



Communities and Local Government Committee

Oral evidence: Housing for older people, HC 370

Monday 23 October 2017

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Watch the meeting

Members present: Mr Clive Betts (Chair); Mike Amesbury; Bob Blackman; Helen Hayes; Kevin Hollinrake; Andrew Lewer; Fiona Onasanya; Mr Mark Prisk; Mary Robinson; Liz Twist.

Questions 1 – 58

Witnesses

I: Jeremy Porteus, Director, Housing Learning and Improvement Network; Claudia Wood, Chief Executive, DEMOS; Dr Brian Beach, Senior Research Fellow, International Longevity Centre UK.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Jeremy Porteus, Claudia Wood and Dr Brian Beach.

Q1 Chair: This is the first evidence session in our inquiry into housing for older people. Thank you very much for coming to give evidence to us. Before we start taking evidence, could I ask Committee members to put on record any interests they may have that are relevant to this inquiry? I am a vice-president of the Local Government Association.

Kevin Hollinrake: I employ a councillor in my office.

Liz Twist: I am a councillor with Gateshead Metropolitan Borough Council.

Mary Robinson: I employ a councillor in my parliamentary office.

Mike Amesbury: I employ a councillor in my parliamentary office.

Helen Hayes: I also employ a councillor in my parliamentary office.

Andrew Lewer: I am a vice-president of the Local Government Association.

Bob Blackman: I am also a vice-president of the LGA.

Chair: That gets our interests on the record for today. If you could begin by introducing yourselves, saying who you are and the organisation you are coming on behalf of, that would be helpful.

Dr Beach: I am Dr Brian Beach. I am a senior research fellow at the International Longevity Centre UK.

Claudia Wood: I am Claudia Wood. I am the director of the think-tank DEMOS.

Jeremy Porteus: Good afternoon. I am Jeremy Porteus. I am the managing director of the Housing Learning and Improvement Network, formerly lead change agent at the Department of Health's Care Services Improvement Partnership.

Q2 Chair: That is quite a mouthful to start off with. Thank you very much for coming to give evidence to us. To begin with the general scene, looking at an ageing population, which is what we have, we talk about older person households; to what extent are they different from other households in our communities? To what extent can we talk about something as an older person household? Presumably there are differences within that overall term that we ought to be thinking about when we look at the subject before us.

Jeremy Porteus: We know that there are about 740,000 older people's households that are designated buildings that are built to a particular design requirement to accommodate an ageing population, either grant-funded by the Homes and Communities Agency in England or through particular design standards. One should also reflect that the majority of



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old people live in households that are not in designated properties and actually live in ordinary housing, whether as owner-occupiers, social tenants or private rented tenants. Some of the classifications of older people's houses have been set out very clearly as part of either a local authority's accommodation strategy, or a planning or design requirement, in many instances.

Claudia Wood: When we are talking about households, we often talk about the majority of older people being homeowners. As we know, there is about £1.8 trillion-worth of equity among the older population. About £1.23 trillion of that is unmortgaged, so we have a good chunk of people who are clear and free of their mortgage debts. All of us doing research in this area know that is changing quite quickly. As each generation goes forward, there are now about one in four people retiring with a mortgage. The ethnicity and diversity of the older generation is changing as well.

A classic older person's household may have looked like a single woman, widowed, in a three or four-bedroom house and rattling around in one room. We are looking at the tail end of that now, and it is changing with each year. We are seeing more extended families. We are seeing different compositions. It is slightly shifting sands at the moment.

Dr Beach: About 60% of the projected growth in households in the next two decades is going to be among those aged 65 plus. It is very important that, as we think about housing options for older people, we recognise the diversity that Claudia raised. One of the research projects that I have done in an international context has really brought out this idea that, among older people, when it comes to many things in life, including housing, you have two distinct groups. The minority are those who plan proactively, and the others respond as a result of things that happen to them, such as health shocks.

Q3 **Chair:** Is that a big difference within the group that we are looking at?

Dr Beach: Yes. It is a very small proportion of people who make active plans for later life, such as really strong pension planning. In the context of housing, a lot of people who move into special retirement housing do so because of a response to a health shock—the emergence of a care need in them or their partner.

Q4 **Chair:** Most people get to where they get to almost by accident rather than design.

Dr Beach: Yes.

Jeremy Porteus: Picking up on that, there is a deficit of really good quality access to information and advice to help people make informed decisions. The health shock, as Brian neatly puts it, is often as a result of a planned approach, often with the local authority having assessed for a particular care need or a support need. There is also increasingly an interest around the equity release model. This comes back to the point



Claudia was making. People make a lifestyle choice to move to accommodation that may be more suitable for their needs in later life, perhaps being what some of the people in the housing sector call care-ready. In later life, that accommodation can cope with their changing health and lifestyle choices.

Q5 Helen Hayes: What evidence is there about the extent to which older people want to move home? Where there is evidence that older people want to move home, what information do you have about the locations, the size and the tenure types that are the most in demand?

Claudia Wood: Various bits of polling have been done over the years. We have done some. Shelter have done some. The retirement housing providers have also carried out some of their own over the years. It consistently comes up with roughly the same sort of percentages we are talking about. The estimate is that between a quarter and a third of older people are interested in downsizing in some way. We have done additional polling which shows about a quarter are interested in retirement housing, so specialist housing specifically, whether that be the downsizer retirement type or the extra care type. There is obviously a spectrum. We know those are the sort of numbers we are talking about. It is just under 3 million people in all.

The work we have done on this has shown that the majority want to buy their own home. They do not want to lease it; they want to buy it. Two-bedroom tends to be the most popular. The percentage of people wanting to downsize generally goes up as their houses get bigger. If you look at older people who have five bedrooms plus, about 67% of those older people say, "Yes, we want to downsize". The most popular choice is two-bedroom. That is where they are looking.

Jeremy Porteus: There are two major reports in this area. Claudia's is one of them, *The Top of the Ladder*, by DEMOS. The other is probably Legal & General's report around housing. Again, that highlighted that around 29% of people wanted to move in that age group. It is not just about downsizing or rightsizing. There is also a small cohort who want to upsize. They want additional space for leisure, family, friends and other types of lifestyle activities.

Claudia Wood: We found those were one-bedroom householders.

Jeremy Porteus: Those were one-bedroom householders, yes.

Claudia Wood: You also find older people who are currently renting who actually want to buy. That is where they want to go.

Dr Beach: I have done work looking specifically at downsizing among British homeowners aged 55-plus. We found that it is a similar statistic. There are around a third who are interested in downsizing and who are considering or expect to do it. When you factor in the people who



already have done so, it represents about half of 55-plus homeowners in Britain.

Q6 Helen Hayes: Is there any evidence that the debate and opinion is changing as we discuss more and more the wider housing crisis and housing issues? For example, in my constituency, I pick up more interest than there has been in the past in the provision of smaller flats for homeowners in very large homes to downsize into. In part, people say, "A family could be living in this house," because there is a shortage. We have had a fairly static approach to housing, where people achieve home ownership and then stay. Then it is much more likely that the shocks you talk about are the thing that informs it. I wondered if there was any evidence that the changing debate we are having as a country in recognition of the crisis we face is informing older people's views.

Claudia Wood: Yes. In some of the focus group stuff we do, older people are quite acutely aware that "I can leave this to my kids, or I can actually release the equity and help my children get on the housing ladder." Before, it was: "My son will move in," but now it is: "I will sell, because my son lives in London and I will give them the money to help them get a deposit for their home." There is the releasing equity side of things, because of a wider awareness of the housing pressure.

In terms of the reasoning behind why people want to downsize or move into specialist housing, over the years that has not changed too much on successive polling. It tends to be: "Where I am is not suitable. It has too many stairs. The garden is too big or hard to maintain. It is generally too big for me." Unsurprisingly, people in bigger houses say that more. Maintenance can be an issue. Those always have been the top responses in these polling questions.

Dr Beach: In this debate about downsizing and how it affects the wider market, it is important to remember that about 52% of underoccupancy is among the 50-plus. There is still a large amount of underoccupancy with people younger than that. When you look at the 50 plus, the rates of underoccupancy decline with age. It is that 50 to 64 age group that has the really high rate. Almost two thirds of them are under occupying.

Jeremy Porteus: At a strategic level, policy has very much been around first-time buyers, rather than later-life movers. There has been an absence of clear, strategic input and insight into how to create new markets. The experience you have highlighted is very much around building personal resilience, in terms of understanding what the options might be locally. There are opportunities through things like Help to Buy, and perhaps even help-to-move programmes, which can incentivise people to think much more around the options. That can free up equity, but also local authorities and their housing partners might better utilise the stock they have, whether it be their general needs or sheltered housing, or indeed the growing use of extra care housing.

Q7 Helen Hayes: Can I ask Mr Porteus, because I think you have done



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some work on the issue, for your estimates of the shortfall in different types of housing?

Jeremy Porteus: At a grand level across the country, it is about 400,000 units. *The Top of the Ladder* suggested probably about 200,000 or thereabouts. If you also include residential care—there is a lot of pressure at the high end for people who have a significant health shock—it is probably about 600,000. Of that, about 70,000 is extra care housing. About half a million is sheltered housing, but increasingly it is also a move towards this rightsizer/downsizer accommodation, which is still fairly immature, but is seen as an attractive choice. Of that, we are probably talking between about 80,000 to 90,000 properties that have been reclassified as that. There is the point I made earlier about the design: they may not meet some of the design requirements. They just happen to be useful properties in the right locations.

