understanding of this type of housing provision both by potential users and policymakers. The strongest argument [against] under-provision is the high level of satisfaction existing residents express, given their current state of health and lifestyle. There are many other older people with similar characteristics who would benefit from moving to such accommodation.... Even a moderate increase in the utilisation of OORH from its current low level would provide considerable benefits to key groups of older people and, in addition, would create substantial spin-off benefits for communities and society as a whole."***

- P23 states:

- ***The private sector has not been able to expand the accommodation it offers to any great extent. In fact, the amount built for sale in the past decade is far less than it was in the 1980s... This suggests that there are deep-seated supply side problems. Housing in general faces these difficulties but they are exceptionally large with regard to OORH and the problems unfortunately derive from restrictive and inappropriate public policy with respect to housing supply and a failure to recognise the key role that policy towards the elderly can play in making local housing markets work better."***

- Chapter 8 makes a number of recommendations, including:

- i. Better national strategic guidance on housing for the elderly, particularly in the NPPF.***
- ii. Better local strategic guidance on housing for the elderly.***
- iii. Treat OORH as a form of affordable housing.***
- iv. Rethinking building regulations.***

**13. Housing LIN et al: Housing in Later Life: Planning for an ageing population. A toolkit for local authorities, December 2012**

- [http://www.housinglin.org.uk/Topics/browse/Design\\_building/Planning/?&msg=0&parent=8582&child=8654](http://www.housinglin.org.uk/Topics/browse/Design_building/Planning/?&msg=0&parent=8582&child=8654) This toolkit spells out the processes that could help the HAPPI objectives to be met, with particular emphasis on the role of local planning authorities. Published jointly by the National Housing Federation, Tetlow King Planning, McCarthy & Stone, Contact Consulting and the Housing LIN, it has been designed for local planners and commissioners to use when planning for

specialist housing for older people as part of an overall local strategy on older people's housing, care and support.

- The toolkit encourages local authorities to join up planning, housing and social care policy, both in the collection of evidence and the development of specialist housing for older people. It suggests a number of tools to help officers plan for this form of housing in their local policies, strategies, guidance and associated conditions as part of their local plans.
- Importantly, the toolkit outlines the many benefits of specialist housing for older people, including its ability to free up under-occupied housing, improve the well-being of its residents and reduce public health care budgets.

#### 14. Shelter: A better fit? Creating housing choices for an ageing population, April 2012

- [http://england.shelter.org.uk/professional\\_resources/policy\\_and\\_practice/policy\\_library/policy\\_library\\_folder/a\\_better\\_fit\\_creating\\_housing\\_choices\\_for\\_an\\_ageing\\_population](http://england.shelter.org.uk/professional_resources/policy_and_practice/policy_library/policy_library_folder/a_better_fit_creating_housing_choices_for_an_ageing_population) This report states that the ageing society is one of the most well-documented and universally accepted facts of our time, so it is surprising that the housing system – both public and private – has been so slow to adapt to the changing needs of this important group. It demonstrates that there is both a need and a real opportunity to improve the lives of millions in our society – old and young alike – by giving greater focus and drive to our efforts to build quality new homes for our older people.
- It notes that there are very few specialist homes for older people available. There are approximately 533,000 specialist homes in England, mainly in the social-rented sector with some support facilities to give residents practical day-to-day help. There is very little specialist housing available to buy or rent privately, and very little mid-range specialist housing for older people who are not wealthy but do not rent socially. We need a much greater supply of specialist housing for older people.
- The report notes that the evaluations of retirement housing schemes have largely shown positive outcomes for older people. Residents' health, safety and well-being tends to improve and there are increased opportunities for social interaction. Moving to smaller, more energy efficient accommodation can help older people to stay warm and save money on energy bills. Economic benefits can include employment opportunities for the local community and cost savings to the NHS through improved health and the reduced likelihood of accidents and falls.
- The report that when older people downsize to smaller accommodation, there is a market chain effect and larger properties become available to other households. The report makes a number of policy recommendations:
  - **We need a significant increase in the supply and range of suitable housing for older people, including private-rented and owner-occupied specialist housing.**
  - **Developers should build attractive and well-designed homes for older people and specialist providers must be upfront about their services and charges.**
  - **The planning system must support the development of housing for older people. The introduction of the National Planning Policy Framework provides an opportunity to give housing for older people a higher priority and to clarify the guidance on how housing for older people should be classified.**
  - **Older people need to be better informed about their housing options at an early stage and to plan ahead accordingly. Many need practical help and support with their housing and with planning their later life.**
  - **Local government can do more to facilitate schemes that help older people move to accommodation that's more suited to their needs. Local planning authorities must factor older people's housing into local plans, strategies and housing market assessments, while integrating these with health and social care strategies.**