Claudia Wood: In the retirement housing we are talking about, not the kind of housing with care staff, the analysis is that we need about 30,000 units per year—new houses being built—given where we are with potential demand and current levels of supply. We are not keeping up.

Jeremy Porteus: The LGA published a report last month that talks about a residential revolution in this sector.

Q8 **Mr Prisk:** I would like to move along to the evidence of the number of causes really driving that individual household's desire to move. I have seen it as a constituency Member of Parliament. It may be a family event. It may be a personal health event. It may be financial. It seems there are a lot of barriers holding back that desire from being implemented. What do you think those barriers are? Is inertia, the sheer sense of hassle about the process when you are in your 70s and 80s, something that we are not recognising? What is the evidence?

Claudia Wood: As I say, I have done research on this in *The Top of the Ladder*. I am doing more research on this currently. The findings are pretty consistent. We talk about designating it into three broad areas, which are emotional barriers, financial barriers and practical barriers. Obviously they are all fairly interrelated.

When you look at polling responses and stuff like that, the older a person gets, the more the practical barriers are a factor. That is unfortunate, going back to the distressed purchase side of things. People do not look for a retirement property when they are 60 and particularly capable of moving and quite happy to do so. They look at it when they are 75 or 80. Then, physically, the idea of getting into the loft and unpacking A-level textbooks from your kids that are still there is pretty daunting. Downsizing requires getting rid of some of your stuff. It requires putting it on eBay, giving it to charity shops and packing it. The practical issue is a major issue for old people.



We should not over-egg the emotional side of things too much. There is a portion of the population who say, "I am sentimentally attached to my home". On the polling, we found it is about a fifth. Of those who said, "I would never move", about a fifth said, "It is because I love my home. My kids grew up here. I am sentimentally attached." The rest said, "This house is perfect for me and my needs." About a third said, "It is because I have family and friends nearby," which you could potentially classify as an emotional issue as well.

There are also financial issues, so there is the cost of moving, which is something we will probably come on to in a minute. There is the daunting idea of paying for packing up, stamp duty and all that kind of stuff. For every older person, there will be a combination of the emotional, the practical and the financial. Even when people recognise that they have a need, and think "Actually I really should; I cannot cope in this house much longer," just the thought of doing it means they think, "I would rather just stay put and heat my one room."

Dr Beach: I did the *Generation Stuck* report, looking at downsizing, again, in reference to what I mentioned earlier, among homeowners aged 55 plus in Britain. That classified the reasons they gave for why they did not intend to downsize. I have stronger evidence for the emotional aspect. Around 38.6% of those 75 plus gave that as a reason. The nuisance factor, going back to your original question, was about 29% over all. Again, there was a bigger impact from the older age groups, with around 40% of the 75 plus reporting that as a reason.

Jeremy Porteus: The other side of it is that we have a lack of desirable and attractive properties. Therefore, there is a way through some of that psychology there using behavioural nudges to entice and excite people to think, "That is a better housing solution." That could be about improved accessibility, better interiors, better white goods, things that might enable them to think, "I can cope better in this modern, attractive property." Some of this is about trying to touch on their lifestyle and their particular aspirations.

There is a psychology gap here as well, in trying to persuade through raising awareness and publicity. It is the sort of work that a number of leading operators do to try to grow markets and demonstrate value—the quality of the accommodation and how it will improve their lives in the long run, in terms of the potential to compress dependency and lead fulfilling lives in later life. If you go to some of the retirement living schemes, a classic example is, "I should have made this move earlier". Often that is five to 10 years earlier. The average age at moving for a woman is about 82, and for a man about 85. Those are rough guesstimates. We need to enable people to think at an earlier stage as part of that life course.

Claudia Wood: It is unfortunate, with the push and pull factor, that there is a big fear of the unknown. At the moment we only have about



1% of our old people living in specialist retirement housing, compared to, say, 17% in the US. An average person in this country will never have seen one, never have been inside one, and does not even know if there is one in the local area. They would not have any idea what they involve and might conflate them with the concept of residential care and care homes. The idea that you should move out of here and move into retirement housing makes people think, "Is this a care home? Is this where I become frail?"

Dr Beach: Emerging from the international research I have recently been doing, part of it is that there is a lack of consistent terminology in the UK sector, with phrases like "sheltered housing" and "very sheltered housing". For the consumer, it is less clear what product is on offer. From this research I have been doing, the success in other markets in other countries is attributed by many experts to the consistent concept that people have and their ideas. As one person put it, there needs to be a unification of a concept that appeals to different needs but does not develop into an incredibly complex network or array of options.

Q9 **Mr Prisk:** That language is awkward for people, in the sense that it is not clear what people are talking about with "sheltered" and the various levels of care.

Claudia Wood: We have to clarify when we are talking among ourselves, and we know what we are talking about. There are 10 potential terms we could use.

Jeremy Porteus: That gets reflected in planning and a number of other strategic documents, in terms of how it relates to use class order, or indeed in terms of the needs analysis. One authority and one operator may be talking about the same concept from two different points of view.

Q10 **Mr Prisk:** Some of us here unkindly tend to use one term for sheltered housing: the House of Lords. Why do only the operators seem to provide advice in this sphere? There seems to be a gap, in terms of tackling people in their 60s and being able to say, "Here is the range of options. Here are the practical considerations. Here are the financial considerations." What is actually out there at the moment?

Jeremy Porteus: In terms of access to advice?

Mr Prisk: Yes.

Jeremy Porteus: There are four highly reputable organisations that would cover most of the market. The first is Elderly Accommodation Counsel FirstStop. It provides a one-stop shop for older people. It receives about 4 million enquiries on its website a year. When you were Minister, it was part-funded by the DCLG. Then there are Age UK and local Citizens Advice bureaux. There are organisations like HealthWatch looking at some of the health aspects, supported by NHS Choices. Other organisations include Independent Age and the like. EAC FirstStop is



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probably the organisation that is well regarded by older people, but it is also not widely known, so it is like a hidden gem—the crown jewel.

Q11 Mr Prisk: Presumably there is a restriction here for providing financial advice. There are a whole series of regulations, especially around the anxieties over equity release. Are they fully regulated?

Jeremy Porteus: They are fully regulated, yes. The financial advice is part of their service, not just in terms of pension advice but in terms of paying for care advice, whether that be residential or nursing care. They are probably the premier league, so to speak.

Dr Beach: I agree with the point about the Elderly Accommodation Counsel. It has said to me, during research I have done, that one of the challenges it has is speaking to people who are interested in some type of option for retirement housing. It goes through a checklist with them of their requirements and interests and figures out exactly what they need, and then there is nothing, no type of provision near where they live. That factors into: "We can provide good advice, but we also need to have that supply out there for people."

Jeremy Porteus: It has a modelling tool called HOOP, Housing Options for Older People, so you can go into any locality, find out how close the local bus stop is to the care home, or to amenities, and give those hints that might help somebody understand what their preferences are locally. It is part-supported, as I said, by Government, but also by insurance companies. It works closely with the Nationwide Foundation and others to really understand the broader market as well.

Q12 Mr Prisk: Is there anything that larger employers provide in this context, as people are thinking about moving towards retirement? Are you aware of anything that is available in the marketplace, so people can start having that conversation at work if they are moving towards retirement?

Jeremy Porteus: Legal & General is really keen to think about the link between work, lifetime mortgages and equity release, and provide advice and information as part of that. Bupa, when it is looking at health insurance, also has an information arm. That provides information and advice to consumers, sometimes very much related to the type of products it sells. There are others that are more commercially driven.

Q13 Mr Prisk: I was thinking more of your own payroll department, when you are getting to that stage, saying, "Here is something you may want to bear in mind".

Claudia Wood: The only employers that would do this are the people that are already in the market. If you work for Legal & General, Bupa, or Just, one of the equity release providers, or one of the housing providers, potentially, you would probably get that specific advice. The main channel that you would get financial advice from in everyday employers, small businesses and stuff will just be on the pension side of things. FirstStop is slightly unusual, in that it wraps care, pensions, housing and



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equity together. Mostly you would get your care advice line, your pensions stuff and your equity release advisers giving you very specific financial advice. The three do not often merge.

Jeremy Porteus: That creates confusion among the customers.

Dr Beach: It also creates inefficiencies in planning for later life, because these things are all intertwined.

Q14 **Mr Prisk:** By the sound of it, you would like to see what is happening there expanded and rolled out further, so that it becomes known about by everybody and is something that is used on a routine basis.

Jeremy Porteus: Yes. There is a real need for a public policy commitment to this, as well as how to engage in partnership with the market to underpin some of that. There is obviously a cost associated with this. FirstStop runs about 20 pilots around the country to try to generate more interest in this. It receives 12-month funding, and unless it sustains that, those close. There is another issue about how to sustain an ongoing information advice service.

Claudia Wood: There are so many overlaps now. The freedom around pensions annuities is an important issue. That piece of regulation and that policy area should certainly look to FirstStop. We may see change in the care policies next year around whether to cap or not, and how you pay for your care. For a lot of older people, that is going to mean equity release or downsizing. Being told about your housing options as part of how you pay for your care is fundamental. Any of these new developments that come up, in terms of older people's finances or planning, need to always come back to this more coherent package. For the majority of older people, their biggest asset is their home, and it will stay like that for quite a while. Anything that is financial has to have something to do with their home attached to it as a piece of advice.

Q15 **Liz Twist:** Following on from that, you have described a system that certainly I have not been aware of. How do people get to know about the advice that is out there, and also at what time? When does it become time to look at retirement for the future?

Jeremy Porteus: Across the river, Newcastle has a very positive Elders Council forum, which provides advice and information. In Gateshead I know there is much more of a strategic approach to looking at the repurposing of sheltered housing and extra care housing, which has won a lot of plaudits. It is still a bit of a patchwork out there. In some areas the local authority will commission and support a local home improvement agency to provide advice and support older homeowners who might have particular needs around adapting an existing home. As Brian was hinting, there are many people in the marketplace, and it gets quite confusing for somebody to know where to go to.

Dr Beach: The research I did looked at retirement villages that offer extra care—again, there is this vast terminology. You can consider these



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people to be a bit higher on the socioeconomic scale. About a third of them said they found out about the place from a friend or relative. About a fifth of them said they found out from an advert in the local area. This highlights the need for regional diversity and more spread out geographic scope, and the need to raise that profile among people, so that they see it more.

Q16 Liz Twist: Are you suggesting that there is a need for a more uniform approach to housing options as we get older?

Jeremy Porteus: There needs to be a clear framework at a local level that sets a benchmark of what is around. It is about a directory of resources, understanding what the supply side is, and local authorities, with their partners, having greater clarity about the demand for types of accommodation.

We are often in a situation where, because of the lack of choice, we have to make a decision to place somebody in later life into residential care, possibly as a result of a hospital admission, because there is nowhere to go back to, or there is not the type of village that Brian described. Therefore, it is trying to make ends meet with what one has, which could be a draw on the social services budget for 10 hours a week of domiciliary care. We do not think holistically, in an integrated way.

A coherent framework with advice and information as part of it would be helpful. Mark mentioned the House of Lords earlier; Lord Best has commissioned a piece of work called *Living Well At Home*, which came up with what he called the triple-A solution. The first A was access to advice. The second was about better services locally to help older people adapt their accommodation to enable them to live longer until the point at which they needed to move to the third A, which was accessible housing.

Q17 Liz Twist: The other bit was: at what age should people be encouraged to take up those advice options when they exist?

Jeremy Porteus: My personal view is that we need to start talking about later-life housing from about 45 or 50 onwards. This is about ageing, not older people. What protections are we making for our own futures?

Claudia Wood: It is the same as when you ask from what age you talk about your pension. Frankly, it is when you leave school: the earlier, the better. You can release equity from 55. You can move to a lot of retirement developments from 55. Most people are 80 when they do, but the things are built for 55-plus. Increasingly, developers now are recognising that you need car parking spaces. A lot of people are still working while living there. This is not somewhere that you go and you potter around the garden all day. These are places where people go in, there is parking and it is a working, professional environment. That is where people need to be looking.



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Dr Beach: Local authorities have been under pressure on this point. There is the idea that if we allow this development to arise, we will have this influx of older people coming, who will disrupt our communities with their unsafe driving etc—these sort of tropes and stereotypes. The reality is that with all the properties that exist, the average distance people move is three miles. They are already in the communities.

Q18 **Bob Blackman:** I have a specific issue relating to the trade-off between land prices and housing. A lot of local people in my constituency would love to move to a bungalow, but the supply of bungalows in London and the south-east is a huge issue because of the price of land. How much have you seen of that as a request or a demand from older people looking to move?

Claudia Wood: A lot of people want a bungalow because that is the only thing that is familiar to them. They say, "I actually know where I want to live, because I have seen them."

Q19 **Bob Blackman:** But it is the fact of people thinking, "I will not be able to manage the stairs in later life, and I do not want a stair-lift."

Claudia Wood: They are thinking, "I want two bedrooms. I do not want any stairs. I want a manageable garden. I want something that is easily insulated. I want to be in my community." You can achieve that with lots of other development types, but the visibility for older people is: "That is a bungalow, because I have five on my street." Part of it is just awareness of the other options.

Some retirement developers build things called vertical bungalows. They are apartments, but they call them vertical bungalows to try to cut through a lot of that understanding of what older people think of as a bungalow. It is an awareness point.

In London and the south-east, where land prices are so high and space is at such a premium, to suggest we can build enough bungalows for all the old people who want them—it is not going to happen. Planning rules would not allow you to have that sort of footprint. That is why trying to capture what it means to live in a bungalow, in terms of some outside space, all one area, open plan, easily accessible, in alternative village-type designs or apartment-type designs, is the way forward.

Dr Beach: One of the forthcoming recommendations for some of the international work I have been doing is around this idea that what need to be promoted for the specialist retirement sector are not these properties, for people to move into new homes; it is about the broader experience within the housing setting. That can be by talking about the kinds of services, if that is the highlight, or the care and support that is provided. The general lifestyle and social life is what needs to be emphasised. If you can promote that, you can address this tendency for people to think, "Bungalow, bungalow."

Q20 **Mary Robinson:** I have a small question on the specific aspect of



forward planning. Several years ago, it was quite the trend for people to get interest-only mortgages. Then they get towards retirement age, and the mortgage period has been completed and the bank will not extend. They have to sell their homes, but they have just the capital that they have put into it or that has increased over time. They are not in quite the same position as other people to go into another home. They have to downsize. Has there been any research on, or has it been looked into, whether or not this could be linked to downsizing and the needs that people have?

Jeremy Porteus: There has been significant work. Some of the things we have been describing over the last half an hour or so have been very much London and south-east-centric. If you look further afield, there are pockets of deprivation in many areas and people who have equity, and they may be low-income households. Products have been developed, like shared ownership and shared equity products, where you can part-purchase, part-rent. For some people, because of the financial calculations, it may be more realistic to go into affordable rent or market rent accommodation, perhaps operated by a housing association or commissioned by the local authority.

Shared ownership in many areas is increasingly popular. It enables somebody to retain a small amount of equity. For those people who are on very low incomes, the interest payments can be met through the welfare benefits system, notwithstanding what is happening through the local housing allowance and the planned arrangements that we are waiting to hear the outcome of. Shared ownership is an example.

Sunderland has committed to building five extra care schemes, including shared ownership. That has created a vacancy chain in some of the ordinary houses and general needs social houses out of which it was not able to get underoccupying older people, and it can make better use of some of its sheltered housing. There is a cycle of benefits right down the ladder, if I can call it that. Shared ownership is an example of the types of products that are beginning to emerge.

Claudia Wood: It is part-rent, part-buy—the part-rent being the housing benefit portion. It is a north-south divide, somewhat. You tend to find that a lot more north than south. I wrote a report with Lord Best for his housing and care APPG called *The Affordability of Retirement Housing*. It goes through those sorts of options, including some like equity loans, to make whole ownership achievable.

Q21 **Mike Amesbury:** A lot of the discussion has focused on the desire for owner-occupiers to downsize. The evidence seems to suggest that is the case. In particular, you mentioned a two-bedroom property. What about social tenants or older private tenants? What does the evidence suggest there? Is there a desire to downsize?

Jeremy Porteus: Can I kick off on the private tenants? A report that Age UK London published last week or the week before shows that there



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are a small number of older people in private tenancies, but their experience of living in private tenancies is difficult, in terms of the insecurity of some of the tenures, the lack of accessibility and adaptability of properties, and the relationship they may have with the landlords.

However, there is no doubt that a lot of equity investors are seeing opportunities to work with local authorities to create a small amount of market-driven private accommodation, for those people who might want to rent before they buy, or rent temporarily before they decide to move to another location or move out of the country. They may sell and then rent for a short period.

For those in social housing, there are a high number of older people who live in local authority or housing association sheltered housing and retirement housing. As I said earlier, it is around 500,000 or perhaps 400,000-odd people in this country. It is one of the biggest asset classes we have, in terms of our purpose-built housing for older people. It is not always desirable, but it is a home and meets their particular needs.

We also know that there is a need to invest more in improving that accommodation. It is not just about the new build; it is also about retrofitting and maintaining our existing stock. There have been successive Government projects—the Decent Homes Standard, for example—that apply aids and adaptations budgets to improve the quality of that, and that look at things like overcoming fuel poverty or creating more affordable warmth. There are a variety of approaches to look at our existing social housing.

Claudia Wood: As Jeremy said, a decent proportion of older social renters are actually in sheltered, which is social housing with that additional bit of oversight; it may be a pull cord or a site manager. That tends to be a very popular genre of social housing, notwithstanding the LHA rules. There is uncertainty in the market currently. Existing providers are holding back on building more and potentially not investing in retrofitting.

A lot of this stuff was built in the '60s and '70s. The things that were built were studios where you have your bed and your kitchen in the same place. For older people born around the turn of the century, that was perfectly acceptable, but now not so much. The expectations and demands of people born in the '50s and '60s and onwards are changing. A lot of that sheltered housing needs to be either knocked down and rebuilt, or quite considerably retrofitted to improve standards. That is an ongoing struggle.