#### 15. Centre for Social Justice: Age of opportunity: transforming the lives of older people in poverty, July 2011

- [http://www.centreforsocialjustice.org.uk/client/downloads/20110629\\_AgeofOpportunity.pdf](http://www.centreforsocialjustice.org.uk/client/downloads/20110629_AgeofOpportunity.pdf). Provides a number of suggestions to reform policies affecting older people, supported by Age UK. Its recommendations focus on improving existing housing stock in order to make homes suitable for people to live in and on building new stock in order to tackle the chronic shortage. P99 notes:  
***“At present the housing market in the UK simply doesn’t reflect the types of choices older people aspire to. As well as the huge number of problems with existing stock, there is a serious shortage of new housing specially designed for older people, whether ‘specialist’ or ‘non-specialist’. Given the demographic projections, the glacial pace of new development of housing particularly suited for older people suggests that, as a country, we are sleeping walking into an ageing society.”***
- P101 refers to undersupply:  
***“Despite the considerable shortage of new housing for older people and its clear benefits reported, throughout our evidence gathering we have heard that at a local level planning authorities (essentially the ‘gate-keepers’ of development) often fail to recognise its value. The CSJ has heard from both social landlords and commercial outfits of councils’ frequent hostility towards them, and the cumbersome planning processes which paralyse market activity.... Without any kind of overall strategy for older people’s housing, too many planning authorities treat each application on an isolated, case-by-case basis, with no real understanding of what provision is needed in their locality.”***
- P102 states the difficulties in getting planning consent:  
***“At present, providers of specialist housing report that it is far easier to obtain planning permission for a particular site when the requisite council has developed local intelligence on the needs of its area. Requiring local planning authorities to have an older person’s strategy is one way of increasing this awareness, given that at present only an estimated half of all planning authorities have specific strategies for older people.”***
- P103 refers to affordable housing:  
***“Having heard calls from developers to ease the Section 106 stipulation, we believe that temporarily making retirement housing exempt from the presently required affordability contributions (which essentially seek to secure money and/or a proportion of the development for social use) could be needed in order to change the market in the short term and offer choice. But this contested theory needs investigating for likely outcome and impact. Therefore, as part of a package to offer more choice and affordability for older people, we recommend: An independent impact assessment should be carried out for a proposed pilot of a time-limited period to suspend Section 106 affordability contributions required of retirement developments. This would assess two things: first, whether such a suspension would encourage and deliver more developments and new builds as providers claim; secondly, the projected take-up of older people in such circumstances.”***
- P103 refers to the benefits of Extra Care:  
***“Throughout our evidence gathering for this review, the CSJ has seen firsthand the promise Extra Care housing holds for older people with care needs to maintain their independence for as long as possible....Furthermore, again anecdotally, we also heard of the real alternative Extra Care can be for those struggling to cope with the onset of care in general needs housing. ...Despite the clear benefits of Extra Care housing and the distinct need it caters for, its pace of development, as Richard Humphries, senior fellow of the King’s Fund, told the CSJ, has been ‘glacial’. At 30,000 units, it constitutes a tiny percentage of the specialist housing in this country. The CSJ believes that as a country we have not yet delivered upon the promise of Extra Care. To make Extra Care a real choice for far more people, we don’t just need a more efficient planning system. Our recommendation is that: Councils need to take the initiative to bring on-line a greater supply of specialist housing such as Extra Care. In an era of reduced capital expenditure by government, councils need to consider other ways of developing specialist housing products such as offering land and asset transfer arrangements.”***

**16. International Longevity Centre: Establishing the extra in Extra Care, September 2011.**

- [http://www.ilcuk.org.uk/files/pdf\\_pdf\\_193.pdf](http://www.ilcuk.org.uk/files/pdf_pdf_193.pdf). This report looks at the positive benefits of extra care housing and makes a number of policy recommendations. Its findings were:

***I. Extra care housing is a home for life.***

***II. Extra care is a healthy home for life.***

***III. Extra care housing is associated with a lower uptake of inpatient hospital beds.***

***IV. Extra care housing translates into fewer falls.***

***V. Extra care housing supports some of the oldest and frailest members of society.***

***VI. The benefits of residence in extra care housing could translate into substantial cost savings, particularly in the long-term.***