Dr Beach: Looking at some of the national surveys, like the English Housing Survey and the English Longitudinal Study of Ageing, which I use relatively extensively, four out of 10 older private renters, in all housing, not just specifically retirement housing, live in what is classified as non-decent housing. The renters, social or private, are more likely to have problems or report problems with their accommodation. Some of



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those are straightforward, like shortage of space. For private renters in particular, issues around damp and condensation are much higher. They report them much more than social renters or owners. As people age, these can exacerbate health conditions and respiratory illness.

Q22 Mike Amesbury: I will start with you, Brian. Is the market effectively responding to the need to downsize in all tenure?

Dr Beach: There are many developers working to create specialist retirement housing and move forward in this. They do provide some examples of best practice in this area, in terms of what they provide for people. A major challenge is the lack of clarity in how everything is going to be managed from the investment side to the planning process. These uncertainties are what stifle market expansion.

Claudia Wood: I am finishing a piece of work on constraints of supply in the market. As I said, estimates are that we need about 30,000 units per year. Current providers are managing about 7,200 units per year. That number has been plateauing for a few years now. At their peak in the '80s, they were managing 30,000 a year. Now it has dropped right down.

There are two issues. First, current providers are not achieving the volumes they need. Secondly, there are not a lot of current providers. It is quite a small market and there are not a lot of mainstream builders moving into it, to diversify and help with the volumes. There are various reasons for that. Demand is some of it. A lot of people are cautious, but most developers are maintaining waiting lists. There are plenty of operators who are building the things and filling them up before they can get them finished. Then people are saying, "Are you doing another one down the road? Can we put our name down for that one?" Stuff is being snapped up.

Land prices and planning issues make everything slow and it takes a lot of time to get the stuff on to the market. The current developers are battling every day with those issues.

Jeremy Porteus: There is that shortfall. That is how we have managed to predict that we are going to be between 250,000 and 400,000 short by 2030, because of that gap between the 7,500 and the 30,000 that is needed. However, what is interesting is that the market is starting to move slightly. This is the first year for about 20 years that the private sector—more commercially driven organisations—has developed as much downsizer accommodation as the social housing market.

In fact, we have one leading operator in the room behind us. They probably would say that they do not advertise this as retirement housing: "This is just bloody good-quality housing for all ages, but we just happen to provide accommodation for people in later life." They do not advertise the care. It is more that lifestyle choice. That is very much where the market is picking up.



It comes back to the point I was making earlier: we have a planned approach, which is very much local authority driven, where it is partly an assessed need because of that health shock that Brian referred to earlier. The other is much more of a self-care, self-management approach, where it is about: "We are making a choice because we want to either better our housing circumstances or just have a good later life."

Dr Beach: When we are thinking about these figures that Claudia has mentioned, looking back to the '80s with that comparatively more intense building, it is important to note that a lot of it was in the social housing sector. That is where we have seen massive declines. Going forward, that implies that there are going to be a lot more older people moving into the private rental sector. Therefore, there are more people who potentially may face the problems I mentioned earlier around problem accommodation and related health issues that may arise from that.

Jeremy Porteus: Can I just come back to one other thing that you touched on earlier about the social housing market? We also have behind us a leading organisation for housing associations, a trade body. A piece of work that the Housing Network undertook for it showed that up to 30% of all older people with a disability do not live in supported or sheltered housing in housing association social housing, but live in mainstream general needs. When looking at housing for older people, it is not just about the purpose-built specialist housing. Those housing associations are looking at lots of innovative ways to remodel, re-provide, and repurpose that accommodation to make it much more age-friendly.

Dr Beach: One of the findings from the English Longitudinal Study of Ageing shows that about 54% of people 50 plus who have what are called limitations in activities of daily living—they need assistance getting dressed and things like this—have no health-related home adaptations. Over half of people who potentially need or could use and benefit from home adaptations do not have them

Q23 **Kevin Hollinrake:** Claudia Wood, you have quoted a couple of times this figure of 30,000 that we need. This is new build construction every year, I take it. 7,200 are built at the moment, so there is a gap of 22,800. What is the breakdown in terms of that 30,000? What should be built, for example, in rented versus purchased? Do you have some detail behind that? That must be a mix, I guess, of all that.

Claudia Wood: Yes, it is a mix of everything. Those estimates are based on an analysis of potential demand. We do not necessarily know exactly if 30,000 is the right number, but there are estimates based on that demand. We know that the majority of older people want to buy and not rent. We also know that out of the 720,000 units that we currently have in the market, 127,000 are for sale. The rest are all rented. We already have almost too many for rent and not enough for sale.

Q24 **Kevin Hollinrake:** What percentage of the 7,200 we are building now are being built for sale and renting?



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Jeremy Porteus: At the moment it is about 50:50. This is the latest information that came out last week.

Q25 **Kevin Hollinrake:** That is very useful. What are the barriers? You have mentioned planning before, but is it the planning system that is wrong? What is creating the problem? As you said in your remarks, why does the market not provide a solution? You said there is a waiting list for some of these developments. Why are developers not building more?

Claudia Wood: On the supply side, you have two problematic areas. The first is national and local plans, so national planning guidance and local plans. We know that is being looked at currently, so we are optimistic that that is going to change. At the moment, only a fifth of local authorities have anything in their local plans talking about older people. The others do not have an older persons' need assessment in the local plan, or anything about, "We need older people's specialist housing in this area".

Getting planning permission and getting recognised as a use class in a local plan is very tricky if there is just no mention of older people there. If it is all about first-time buyers, you are not getting a look in. That is one area. With the housing White Paper and reform in this area, that could be resolved.

The other area is simply around planning charges, so looking at section 106, affordable housing contributions and CIL levels. As I said, I have recently been doing a piece of research on barriers to supply and have done some economic modelling looking at the levels of average charges that are set on retirement housing, showing that they make a lot of developments completely unviable. The developers we spoke to all said that of 30 or 40 sites they looked at, they would maybe find one that they could build on to make the numbers work.

Q26 **Kevin Hollinrake:** Why is that? My previous life was in the estate agency world. If I look at development in my constituency, the price per square foot of a specialist house, whether it is warden-assisted, as we used to call it, sheltered housing or whatever, is £400 a square foot. The average price locally is £220 quid a square foot. These are not cheap. I know there are lots of other space requirements around communal areas.

You have a service charge, which is £2,000 to £3,000 a year, and on top of that a ground rent, which may well be then sold on to somebody else. That is like a subsidy to the value of the unit, which retirement providers, people like McCarthy & Stone, want to carve out of changes to leasehold, because they say it is important to make the return on these developments stack up. Why is it they cannot compete in the normal marketplace with those kinds of figures?

Claudia Wood: As you already mentioned, one, they have to build bigger. In terms of spatial requirement with individual developments, individual flats, the occupancy is about 1.1.



Q27 Kevin Hollinrake: But there is a price per square foot. That is £400 a square foot.

Claudia Wood: Two, they have communal stuff. They have additional services on site. They often have to build staff accommodation. They have to build cafes, restaurants, gyms and medical centres, all of which have to be staffed.

There is the fact that a lot of older people will not buy off-plan. You have to build the whole development before you get anyone to move in. Then, when you are looking at investment capital, it is high risk, because a lot of people who are investing in it are going to get quite slow returns. A lot of villages, particularly, for that reason end up with quite high interest investment, which has to be serviced, so you have that on top.

Also, their affordable housing contributions might be 30% to 40%. Their CIL charges will be the same as a student developer. Because CIL is done by square meterage, they are paying much more than people who only have stairwells. If you have massive lounges and all the rest of it, they are paying for all the additional space that they are putting in, which people want because of the social aspect and everything else. You cannot have a retirement village without all that stuff in it. Because they are not recognised as any different from student accommodation or general needs housing, the charges are the same. The equivalency is there.

In terms of viability—how much of my new stats can I release?—if you look at what a general needs housing provider can bid on a piece of land, versus what a retirement developer can bid on a piece of land, it is significantly less.

Q28 Kevin Hollinrake: That is even though it is charging double the rate per square foot. Do the other two panellists have any thoughts to add to that?

Jeremy Porteus: We have seen some authorities who have decided to go for CIL exemption because they want to encourage people to come in and build, and therefore to help offset some of those more expensive costs. The other side comes back to the point about social housing provision on some of this, or the mixed tenure, where there is maybe some shared ownership. The Department of Health and the DCLG, working through both the HCA and the GLA, have specific grants that may be available for capital build for programmes. That can help offset some of it if the operator is a registered provider. Obviously that does not apply to the McCarthy & Stones of this world. That has helped reduce some of that cost but also stimulate some of the provision.

To echo what Claudia said, there is a lot of poor data available about some of the unit costs. We have worked with AECOM and others to try to get a better understanding of the unit price, both in terms of the build cost for the residential elements, but also for the non-habitable areas.



Those are the communal parts that Claudia has referred to. Often that can be as much as 40% of the footprint of the building. There is an issue there.

Coming back to the service charge, Associated Retirement Community Operators and ARHM, the Association of Retirement Housing Managers, recognise some of the challenges around service charges and have developed consumer codes so that there is greater transparency. That does not have an impact on the price in terms of the capital outlay, but it does in terms of understanding the service charge or the exit fees or the event fees. It picks up on the work of the Law Commission last year. There are some moves to look at creating incentives and greater transparency for the marketplace.