***VII. Expansion of the extra care housing sector, as part of the retirement housing sector more generally.***

- The report's key recommendations on P12 are:
  - ***Policy-makers should recognise and encourage private sector development of extra care housing.***
  - ***Policy-makers need a co-ordinated response to providing housing, health care and social care for our ageing population.***
  - ***Policy-makers should make specific pledges to increase the level of provision of extra care housing.***

**17. Joseph Rowntree Foundation: Older people's housing: choice, quality of life, and under-occupation, May 2012**

- <http://www.jrf.org.uk/publications/older-peoples-housing-choice>. The study looks at what an older person thinks about moving, the choice available, the impact of housing on well-being and quality of life, and under occupancy. Its key findings are:
  - There are 7.3 million older households in England (containing no-one under 55) living in either mainstream or specialist housing.
  - The specialist housing currently on offer does not reflect the choices that most older people make. There is limited choice for older people who want to move to both specialist and alternative mainstream housing, in terms of tenure, location, size, affordability and type of care or support.
  - Three-quarters of all older households are owner-occupiers but only one quarter of specialist housing is for purchase. Despite the majority of older people owning their homes outright, 77 per cent of specialist housing is for rent and only 23 per cent for sale.
  - Death is more important than downsizing in 'releasing' larger homes: 85 per cent of homes with three or more bedrooms are 'released' by older people due to death rather than a move to a smaller home.
- Importantly, the report looks at why there is a limited choice of housing for older people. It states that the current climate is challenging and market conditions remain difficult for developers. It noted planning as being a main issue. It adds that if the government believes that more older people should move to smaller homes, it must make choice its watchword, finding ways to induce providers to offer a range of attractive alternatives.

**18. Joseph Rowntree Foundation: Market Assessment of Housing Options for Older People – a report for Shelter and the Joseph Rowntree Foundation, April 2012**

- <http://www.npi.org.uk/files/New%20Policy%20Institute/Market%20Assessment%20of%20Housing%20Options%20for%20Older%20People.pdf> This report looks at choice, availability and

affordability of specialist housing, as well as its impact on quality of life and the market. The report notes on P7 that:

**“There is very limited choice for older person households moving home to accommodate their support needs (in terms of tenure, location, size, affordability and type of care/support). There is a limited range of models of specialist housing; most of the focus has been on specialist provision, including an increase in retirement villages and housing with care. Compared with older people’s existing housing tenure (around 70% owner-occupation), there is much less specialist housing available for purchase (around 30%) than for social rent.” It adds that: “Moving to specialist retirement housing can improve quality of life in terms of physical health and social well-being.”**

- It looks extensively at under-occupation and how this form of accommodation can free up larger homes.
- The report concludes by saying that much more of this type of housing is needed:

**“Projecting how the demand for specialist housing will change with the growing number of older person households is subject to great uncertainty. Many ‘known unknowns’ enter including: how the length of stay in specialist housing will change; how the health and housing needs of older people will change; and how these needs could be met through alternatives to specialist housing such as assistive technology. Nonetheless the number of older person households will increase and a proportion of them will require specialist housing. The analysis suggests that the size of the specialist housing stock will need to increase by anything between 35% and 70%.”**

#### **19. DEMOS: Coming of age, May 2011**

- <http://www.demos.co.uk/projects/comingofage> Provides a range of policy suggestions to improve the life of older people. Covers all policy areas from welfare to health and housing. P19 notes the demographics:

***“In 2008, 11.8 million people were aged above the state pension age, which for the first time overtook the number of children aged 16 or under. By 2034, 23 per cent of the population will be aged 65 or over, with only 8 per cent aged 16 or less. The ‘oldest old’ – those aged 85 and over – are the fastest growing age group in our society. In 1984 there were approximately 660,000 people in the UK in this age group, but by 2009 there were 1.4 million. By 2034, this number is expected to have more than doubled again, to 3.5 million. It is also predicted that those aged 100 or more will increase sevenfold between 2009 and 2034, to reach 87,900.”***

- P88 refers to downsizing and the other benefits of this form of housing:

***“Increasing the stock of specialist housing for older people could also release more large homes for families to occupy. Many older people continue to live in unnecessarily large houses even though a smaller home could be more energy-efficient and manageable; around 60 per cent of older householders have multiple bedrooms despite having no dependent children and around 37 per cent of households in the UK are under-occupied, half of these occupied by people aged 50–69. Specialist housing could also help to meet older people’s social needs as they become less mobile. As studies reviewed in chapter 1 demonstrated, increasing numbers of older people are living alone, and those who live alone are more likely to feel lonely. There is also evidence that those who are widowed are most likely to have depressive symptoms, but that people who have supportive relationships before an experience of adversity (such as being widowed) are more likely to respond resiliently. Good well-being is strongly associated with the number of close relationships that people have, and also associated with the frequency of contact with friends and family.***