Dr Beach: I am less informed than they are specifically on the costing framework and those details. In two bits of work that I have done, I have heard from those who are interested in investing in developing, or are developers themselves, in terms of the barriers they found. It goes back to my earlier point around the lack of a real certainty around what this product will be and what it offers to people. Greater clarity on that would not only provide greater information for consumers, but would mitigate risk for investors. They will have a better idea that this will follow a particular process, and at the end it will be something that older people will want, and that they will move into.

At the same time, there is a big challenge for providing the right kind of information to local authorities so that they are involved in the planning process and the approval process. Anecdotally, I have heard from one developer that they talked to their local authority, which was very interested in them building a retirement property, but when it came down to decisions, it just wanted general housing.

Q29 Kevin Hollinrake: Can I ask about a connected issue? There was a recent report on this, I think, about the second-hand value of this kind of provision. When they were sold, it was at a bit of a deficit against the original purchase price. There is also some debt. Service charge debts have accrued, and family members have to take these on. Are the financial risks of that an issue? Is that putting people off this kind of unit on the demand side?

Claudia Wood: The resale value thing has not come up a lot. That is mainly because people are not necessarily aware that that is an issue for some developments. The service charge thing is something that puts people off. Some developers have done their cost calculations and used budget calculators, and worked out the average cost of servicing a three-bedroom normal family home versus the service charges in a retirement development. You can save maybe £1,000 to £3,000 a year in a retirement development, just through not having to do your own gardening and all that kind of stuff. There are economies of scale from being in the development. Those sorts of numbers are not well known.



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When we speak to older people about service charges, they say, “It is like having another mortgage.” If you are mortgage-free and you have none of that stuff hanging over your head, the idea of suddenly taking on that kind of monthly payment can definitely put you off, particularly if you are looking to free up equity and enjoy life.

It is more a case of trying to raise awareness of what those service charges are for, talking about the transparency and the clarity point, working out whether that is value for money, so older people get a better idea of: “I would be spending a lot of this stuff myself anyway. I just do it in dribs and drabs at home. I do not notice it as much as a single payment”. Raising awareness would help a lot of that worry.

Q30 Kevin Hollinrake: As a general point, I have been to see these developments in my area, as other members will have. Some of these are very impressive. You have cinema rooms, bars, restaurants—all this kind of stuff. As a result, the end price is very expensive: £350,000 for a two-bed flat versus probably £160,000 to £170,000 in the standard market. From research, we know there is a barrier for people if they are not going to clear some capital out of this downsizing. Is there over-provision with some of the developments we are bringing forward, rather than a more standard product that might be more attractive? It could provide the care and the service, but not necessarily all the bells and whistles.

Claudia Wood: It is being looked at. We are talking about McCarthy & Stone as the biggest provider in the market. It has already developed a kind of sister development a couple of years ago now, which is smaller. They are smaller, with less stuff, fewer bells and whistles. They all have parking. The idea is to pitch to people who are slightly lower asset, lower income, potentially slightly younger, who are still working.

Diversity in the market is an issue. As I said before, the supply issue is both a volume issue and a diversity issue. When you have a handful of suppliers, the developers, I think they would be the first to say, “Yes, we develop in this way, but there are lots of other ways you can do it, and we do not do that”.

Jeremy Porteus: There are other models as well. Some housing associations that also operate for sale will have buy-back clauses outside the cost price that can be moved in at, or indeed at market sale. There is a whole range of different options. You made a point around consumer confidence in the market; that has not been seen as a significant issue as a result of the BBC report last month—not yet, anyway, that I am aware of. Again, the organisation that highlights that has not seen a backlash either. Who knows?

Dr Beach: If you want to learn from good practice abroad, the New Zealand example is often touted, because it has such a great market for this. For example, nearly half of all beds that are for people receiving care are in the retirement village sector rather than the institutionalised



nursing sector. The fact that there has been so much development there is attributed to the Retirement Villages Act 2003, which set up a number of guidelines for what a retirement village has to be and has to offer. Within that are extensive provisions around better consumer protection, essentially. It says what information must be provided to the individual, outlining how any of the fees and all of that structure will be before they move in. An innovative feature is that everyone who moves in is required to receive independent financial advice before they sign any contract, so they understand everything.

Q31 **Fiona Onasanya:** In respect of fees, the issue that some older people face—please correct me if I am wrong—is that, although you are letting them know what these fees are at the outset, they are taking out a lease. That means that the fees increase and, normally with rent, it is a rent review that is upward. Even though you look now and think, “I am entering this lease. I have this property and it has all the bells and whistles: people will take care of the garden and communal areas”, when it comes to the service charge, which is always going up, not down, and the rent review, they do not always appreciate, when moving in at 55 or 60, how much it is going to cost when they are 80, and the problem that they are going to have when selling it on. If that person it is being sold to does not have equity in their home and they are looking at other ways to try to buy the property, you might have a problem, given your age. How is that being dealt with?

Jeremy Porteous: Claudia referred to a report that she wrote for the all-party parliamentary group on housing and care for older people. I wrote one last year about positive ideas around this market. What we are seeing is a number of different approaches, to be honest. I mentioned some of the mixed tenure earlier. We are also seeing ways that the services are also being co-owned, so an element of the freehold and the management company is also owned by the occupiers. Again, there is a co-produced way of managing those service charges in partnership with the residents. Again, they have a 49% share in that freehold company. There are ways of looking at this. I am not very technical. I know that these models exist out there.

There are also developments taking place, admittedly on a small scale, with things called co-housing, where groups of older people come together and jointly purchase both the freehold and the leasehold, and live together in co-operative-style living, where they take their own responsibility for those service charges. That landlord-tenant relationship does not exist in the same way; it is much more of a collective approach.

The trade bodies for the retirement sector are developing and have developed consumer codes, which operators need to sign up to in order to create transparency. In a sense, it is a forerunner to the New Zealand model that Brian just described. That and the Australian approach are probably the best that I have come across.

Q32 **Fiona Onasanya:** It is good that they are not obliged to sign up,



although they are encouraged.

Jeremy Porteous: They are not obliged. You can go back to some of the work that the Office of Fair Trading has done to look at some of the inequities in the system. There is no doubt that they exist, and they are trying to be rooted out. These codes and the Law Commission's work have been really helpful in getting the sector to recognise what residents themselves are concerned about, and justifiably.

Dr Beach: Going back to my New Zealand example, any increase that happens to any fee will have to be disclosed at the beginning, and then they will get that financial advice so that they understand that. Often if not always, rises are linked to inflation.

Q33 **Liz Twist:** I want to come back to the issue of people remaining in their own homes. You said the vast majority of people remain in their own homes. Could you recap on how common it is and give us the facts and figures on that, in the first instance? Could you then talk about what that means for them?

Jeremy Porteous: In terms of the global figure, about 95% of people of pensionable age live in their own home, so not in specialist or purpose-built specialised housing for older people. About 65% are homeowners; just under 30% are in social housing—local authority or housing association—and a small number are in the charitable sector. The majority live on their own or in a couple. As we were hinting at, some of those might well be in family-sized accommodation. Possibly, some housing commentators say they are bed-blocking the housing market, rather than the health market. It is about what incentives and encouragement there can be to support somebody who may wish to move in later life.

We also know that there is a very significant number of people—1.25 million—who own their own homes but are also on the poverty line. These are the people who could well be either at threat of repossession or may not have the resources to make improvements personally, and may have to apply to the local authority for local grants to improve their homes through things like the disabled facilities grant.

Q34 **Liz Twist:** The question then is about adaptations. They are likely to need adaptations, and you have talked about the resistance to some of that and about adaptations being unattractive. Are they also likely to need help with maintenance and upkeep as well as adaptations?

Jeremy Porteous: That is a really good question. The answer is yes. Some of the home improvement agencies and organisations like Care & Repair not only undertake adaptations but operate handyperson services to provide people on very low incomes with access to help with maintenance and improvements to a home, who are not eligible for a particular grant. There are also charities that have small pots of money to support people, because they also recognise that preventing people



from becoming homeless also helps the wider public purse and relieves any disruption to their lives.

Claudia Wood: The fire service also does quite a good job. When they do their fire alarm checks, which is something they roll out for old people, they will often look at loose carpet on stairs and other things. If they see a general state of disrepair and neglect, they signpost to other agencies. They are increasingly trying to do that. For a lot of older people living in their own homes, it is a case of access, too. Older people may be socially isolated and may never get a lot of visitors. If you can get one person to go in—a fire safety person—they can then report to all the relevant agencies, “There is a high-risk fault here. There is damp everywhere. It is massively under-heated”, or whatever the issues are.

The handyperson idea is very important. We know that a lot of people need the disabled facilities grant—about £30,000 worth of ramps and wet rooms. A lot of older people just need their lightbulbs changed. When you are in your 70s, you cannot climb up a ladder to change your lightbulb, so you end up sitting in the dark. Then there is the risk of falls and you break your hip, and onwards and upwards. Some of that low-level stuff is very cheap, and different people do it in different ways. Some social housing operators are paying their own tenants—not necessarily the older people but other tenants in the area—to do their own maintenance—to help their neighbours and do that very small lightbulb-type stuff, which works well.

Q35 **Liz Twist:** Is there any evidence that people are getting the adaptations they need, and that the £30,000 is sufficient to do what they need?

Claudia Wood: Generally, people know that DFG is very slow and very difficult to get. It is a clunky process and it takes a long time to get it. You might not get exactly what you need. If you are in the rented side of this, the private landlord might not necessarily want you to get a grant to adapt their property because, when they try to resell it to someone who does not have any physical limitations, people do not want big bars around the bath and stuff like that. There is the resale issue for private renters. For social housing providers, if someone gets their property adapted and then dies or moves into residential care, they do not necessarily know to give that property to another disabled person. It goes back into the mainstream. There are a variety of issues there. The disabled facilities grant is massively oversubscribed. Very few people know about it and there is not the amount of money needed to do everyone’s adaptations.

Q36 **Liz Twist:** You said it is oversubscribed, even though not many people know about it. Would that suggest that there is a lot of unmet need out there?

Claudia Wood: Yes, massive unmet need. It is a rationing system, if you like. If you do not know about it and it takes you two years to get it, it keeps costs down. That is what we are seeing.



Q37 **Liz Twist:** Are we seeing people have adaptations agreed and then not implemented for a while?

Claudia Wood: Yes.

Jeremy Porteous: We are, and some of that is around the delays that Claudia mentioned. There has been research that shows that, in some cases, it can be up to 18 months. For somebody with a long-term critical illness—those to whom Brian referred—or, say, an end-of-life illness, that is too long.

Liz Twist: It might be too late.

Jeremy Porteous: And too late, yes. There is, in some circumstances, the ability, at certain rates, to fast-track an allocation—normally, up to £1,000 or, in some areas, up to £5,000. Again, the really critical people in this chain are the occupational therapists and the caseworkers, who really understand holistically the needs of the occupier. They are also faced with situations where somebody might be eligible for DFG because they are an owner-occupier or private tenant. However, if they are a social housing tenant and not eligible, they have to look at the local authority or housing association's repairs budget. There is a postcode lottery around some of this.

Dr Beach: It has been suggested that, more broadly, there could be the same thing that goes on in Scotland, where people have the right to request adaptations and landlords have to give a reason if they are not going to do it. There is an appeals process. That could be more broadly applied.

Q38 **Liz Twist:** That suggests that there is evidence that private landlords in particular may be refusing permission to make the adaptations.

Jeremy Porteous: There is no doubt that that does exist. Private tenants are probably the one area, because of often having a six-month shorthold tenancy, where, by the time that takes place, they could feel it is too difficult to go with that process because of the risk of losing their home. Finding an adapted property is difficult. That is often where it is really essential that the local authority has a really good register of adapted properties in its location. Local authorities like Hammersmith and Fulham manage one in London. The GLA has an adapted register. There are some really positive ways that people have looked at private and social housing, so that allocations can be both timely and suitable to the property, where they exist.

Q39 **Liz Twist:** If people do not know about the disabled facilities grant and other things that are available, where do they go for help on this? Is this another signposting issue?

Jeremy Porteous: There are two organisations. There is a national umbrella body called Foundations, which is responsible for the home improvement agency sector. There is also a charity called Care & Repair



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England in England, and Care & Repair Wales in Wales—and I suspect Care & Repair Scotland in Scotland—who champion the housing conditions of an ageing population and seek to influence how operators and commissioners work together to take this forward. Environmental health officers in many local authorities are also key players. Some of those local authorities, through environmental health, will manage the disabled facilities grant processes. You may be familiar with the fact that those disabled facilities grants are now jointly allocated with the local clinical commissioning group, so that it is not just the housing need but potentially also the health and care needs that can be taken into consideration, which is a positive step forward through the Better Care Fund.

Claudia Wood: A lot of older people do not necessarily know about the DFG, are not eligible for the DFG or do not want to go through all the paperwork and then a year's wait. They will go and buy their own and get someone in to do the work. Care & Repair do help in promoting established workmen who are expert in those sorts of adaptations or are sensitive to the needs of older people or vulnerable groups. For those who go for the private market and get their own ramp, bath or stair-lift put in, there are registers and organisations that promote safe handymen, rather than just whoever coming in off the street.

Q40 **Liz Twist:** You were talking about a large number of those people being on the poverty line. They have their house, but they may not be able to afford much. How important are running costs—energy costs in particular—in looking at whether or not you are on that poverty line?

Jeremy Porteous: They are critical. I cannot remember off-hand the definition of fuel poverty, but it is something like 30% of income. Correct me if I am wrong. There are clear definitions of what constitutes fuel poverty. For somebody who is on a minimum wage or on a very low income, we find a harsh choice sometimes: do you heat or eat? People are often regarded as property-rich but cash-poor—asset-rich but cash-poor. For many of those people, those assets may be depreciating all the time as well.

Claudia Wood: Among older people, a very common thing that you hear is that an older person will live in one downstairs room in a five-bedroom property. If the property is in good repair and is a nice big terraced house in west London, it is a couple of million pounds. However, you are living on almost nothing. You can heat the living room but not the whole house. You cannot maintain the rest of the house. You have your bed in the living room with the telly, and you have not been up to the bedrooms for 15 years. That is a heating issue and a maintenance issue, and that suggests an accessibility-of-the-house issue. It is a common issue.

Q41 **Liz Twist:** Is enough being done to help those people in fuel poverty in particular?



Jeremy Porteous: It is one of the areas where there has been a lot of information and raising awareness through affordable warmth and fuel poverty programmes. The other side of it is that organisations like the Joseph Rowntree Foundation have championed things like the impact on climate change on our housing, looking not just at the particular incidence around thermal comfort but also, at a national level, at what the impact of climate change might be. We may find that we get colder and hotter periods in our cycles, and how does our housing cope with that? As in France a few years ago, which had a very hot summer, we will not be talking about winter deaths but summer deaths. We are a little way from that, but some of the forecasting—if I can use that term—does show that climate change could have a significant impact in the UK on the way we build and design both our new and our existing accommodation, tackling some of the dampness and other conditions that have a significant impact on one's health and wellbeing.

Q42 **Liz Twist:** Looking at lifetime homes, how would building new homes to lifetime homes standards or using age-proof design principles help?

Claudia Wood: I did some work on this a few years ago for DCLG, as it happens. A lot of the stuff that came back was saying that it is a no-brainer: there is no reason we should not be doing this. There was analysis showing that some of the developers would come back and say, "Building to lifetime homes standards massively increases costs", but then there was counter-analysis that showed that, if you plan it through your supply chain early enough, you can do it fairly cost-neutrally. If you know that that is the standard that you have to build at the very start, and not try to retrofit or use your existing suppliers to fudge it, you can do it in a relatively cost-neutral way.

London planning rules conform to lifetime homes standards. It is one of the puzzles: why is everyone not doing it? It is basic common sense for long-term liveability of homes. In terms of the amount that could be saved, not just in DFG but also in terms of having to move to specialist or retirement housing, the sums do themselves, if you like. It is one of these puzzles where everyone says, "That sounds like a brilliant idea. Why is it not just being done?" No one has exactly come up with an answer as to why, unless you have one.

Jeremy Porteous: The current position, as you may be aware, is that new-build housing has to be built to Part M of the building regulations around accessibility. Those regulations are very much around the accessibility of the property, not the visit-ability and habitability of it. It covers the door entrances and a few things around turning circles. Lifetime homes are an additional requirement, as are wheelchair housing design, and those are optional. A local authority has to demonstrate its commitment to those as part of its plan. The Neighbourhood Planning Act now sets out a new requirement for local authorities to have a better understanding of the needs for that type of accommodation. Hopefully, the design, development and planning sides can work in tandem to create



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a much more inclusive approach to thinking about age-friendly designs going forward.

Q43 **Liz Twist:** Is there anything that could be done to increase the number of lifetime homes that are being built?

Jeremy Porteous: At the moment, they are optional, so local authorities have to opt in. Up until about two years ago, they were mandatory for new build. There were certain exemptions because of topography and the like. A review of that as part of the current review of housing design standards in Part M of the building regulations would be helpful.

The other side, which has not been talked about a lot, is that we need to develop the supply side of 300,000 new homes or whatever it might be. One of the things we need to think about is how we use offsite manufacturing and whether we can look at improving the accessibility requirements as an offsite manufacturer. We can build right from the outset, rather than having to retrofit or go in and then work out the level access. Again, there are ways of thinking systematically around this. Some of the offsite manufacturing techniques that are being developed now and that I have seen could benefit from this.

Mary Robinson: My question has been answered. I was going to mention whether or not there was a distinction here between traditional methods of building and offsite, and whether that could be a way to move things along. You have answered that very nicely, thank you.

Q44 **Helen Hayes:** I just wanted to ask whether any analysis had been done about the rate of building of lifetime homes since the compulsory standard was scrapped a couple of years ago. It just strikes me as the kind of thing that, as long as it is optional, will fall foul of the viability assessment process, because developers will just argue that the extra space requirement cannot be afforded and accommodated under the viability rules. I have always thought that it was common sense to have it as a compulsory standard. I just wonder whether the evidence supports that in terms of the numbers.

Dr Beach: I have not seen any evidence around this.

Jeremy Porteous: There is a campaign at the moment called #ForAccessibleHomes, which is led by Habinteg Housing Association. The head of research there would, I am sure, have that detail to hand. Anecdotally, if it is developed with social housing grant, it should be built to the lifetime homes standards. The issue is really more about the open market, and that then is optional.