- Page 89 refers to the benefits of Extra Care housing:

***“Extra care housing can offer a more appealing alternative to the institutional ethos of residential care for older people who wish to continue living independently but require***

***help and support to do so.... Research by the JRF has shown that extra care housing schemes can be successful in improving outcomes for older people such as good health, independent living and participation within a community.***

**20. National Housing Federation: Breaking the mould: re-visioning older people's housing, February 2011.**

- [http://www.housing.org.uk/publications/find\\_a\\_publication/care\\_and\\_support/breaking\\_the\\_mould\\_re-vision.aspx](http://www.housing.org.uk/publications/find_a_publication/care_and_support/breaking_the_mould_re-vision.aspx) The report sets out different ways of planning strategically for the needs of older people. Pages 7 to 18 refer to demographics and what older people want from housing.
- P8 refers to demand: Some specialist homes are being developed for older people, but as demand outstrips supply older people will find it increasingly difficult to secure a suitable property. Supply in some areas is falling rather than rising, as traditional forms of sheltered housing are decommissioned where they no longer meet current expectations.
- P8 refers to downsizing and suggests that while most people would prefer to continue living in their existing home, the majority would be open to downsizing or moving into specialist retirement housing if appealing options existed:

***“Preventative, independent models of housing and support are widely favoured by older people. A YouGov survey commissioned by the National Housing Federation in 2010 found people aged between 60 and 65 dreaded ending up in a care home or imposing themselves on relatives if they could no longer cope with living on their own. However, the poll also asked people to rate different accommodation options if they could no longer live independently in their own home. The results were:***

- ***Just 18% had a positive view of living in a care home;***
- ***Just 10% thought moving in with their family would be a good idea;***
- ***80% were positive about downsizing to a smaller, more manageable home;***
- ***65% liked the idea of living in a self-contained home with support or care available if required.***

***“These figures suggest there is a sizeable group of affluent older people who want preventative housing options to enable them to downsize and release equity to help pay for care if required, without jeopardising their ability to enjoy retirement and continue to live independently for longer.”***

- P39 calls for more authorities to develop older people's housing strategies. A survey of 153 local authorities in October 2010 found that only 45 per cent of local authorities had a housing strategy for older people. A further 23 per cent were in the process of developing a strategy, but 32 per cent did not have a strategy or intend to develop one. Where there was a strategy in place, it often considered meeting only one type of housing need, such as extra care housing, and did not give thought to the need for support services, or of the particular issues faced by older people in private housing. This is likely to lead to reactive and unplanned responses to problems when they arise, which will not only threaten older people's well-being but is also likely to lead to higher costs to social services and the NHS in the longer term.
- P43 refers to undersupply:
 

***“The gap between demand and supply for innovative solutions to older people's needs is getting wider. Older people, in common with other age groups, have a very wide range of needs and aspirations, and supply has not kept pace. Often when an older person wants to move, the options are limited and unattractive.”***
- Page 43 refers to downsizing and improving choice:
 

***“Older tenants who no longer need their family-sized house, or are finding it difficult to manage, are often offered little choice if they want to move. Sometimes the only option is a traditional sheltered housing scheme. By developing a range of high quality accessible***

***housing for older people, either in separate schemes or within general housing developments, it makes it much more likely that older tenants will want to move there.”***

**21. National Housing Federation: Providing an alternative pathway – the value of integrating housing, care and support. January 2013**

- [http://www.housing.org.uk/publications/find\\_a\\_publication/care\\_and\\_support/care\\_pathways.aspx](http://www.housing.org.uk/publications/find_a_publication/care_and_support/care_pathways.aspx)  
This report, aimed at local commissioners of health and social care, tells the real stories of five people who receive integrated care, housing and support. Each service shows local authorities, housing providers, GPs and acute trusts working together to provide an alternative care pathway which reduces the demand an individual has for other services, as well as improving their quality of life.
- It notes that housing is an integral part of the care system and adds that specialist housing and housing-related support services help people to live independently in the community, reducing the need for care and preventing poor health. It adds that this form of housing can:
  - Avoid or delay a move to residential care.
  - Reduce admittance to hospital and avoid readmission.
  - Reduce the demand for assessment and treatment centres.
  - Prevent the need for domicillary care.
  - Prevent health emergencies and reduce demands on A&E.
  - Prevent mental health deterioration and overall deterioration in health and wellbeing.

**22. Age UK: Agenda for Later Life 2012 – Policy priorities for active ageing. February 2012**

- <http://www.ageuk.org.uk/professional-resources-home/conferences/agenda-for-later-life/> The report notes the Government's 2011 Housing Strategy, which recognises the importance of extending the housing and care choices available to older people, and says that this is extremely welcome. It states that:

***“While the majority of older people (90 per cent) live in ordinary general needs housing and 70 per cent own their own homes, retirement housing caters for around 5 per cent of the older population and plays a significant role that could be expanded. The increasing number of households headed by someone aged 65 or over makes the housing needs of future generations more significant than ever. The growth in single-person households (18 per cent by 2031), and the increased likelihood of loneliness and isolation, should also be an important factor in how we think about older people’s housing in the future.”***

***“All of these factors need a considered response from government and local authorities in planning housing and housing services for the future. The Government’s localism agenda (see page 124) could give older people more influence over the development of new forms of housing (such as co-housing), in which they have more control; but if not carefully implemented, it could lead to greater disparity in housing provision for older people and a lack of consistency around basic support services.”***

**23. Intergenerational Foundation: Hoarding of housing: The intergenerational crisis in the housing market, October 2011.**

- [http://www.if.org.uk/wp-content/uploads/2011/10/IF\\_Housing\\_Defin\\_Report\\_19oct.pdf](http://www.if.org.uk/wp-content/uploads/2011/10/IF_Housing_Defin_Report_19oct.pdf) The report notes that the current housing crisis is not principally about Britain having enough housing but about the way it is shared between older and younger generations. Under-occupation of houses is encouraged by the tax system and there are now 25 million surplus bedrooms in under-occupied houses in England. ‘Hoarding of living space’ (under-occupation) is increasing very rapidly.

- Under-occupied housing has increased from 20% of all households to about 33%, according to the English Housing Survey. Importantly, the divide between housing-haves and housing-have-nots has moved from being one dominated by class to one dominated by age. House ownership is virtually unaffordable for younger people in the parts of Britain where there is work.
- 16 million people now live in under-occupied properties in England. This is equivalent to 37% of the total English housing stock. Downsizing amongst the over 65s in the UK has stagnated, unlike the US. The crisis in British housing has become politically destabilising as younger people increasingly consider that unfairness in this area is breaking the intergenerational pact.
- It calls for the Government to address this through changes to planning rules to increase the supply of suitable housing for people downsizing.

**24. Building and Social Housing Foundation: More homes and better places: solutions to address the scale of housing need. September 2011.**

- <http://www.bshf.org/published-information/publication.cfm?lang=00&thePubID=25E04994-15C5-F4C0-99170AE24B5B0A84> The report looks at the overall structural problems in the housing industry. P9 states:  
*"The response of housing to an ageing population will be vital for ensuring older people can live in dignity and enjoy a decent quality of life. The housing stock will need to meet changing needs, which will require attention to physical differences, but also, for example, to social aspects such as ensuring that high quality accommodation is available in the places that older people want to live. At a societal level, the structure of our housing system interacts significantly with the pension system, as those reaching retirement without substantial housing assets will ultimately need a source of revenue to cover their housing costs for the rest of their lives."*
- P14 refers to increasing demand for housing:  
**"Between 2001 and 2008 an average of 218,000 households were formed each year in the UK. This growth in households is expected to increase with an additional 272,000 new households in the UK each year until 2033 due to an ageing population, increasing numbers of single person households and migration."**
- P25 notes the impact on older people:  
***"Undersupply may also be constraining choice for older households. Households that are headed by a person over 65 years old are expected to account for more than half of household growth in the next 15 years."***  
***"Staying put becomes the only option because there are no attractive alternatives available within their community. These older people face a difficult choice between staying in housing that is increasingly inappropriate, but in familiar surroundings, and moving away from important social networks." (quoted from Lifetime Homes, Lifetime Neighbourhoods). A panel of experts (HAPPI) who analysed housing for older people concluded that this group has diverse needs but are particularly interested choice, control and reassurance. Its members are looking to balance the ability to make personalised decisions about their lives with the need to ensure that support is available if and when it is required."***

**25. All Party Parliamentary Group on Housing and Care for Older People, July 2011.**

- <http://www.counselandcare.org.uk/pdf/living-well-at-home>. On P3 Lord Best is quoted:  
***"Unsuitable housing is often the reason why an older person must go into expensive residential care or must stay in hospital; suitable housing means independence for longer and a good quality of life in older age."***
- P7 looks at the demographics:

***“Over the next 20 years all industrialised and developing countries will experience a demographic shift with longer lives and fewer babies and therefore from predominantly younger populations to older ones. As a result, current care models are unsustainable and inadequate in terms of efficiency and effectiveness. Change is a necessity and innovative approaches will be needed to improve quality of life and provide better housing, health and social care for people as they age. In the UK, the number of people aged over 65 is projected to rise from 10.1million to 16.7million over the next 25 years. In 2008, there were 1.3 million people in the UK aged 85 and over. This number is projected to more than double to 3.3 million by 2033. Between 2008 and 2033, the number of people aged 90 and above is projected to more than triple by 2033, whilst the number of people aged 95 and over is projected to more than quadruple.”***

- Page 8 notes the need for more market accommodation:

***“We observed that new build Extra Care Housing and some remodelled sheltered housing, largely provides independent living for older people in social rented accommodation with additional personal care and/or support requirements commissioned separately by the local authority or self-funded. However, as is outlined in the HAPPI report, such accommodation is still relatively scarce, amounting to only 1% of housing occupied by older people. The overwhelming majority of older people are homeowners. HAPPI pointed out that the scarcity of supply of desirable ‘care ready’ properties in later life can contribute to older people moving to residential care in the absence of any other form of accommodation that meets their low level care and support needs. Indeed, we noted that, in one evaluation of triggers for a move to residential care, as many as 31% of placements could have been avoided if alternative housing choices had been available locally.”***

***“Local authorities should also be encouraged to develop their housing and care plans against a growing diversity of consumer choices and they should help facilitate the development of a wider range of attractive housing alternatives locally that reflects residents’ needs and preferences at different stages of their later life. ADASS reported that some authorities, such as Staffordshire County Council, had already taken up the challenge and were now investing strategically in market facing housing and care solutions that engaged social housing and private sector providers and involved older people; they were modelling supply and demand, and commissioning flexible housing with care over the next 20 years in a planned way.”***

## **26. PSSRU / Housing LIN: Improving housing with care choices for older people: an evaluation of extra care. December 2011**

- <http://www.pssru.ac.uk/projects/echi.htm>. This report evaluates new build schemes for older people that received capital funding from the Department for Health’s Extra Care Housing Fund between 2004–2006. The report found that (taken from P3):
  - Outcomes were generally very positive, with most people reporting good quality of life.
  - A year after moving in most residents enjoyed a good social life, valued the social activities and events on offer, and had made new friends.
  - People had a range of functional abilities on moving in and were generally less dependent than people moving into residential care, particularly with respect to cognitive impairment.
  - For most of those followed-up, physical functional ability appeared to improve or remain stable over the first 18 months compared with when they moved in. Although more residents had a lower level of functioning at 30 months, more than a half had still either improved or remained stable by 30 months.
  - Cognitive functioning remained stable for the majority of those followed-up, but at 30 months a larger proportion had improved than had deteriorated.
  - Combined care and housing management arrangements were associated with lower costs.
  - When matched with a group of equivalent people moving into residential care, costs were the same or lower in extra care housing.

- **Better outcomes and similar or lower costs indicate that extra care housing appears to be a cost-effective alternative for people with the same characteristics who currently move into residential care.**
  - **People had generally made a positive choice to move into extra care housing, with high expectations focused on improved social life, in particular.**
- The report notes that costs of extra care housing result in less expenditure and better health. It also notes that more must be done to increase supply:

**“A major barrier to a shift towards extra care housing is the relatively low level of current provision. Using a broad definition, there were about 43,300 extra care housing units of accommodation and nearly 480,000 units of ordinary sheltered housing in England in 2009 (Elderly Accommodation Counsel, 2009), compared with about 276,000 personal care (formerly residential care) places and about 179,000 nursing care places in care homes in the United Kingdom (Laing and Buisson, 2009). In a climate of financial austerity, investment in such provision seems unlikely if decision makers are focused on immediate rather than longer-term cost savings. Even within the course of the study, the downturn in the property market suggested that private investment and a willingness of individuals to purchase extra care housing property was not looking promising... Increasing provision for such individuals, therefore, requires improved strategic planning by social services departments and their planning, health and housing partners to facilitate the market development of a range of housing with care solutions locally, with extra care housing forming part of a spectrum of improved housing with care choices for older people, including private sector developments.”**