Q45 **Bob Blackman:** Moving to the rented sector, the majority of renters among older people would be in the social rented area, but we do know that more and more people of a younger age are in the private rented sector, and it is likely that that will increase as we go through. What is going to change in the private rented sector to make it more suitable and acceptable for older people to rent privately?



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Jeremy Porteous: On one level, residential care is a form of private rented accommodation, because you get a licence to occupy. That is one end of the market.

Bob Blackman: That is the really old end.

Jeremy Porteous: In terms of more of a lifestyle choice, we are seeing a lot of real estate investment trusts and private equity firms coming in to think about what the offer might be, both for younger people who might become first-time buyers but also who may be post-university. What they are looking at is more co-living, particularly in urban centres such as Manchester, London, Leeds or Newcastle. The thing that is creating the attractiveness is a smaller footprint of communal areas or places for meeting other people. It could be leisure, dining and other type of experiences. Research is being done at the moment to think about whether those are attractive circumstances. Some of this behavioural thing that you talked about earlier, Claudia, might also be something that the private rented sector could offer. It is about the type of accommodation and where it is located, and whether it can create a sense of community as well.

Other people are talking about whether to have different types of leases: instead of six months, thinking about three-to-five-year leases, just to create more security and guarantees for somebody. Those are debates that are taking place in the sector as well.

Claudia Wood: The thing that we have seen on the polling is, when we ask people, "Do you want to downsize and move into retirement housing?" about the same number of people express an interest in a lifetime tenancy as they do in buying. For me, in terms of encouraging people to be a private renter, you have to wait long enough. Increasingly, people will get to retirement age and have rented all their lives. The weird cohort effect that we have at the moment is that everyone is a homeowner.

Q46 **Bob Blackman:** One of the issues is around private renters who are aged 65 or older. They have retired and are living on a fixed income. They face a six-month short-term tenancy and no guarantee that the tenure will continue. Equally, there are no guarantees about what the rent levels will be thereafter, even though they are on a fixed income. Does something have to change in the market?

Claudia Wood: That is where assured tenancy comes in, where you have those long-term assurances about rent reviews, service charges and everything else, so that you can see your endpoint. For a lot of older people, it is about the fixed income as well as the fact that they might live for 20 or 30 years. No one knows exactly how long they are going to last. There are other costs—care costs and various other things—that might come in and that are unpredictable. Also, when you are 70 or 80, the last thing you want is a sense of financial insecurity. There is definitely a resistance, more so than you would get at any time in your



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life, to any financial insecurity or financial unknown variables. That is why some of the assured tenancy stuff is probably where you would have to go, so that you have an end.

Jeremy Porteous: We are seeing some developments where there are market rents and intermediate rents for older people, but they tend to be for early retirees aged 55 to 60—early retirees or younger older people.

Dr Beach: To contextualise moves among people who are aged 50 or over, using the English Longitudinal Study of Ageing, looking from 2002 to 2015, in two-year increments where people have moved, with respect to their tenancy, well over three quarters of owners and social renters stayed in that tenure, even though they moved. Only 37% of private renters, however, stayed in private. Their biggest move was into the social rented sector. That just contextualises how these transitions and dynamics are working.

Q47 **Bob Blackman:** What about the suppliers of social rented accommodation? What do they have to do to help move people along and assist them to move into accommodation that is suitable to their needs and provides the care that they will require?

Claudia Wood: More social housing providers are now trying to build their own age-specific variants within their communities. They recognise that older people living in their general-needs social housing is not the most efficient use of resources. They need to be moved on into other options within the same estate or the same community. We are seeing more specialist building in that space.

Q48 **Bob Blackman:** Is it enough? We face a position whereby people live far longer, which is good news, and far healthier lives, well into retirement. That means that specialist housing in this particular area does need to be developed, but the question is whether enough is being built. If it is not, what extra needs to be done?

Jeremy Porteous: There is an issue about new supply continuing to come on stream. There has been a bit of hesitancy about this because of the uncertainty of long-term revenue funding as a result of some of the housing-benefit challenges and some discussions around Local Housing Allowance. Many have existing sheltered housing, which needs repurposing or remodelling, trying to develop a menu of options, which can address the wellbeing offer for residents but also perhaps encourage a move to other forms of housing in later life—housing with care or with extra care—to free up some of that accommodation. The other side is looking at the different at-home care and support services that can be delivered through technology, counselling, advice, information, repairs and handypersons to enable people to have a little bit of help, as well as just saying, “You have to move”. That discussion and dialogue is very difficult to take place in terms of motivating people to make a positive step in that way.



Claudia Wood: The short answer is no, there is not enough volume being built. You could say that across all building types. Every tenure type is struggling with this.

Q49 **Bob Blackman:** Equally, we do know that, in the social sector, there are large numbers of underoccupied properties. These are people's homes and why should they move on? If they did move on, however, it would release a property that would then be available for people who are overcrowded or on a waiting list.

Jeremy Porteous: Absolutely, and there is good quality research that demonstrates that. Work that has been done shows that, for a 40-apartment unit, that creates a move within the supply chain of about 97 properties, both rented and owner-occupied. There is some really good evidence around that.

Q50 **Mary Robinson:** There has been a recurrent theme throughout the conversations linking housing to health. How does housing affect older people's health and wellbeing in terms of aspects of housing and what effects they have?

Claudia Wood: All three of us have done research in this area. There is a very big body of research on this.

Dr Beach: I can highlight some of the things we have found. One of my colleagues collected data in specialist-retirement-housing settings—essentially, extra care—and used a statistical technique to compare it to other survey data in general housing. They found that those living in extra-care housing had lower uptake of hospital beds and shorter stays when admitted to hospital. They also had many fewer falls. The savings from hospital beds can reach around £500 per person, so it can accumulate to quite a substantial amount.

Some of the research I have done took a similar approach. I found that people in retirement villages had a higher quality of life, particularly in the domain of control. They also had lower reported levels of loneliness. This provides some evidence that the purpose and goals of extra-care housing are being met, which are to encourage independence and quality of life and reduce isolation and loneliness.

Claudia Wood: A piece of research that I have done has been around health and social care savings in sheltered housing. Taking the sheltered housing population of just under 500,000 older people, we found that they would save NHS and social care services around £485 million per year. Going back to what Brian said, the areas are reduced in-patient stays and reduced emergency admissions. You are less likely to go in and you stay for a shorter time, so all those bed days add up. They are less likely to fall and to have hip fractures from those falls, which we know are a massive NHS cost. They are less likely to use emergency services. We found that a lot of people in sheltered housing, instead of calling 999, will ring the bell-pull and speak to the site manager. They



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were diverting 11,000 emergency calls a year where someone did not need an ambulance. They just needed someone to come and do the flip-switch on their fuse box or something. Those are the general areas.

On loneliness, we found about £17.8 million in terms of NHS and care, just through lonely people going to the GP more often. They are more likely to go to hospital. They mismanage their medication, so there is a concrete cost in terms of the social aspect of retirement housing.

Frontier Economics and the HCA have done quite a recent one, showing £3,500 per person per year is saved in health and social care for people who live in retirement housing. There is a good chunky body of evidence there.

Jeremy Porteous: The real issue is how you scale that up. If you scale the £4,000 up, it does become significant in terms of the health economy as well. It is not just efficiency for the NHS; it is also for adult social care. At least one-third of people moving into residential or nursing care could potentially be offered either extra care or social housing, had a decision been made early enough. There are significant care efficiencies in the system.

Some work commissioned recently by the National Housing Federation also showed that organisations like home improvement agencies and housing associations can deliver different types of hospital discharge to support transfer of care. With those types of short-term interventions, one organisation was able to save £500,000 a year, which made a significant inroad into some of the deficits in terms of managing that transfer programme in that locality. Again, there is some really good national and localised research that builds the evidence around this.

Q51 **Mary Robinson:** There are lots of practical aspects to it. There has been a lot of discussion over the years about loneliness in the community as well: people in their own homes being isolated. To what extent are these savings as a result of tackling that loneliness so people are in a more community-oriented environment? Has that been measured?

Jeremy Porteous: From an adult social care perspective, there is a modelling tool called ASCOF—the adult social care outcomes framework. That has a number of different characteristics, one of which measures loneliness. Adapting that for a local setting in Dorset a few years back showed that a move to good-quality, purpose-built retirement housing combatted their loneliness significantly. In fact, one of the major outcomes was combatting that. You can also, however, experience loneliness in a retirement housing setting as well, because you can shut your front door.

Claudia Wood: It is harder.



Jeremy Porteous: It is harder, yes. Work at Whiteley Village has demonstrated that you can improve people's life expectancy by up to five years. That may be work that Brian has done. I cannot remember.

Dr Beach: The ILC.

Jeremy Porteous: There is very good evidence around this.

Q52 **Mary Robinson:** Looking at specialist housing, how does specialist housing promote older people's health and wellbeing? Is it about having the bell-pull there? It is about the community aspect of it?

Claudia Wood: I wrote a report called *Building Companionship* for McCarthy & Stone a couple of years ago. It looked at the community aspect: communal lounges and eating places, and a lot more places to socialise. They tend to be much livelier, with a lot of intranet and their own Facebook groups. They organise weekly activities. There tend to be one group of socialisers, where there are one or two quite feisty older people who are the ones knocking on new people's doors and rallying them round. It was almost enforced fun, if you like, getting people out there and doing this stuff. It is very different from living in a community, even where your family are nearby, if you live on a street where the majority of people are of working age and going out to work every day, and you are on your own at home. It is just a different environment.

We did some polling of old people and of people living in retirement housing. We asked questions including, "Is there enough sense of community in your local area or your local neighbourhood?", and 49% of older people said yes. If they were in a retirement development, it was 85%. There were various questions and there was a clear difference in all the responses. Part of it is the build, and part of it is the community that lives there, as well as the expectation. A lot of people move into retirement housing partly specifically for that social life. They go in with those expectations that that is what they are going to be doing. They are going to be going to reading clubs, salsa, wine-tasting and all this kind of stuff. You go in armed with that expectation immediately. It is a self-fulfilling prophecy.

From the work we did on sheltered housing with Anchor, we worked out that the 500,000 people living in sheltered housing save the NHS £17.8 million a year, just because they are managing their health better. If you are less lonely, you manage your health better. You do not go to the GP as often.

Q53 **Mary Robinson:** When you mention a saving to the NHS, does that include the local authority bit of it that might get picked up as well? What would be the overall potential saving or benefit?

Claudia Wood: It is hard to tell in that sense. We just looked at something that was easily quantifiable, which was just going to see the GP. There are calculations around the higher your loneliness rating, the more likely you are to fall and develop dementia and things like that. In



terms of the longer-term savings for social care, the question is: how long is a piece of string? We did not want to over-egg it and try to calculate it over a 20 or 30-year period, but you can imagine that, if someone is less likely to develop dementia or less likely to fall, and then you look at their residential care costs 10 years on, the numbers could go up and up and up. We never went that far, but it is much higher than the initial NHS transaction costs. It is much higher on the social care side.

Dr Beach: One of the pieces that we had found that a quarter of residents in extra care who entered with social care needs, or developed them while they were there, improved over five years. About a quarter of them improved in this period. This just harks back to some of the messages we see in other domains of public health around the prevention side. If this is an environment that allows people to get that little bit of support when the issue arises, then it will not develop any further and get worse.

Jeremy Porteous: I was just going to say that Aston University did a piece of work on people in extra-care accommodation. Some of the highlight findings were that, for somebody with high needs, it was saving the social care economy about £4,000 per annum. For somebody low-level, it reduced to £1,700. For that person, the saving to the NHS was £1,100. There is no doubt that there is a cash saving, but the cash-releasing saving is another issue.

One of the things that I have picked up from what Claudia has been talking about is how the type of accommodation we are talking about builds resilience into the system. We can build resilience for health and social care commissioners to support people to better self-care and self-support, but it also gives encouragement and confidence for people to be in a position either to ask for advice or to shout out for help, but also, where they can, to support each other not to feel that they are being looked after but that they are part of a community looking after each other.

Q54 **Mary Robinson:** It is interesting that you mentioned the integration of health and social care. We were speaking earlier about planning and the difficulties in getting the built environment right for people who need to go into older persons' accommodation. It may be that we need to look at housing and social-care integration as well as health and social care.

Jeremy Porteous: That is something that we passionately believe in, so you are absolutely right. We think that integrated care is not just between health and social care; it is much more of a networked-care approach.

Claudia Wood: We have a local authority doing their care market shaping and their strategy for their care market. A lot of people are not taking the wide variety of housing and care options into account and are thinking about domiciliary and residential, as if there is nothing in between, when there are thousands of options in between. People miss a



trick there and you end up with quite a binary system: if you cannot stay in your own home, off you go to a care home. It is a really inefficient system.

Dr Beach: In a different context, I have been told by people that, for them in later life, housing equates to health. We can understand that in many domains, whether it is an environment that will not contribute to falls or if it is an environment where you have support and things like that. Your position with respect to housing is going to have a massive impact on your health outcomes.

Q55 **Fiona Onasanya:** Touching on what you were just saying about alternative approaches and looking at specialist housing, what options are there for people who are seeking an alternative to traditional housing provision?

Jeremy Porteous: I mentioned co-housing earlier. That is a particular type of accommodation. It is not about the accommodation; it is about the way that people come together to live in a communal way, at their choice. It is not about sharing everything; it is about having your own front door. There is a very useful scheme that has recently opened in High Barnet, north London, which would certainly be worth a visit by this Select Committee. It is one of only 10 senior co-housing developments in the pipeline and it is the first to be live and to operate. There is a growing interest in this.

There are other aspects too that are coming through. Many local authorities are very interested in community-led approaches to housing, engaging at neighbourhood-planning level to look at different community types of solutions. It might be extra care; Witton Lodge in Birmingham is an example that the community generated. It could be the extra-care schemes in Gateshead, which Housing & Care 21 have developed. There is also a sizeable population of older people who live in park housing, in mobile homes; it is something like 2 million people. We do not tend to think about those people who could live in very inadequate and transient-type accommodation.

The innovations that are coming through are both in terms of the different types of community ways of living as well as people who—if they can afford it—are making their own adaptations to their own homes or going out, buying a plot of land and developing the *des res*, which will be the new *Grand Designs* in 2018, and Kevin will come and open it for you. There are some really exciting bungalows that are being developed and really beautiful flats that are being built, which are opportunistic, but it is about how to take that innovation and inspire the broader mass market, and some of the things that organisations like PegasusLife are doing around the country in urban and rural areas with leading architects.

Claudia Wood: There is co-housing, self-build and community land trusts that are focused on the over-50s, for example. They come together as a community to put something together that they want,



rather than something that the developer interprets that they might want. On the care side, there is innovative housing. There are shared-lives schemes where you live with a family. It is residential care in a house setting. As with all of these innovations, it is all very small-scale. We all mention them and look at them as innovative, but in terms of the number of people doing it, it is a few thousand here and there, at a couple of sites around the country. None of them have become a mainstream movement.

Q56 Fiona Onasanya: What do you think could help explore these alternatives? For older people coming to a later stage in life and wanting to explore different arrangements that are available, how do they get that information? If it is so niche, how are they able to access that, find out, explore or look at alternatives? How are they signposted to this?

Jeremy Porteous: Organisations like the Centre for Ageing Better have a research programme looking at different ways of how people are living in later life, both in terms of the adaptability of existing accommodation but also new forms of provision. The centre has an endowment that enables them to do that and work closely with the ILC and other research bodies. That might incubate new ideas and help develop the sector. Some of these things could take 10 years to take off. In terms of the scheme that I mentioned in Barnet, the first meeting of the group of women who worked on that was about 17 years ago. We need to work out a way that we can fast-track these because, picking up Claudia's earlier point about not building the 30,000 we need, if we have only 7,500, it is probably going to take another 45 or 50 years before we even catch up with where we are today in terms of demand.

Claudia Wood: The short answer is no; there is nowhere to go. If you are an older person who is looking, does not like what is on the market at the moment and wants to do something slightly different for themselves, there is no single place for them to go where they can see these options laid out. You would have to do a serious amount of googling to improve your awareness around community land trusts or co-housing. Because co-housing is so few and far between, there is no guarantee that there will be anything anywhere near you that you would want to engage with, unless you were to start your own, which requires an additional sense of resource and capital. I do not mean cash capital; I mean the wherewithal to set up your own group. This is not a common thing.

Jeremy Porteous: The organisation I manage puts the spotlight on this type of accommodation. It is geared for professionals, so we are raising their awareness. That is why we are a learning and improvement network, to enable them to open their eyes and showcase what works well. You are absolutely right, however: the other side of the coin is getting the consumer market prepared for this as well.

Dr Beach: While some of the co-housing approaches have been older women's co-housing, by definition it does not necessarily have to be restricted to older people. I have heard some older people talk about not



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really liking to hear about retirement villages because of the ghettoisation, so they are very much more about wanting to live with people of multiple generations, and multi-generation housing is a topic out there. I know that some architects are very interested in how to develop this. Home shares are another, where younger people go and live with an older person and get a discounted rent for providing some support and help every week.

Q57 Mary Robinson: I am interested in multi-generational housing. Is that non-familial, so not particularly members of your own family?

Dr Beach: Not necessarily, as far as I understand. It can be family or it can be non-family.

Q58 Mary Robinson: How would that be organised? It is a new concept to me, so how would it be organised?

Dr Beach: I do not have many details.

Claudia Wood: Co-housing is self-starting. If you start with the mission statement that you want to create something truly intergenerational, you would look to make sure you have a mixture of families and older people. A lot of co-housing has an overall mission statement that everyone goes back to the community. It may be that the older people there—those who are over 50 or 60 and are retired—will be providing childcare for families that are out work. There will be more concerted efforts to create intergenerational opportunities. As with all co-housing, there is no regulated set of rules. Every group makes up their own mission.

Dr Beach: As far as I understand the difference between co-housing and multi-generational housing, people live in their own homes in co-housing, whereas the multi-generational is about one home environment that allows for multiple generations.

Jeremy Porteous: For extended families or home sharing to enable somebody with a disability to live in an ordinary house and the like.

Chair: Thank you, all of you, for coming to give evidence to us today. That has been really helpful to the committee. Thank you very much.