## **27. DCLG: Lifetime Neighbourhoods, December 2011.**

- <http://www.communities.gov.uk/publications/housing/lifetimeneighbourhoods>. P12 notes:
- “Wherever we live as we grow older – whether in ordinary housing or specialist housing – our homes have a powerful influence on our capacity to remain independent, socially involved and enjoy a good quality of life. As noted elsewhere, the housing needs and aspirations of older people have been the focus of much research and investigation. A number of consistent messages have emerged. The majority of people would prefer to remain in their own homes as they grow older, and where possible make changes and adaptations to their properties should their needs change. Research has also shown that those people who chose to move to housing schemes especially for older people that offer care and support in their own homes express high levels of satisfaction with their homes. Key to these expressions of satisfaction is the combination of independence and security – the knowledge that help is at hand if and when people’s circumstances change.”**
- P82 in a specific section on housing adds:
- “A range of choices – from standard housing through to sheltered or extra care housing would help to maximise the value of neighbourhoods, and the range of choices available to older people. There are a number of key statistics that set the context for how housing and housing related support services can help to deliver lifetime neighbourhoods:***
- ***Thirty per cent of all households are already headed by someone over retirement age.***
  - ***Older households make up 48 per cent of projected growth in households by 2026, with this figure reaching as high as 90 per cent in some areas.***
  - ***Seventy-seven per cent of households headed by 65-74 year olds are owner-occupiers.***
  - ***The overwhelming proportion of older people living in general needs housing shows that the emphasis of the lifetime neighbourhoods agenda needs to be on retrofitting accommodation, and in delivering housing related support services across existing neighbourhoods, as well as promoting a greater choice of housing options through new build.”***

**28. DCLG: Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society, February 2008.**

- <http://www.communities.gov.uk/publications/housing/lifetimehomesneighbourhoods>. The document sets out the previous Labour Government's response to the challenge of ageing and housing. P11 notes the challenge:

***"The ageing society poses one of our greatest housing challenges. By 2026 older people will account for almost half (48 per cent) of the increase in the total number of households, resulting in 2.4 million more older households than there are today. By 2041 the composition of the older age group will have changed dramatically. There will be a higher proportion of the older age groups, including the over 85s, a greater number of older people from black and minority ethnic groups, and double the number of older disabled people. One in five children born today can expect to live to 100 years old.... Put simply, we need more and better homes for older people now."***

- P112 to 135 note the role of planning:

***"It is clear, not least from our consultation on this strategy, that planning can be the most powerful tool in improving housing and communities for older people. While many authorities see housing for an older population as a mainstream issue; we also heard that many local authorities see older peoples housing as a marginal issue, with plans focusing solely upon social-sector specialised housing."***

***"Good planning is a positive, proactive process which responds to economic, environmental and social change like an ageing population. National, regional and local government are now working to a plan-led system which ensures we will get the right development at the right time, and in the right place.... We have given regions and local authorities a clear basis on which to plan better in this area, founded on the need for good evidence about the housing needs and demands of older people. Providing housing options that are attractive to and suitable for older people, particularly those wanting to downsize, will bring benefits to the wider community by increasing the supply of larger housing to meet the needs of new younger families."***

***"More specialised housing of a range of types will be needed. The evidence, as outlined in Chapter 2, in fact shows a projected sharp growth in demand for housing with care services such as care homes and extra care housing.... Many older people would like a wider choice of tenure options in specialised housing. There has been a revolution in home ownership, but specialised housing is largely rental stock. Local authority older people's housing strategies typically focus on social rented specialised housing, missing out opportunities for private sector delivery and new tenure options such as shared equity. Support for private sector developers and providing wider tenure options is an important part of improving choice for older people."***

**29. DCLG: More Choice, Greater Voice. A toolkit for producing a strategy for accommodation with care for older people. February 2008.**

- <http://www.housinglin.org.uk/Topics/type/resource/?cid=2545> P43 states:

***"It is unlikely that the current pattern of provision will have developed in response to assessed need but rather in response to short-term demand and provider perceptions of what will be popular and fundable. Moving to a pattern with a more rational base that seeks to place individual elements of provision within a wider context inevitably appears threatening to some. In seeking to look forward and to encourage a shift from the current pattern to one which offers a range of options to older people and is reflective of key characteristics of the older population it will be important to take into account a number of factors:***

- I. The demand for rented conventional sheltered housing is likely to decline.***
- II. The suitability of the older stock for letting will become increasingly problematic.***
- III. The potential for leasehold retirement housing will continue to grow.***

- IV. *Some existing schemes will lend themselves to refurbishment and remodelling to provide enhanced sheltered housing to support rising levels of frailty.*
- V. *Some of this enhanced sheltered housing should be offered for sale alongside that for rent.*
- VI. *There is a need for an increasing proportion of extra care housing but its viability depends on a stronger strategic relationship between health, housing and social care agencies.*
- VII. *Extra care housing should be provided for sale and rent.*
- VIII. *There is a need for housing-based models of accommodation and care for people with dementia."*

**30. HCA / Frontier Economics: Financial Benefits of Investment in Specialist Housing for Vulnerable and Older People. 2010**

- <http://www.frontier-economics.com/library/pdfs/frontier%20report%20-%20financial%20benefits%20of%20investment.pdf> The Homes & Communities Agency (HCA) appointed Frontier Economics to investigate the financial benefits of capital investment in specialist housing for vulnerable and older people in England, including for older people. The report found that investment in specialist housing results in a net benefit for all client groups except those groups relating to young people. Of all the specialist groups, the largest single benefit is estimated for the older people client group.

**31. Housing LIN / Ridgeway Associates: The Future Direction of Extra Care Provision in the South East Region: a review and report on extra care housing in the region. 2011**

- [http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Reports/SE\\_Housing\\_LIN\\_ECH\\_Review.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/SE_Housing_LIN_ECH_Review.pdf) This research was commissioned jointly by the Housing Learning and Improvement Network and the South East Joint Improvement Partnership to undertake a review of Extra Care Housing (ECH) in the South East of England and consider how the next phases of development are likely to be achieved. It notes the positive impact in diverting funding from residential care and maintaining people in their homes for longer.
- Page 23 notes that some 81% of older people in the South East of England own their own home indicating that there could be a significant marketplace for ECH for outright sale/ shared ownership. The report argues that ECH has a positive effect on many strands of service provision for older and vulnerable people and will contribute to authorities' requirement to achieve savings through diverting spending on residential care and promoting the preventative agenda. A report of relevance here is the result within a September 2010 report by Frontier Economics for the HCA that identified:

***"The net benefit of HCA investment in specialist housing for older people as being £444 per person per year which equates to a total net benefit for older people of £219m."***

**32. Housing LIN: Pretty Vacant: Vacancy chains and Extra Care Housing. Stimulating local housing markets. June 2011**

- [http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Factsheets/Factsheet3\\_3\\_Vacancy\\_Chains.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Factsheets/Factsheet3_3_Vacancy_Chains.pdf) This factsheet considers how the development of extra care housing can have a strategic impact on the better functioning of local housing markets by creating additional mobility within the market.
- The opportunities to free up other housing are not always identified as an important element of extra care developments. Where the approach has been used it has mainly focused on the direct release of properties and not further along the chain. As a consequence, there is good information

on the impact of the initial let on the housing market but not on the subsequent lettings further down the chain. There seems to be a range of reasons for this but a key element revolves around being able to link the properties made available at the first stage in the chain with those made available at the second stage and so on. Often the chain can be very long particularly where flats or bungalows are released and in filling those vacancies, family houses are released. Gathering information on letting along the chain seems to pose some difficulties unless this form of monitoring is pre-planned as part of the strategy for the development.

### **33. Housing LIN: Downsizing for older people into Specialist Accommodation. February 2011.**

- [http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Viewpoints/Viewpoint19\\_Downsizing\\_II.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Viewpoints/Viewpoint19_Downsizing_II.pdf) This Housing LIN Viewpoint (no 19) makes the case for encouraging more providers to create attractive specialist schemes, and for encouraging more people to move into them, to "stay younger longer". It considers the considerable challenges and the opportunities we face currently in delivering a programme of specialist accommodation, of funding improvements to existing schemes and providing a wider range of new schemes to meet current and future needs.
- The shortage of suitable options for specialist housing can lead to people having to move unnecessarily to residential care. Back in 2005, Age Concern Research Services asked people over 50 who planned to move in the future, and found that of owner occupiers, 25% did plan to move and 20% didn't know, whilst 55% had no plans to move. Similarly, a survey by MORI 6 found that 30% of over 65's would choose to move to different accommodation, of whom 12% would seek accommodation with care. At present, 1% of the UK's population of over 60 year olds live in dedicated retirement communities, in comparison to 17% in the USA and 13% in Australia and New Zealand – there is clearly scope to increase the number here with appropriate schemes and very effective communications strategies and marketing. The report covers many of the obstacles in the planning system and elsewhere, that limit the delivery of specialist housing.