Joint Improvement Partnership South East

Housing Learning and Improvement Network

The Future Direction of Extra Care Provision in the South East Region

A review and report on Extra Care Housing in the region

March 2011

CONTENTS

PROJECT SUMMARY

This research was commissioned jointly by the Housing Learning and Improvement Network and the South East Joint Improvement Partnership to undertake a review of Extra Care Housing (ECH) in the South East of England and consider how the next phases of development are likely to be achieved.

The methodology for this project comprised 3 core elements:

An extensive desk research phase to establish an evidence base
This comprised a review of a wide range of data including: demographic data; the current provision of services and accommodation for older people; home ownership and affordability factors. ***The findings from this phase can be found Section 2 below (page 11)***

An extensive field research phase to gather data and understand experiences and perceptions
This comprised extensive consultation with Local Authorities, Providers and Service Users. The purpose of these investigations was to gain qualitative and quantitative data including perceptions on recent experiences and the future from the perspectives of end users and professionals. ***The findings from this phase can be found Section 3 below (page 25)***

In-depth analysis of the outcomes of the desk and field research phases to develop:
A Market Assessment and Cost Matrix to assist stakeholders in assessing the business viability of proposed extra care developments. ***This 'toolkit' can be found in Section 4 below (page 36)*** *A detailed assessment of the possibilities for the next phase of ECH development in the South East of England.* ***This can be found in Section 5 below (page 46)*** *Conclusions and recommendations* ***can be found in Section 6 below (page 55)***

A themed summary of these sections follows:

The ECH programme in the South East of England has been successful over recent years boosted by Department of Health (DH) and Homes and Communities Agency (HCA) capital funding. The current economic climate has 'changed the landscape' and is posing challenges that could inhibit development of ECH in the future. However, we would submit that the key challenge, which encompasses the financial element, is to change the way we work which will in essence mean significant 'cultural' change for commissioners, providers and developers/contractors within the sector.

However, a positive aspect is that there is a place for ECH to assist in meeting the government's agenda of reducing Local Authority care budgets by diverting funds from residential care and maintaining people in their homes in the community for longer.

In the first instance, it will be important to understand the market for ECH in the region. The demographic projections, together with the downturn in public funding, indicate that there is likely to be a shift from predominately social rented developments to, for example, 25% for rent / 75% for straight sale/shared ownership, or greater, over the coming years (see an example of a possible model

in Section 5.3.2). Registered Social Landlords (RSLs) and developers/contractors will need to work together to develop solutions that meet the needs of their local areas. Furthermore, the private sector should also look to build on its standard retirement housing products and consider what its extra care 'offer' may is to meet the needs of an increasingly older owner-occupier and 'asset rich' market in the region. For example, consideration should be given to how ECH can contribute to the 'downsizing agenda' and providing attractive choices for older people to 'free up' larger dwellings (see two recent Housing LIN Viewpoints on general housing and specialist housing related issues).

The key factors in moving the ECH agenda forward are:

Increasing stock numbers:

- Creating a vision for the development, e.g. size, tenure split, client group, the care and support model
    1. Will the model form a 'hub' for the provision of care and support into the community?
    2. Will the model include provision for retail / community use?
    3. Is the intention to house some residents who: had previously lived in residential care; suffer from dementia; have physical / learning difficulties?
    4. Will the care and support model be based on residents receiving a 'core service' overnight with a menu of services for additional care and support services funded through individual budgets?
- Meeting the distinctly different needs and aspirations of older people so providing choice, for example:
    1. A stand alone development; a village setting; 'virtual' ECH based on a 'hub & spoke' model
    2. Introducing greater tenure choice ranging from social rent through to outright sale or a mixed tenure development
    3. In terms of property size and facilities, e.g. a 2 bedroom accessible property with a private patio/balcony
- Meeting the challenges of the 'localism' agenda through working closely with the local community including, for example, the Third Sector, Parish Councils
- Engaging with planning departments at an early stage and including representatives within a multi-disciplinary project planning team.

Meeting the challenges of developing with little or no public subsidy

The typical public subsidy for social rented ECH has been in the range of 45% to 55% capital grant rates. However, in the current climate, and as set out in the HCA's recent Affordable Housing Programme, these subsidy rates will not continue and there is a need be more market facing and consider a range of public/private funding approaches. So how can providers/developers address this issue? There are a number of components as shown below:

Making the best of what is available by utilising, for example:

- Section 106 Agreements and identifying 106 sites for ECH at the planning stage
    - *Of note, private developers are already lobbying government on this subject so for RSLs partnership working is a key component*
- Accessing free / subsidised land – the sale of HCA land represents an opportunity here
- Conversion / disposal of existing stock to reinvest in new supply

- Using any available DH and HCA capital grant funding streams
- Spreading capital costs – include facilities funded by other agencies / private sector
- Packaging schemes in partnership with other providers / contractors / developers – making them more attractive for investors who prefer to lend larger loans
- Commercial borrowing and/or social finance opportunities.

Considering scheme design:

There has been much discussion among contributors to this research as to whether financial constraints will restrict the ability to provide significant communal facilities, particularly in smaller schemes in future ECH developments. In addition, some providers feel constricted by Councils' set models for ECH which require them to include facilities within the build which they consider experience has shown not to be required.

Working with private developers / contractors to address the challenge of little public subsidy

The first question to raise is why are developers / contractors interested in working with RSLs?

- To satisfy shareholders:
  - *A reduction in public funding means a downturn in income from ECH and other public development for contractors*
  - *Income can be boosted through private development in partnership with RSLs who have experience in the sector*
- So what are the key factors in working with the private sector?
  - *Mapping the process and understanding the outcomes required*
  - *An open book approach to procurement and delivery mechanisms*
  - *Joint risk taking with the private sector*
  - *Removing barriers – reducing bureaucracy*
  - *Learning from the private sector in relation to 'sales and marketing'*
  - *As noted above, packages schemes to make developments more attractive to investors*
  - *Identifying from the outset who will be the long term owner of the building*
- One of the challenges is making schemes stack up financially in less affluent areas and the options include:
  - *Looking for opportunities to cross subsidise the development*
  - *Generating financial capacity by converting existing social stock to shared ownership, market rents, or outright sale*
- Making the offering attractive to potential purchasers by:
  - *Ensuring the product meets their needs and aspirations*
  - *Providing choice in terms of the size and type of property together with the range of facilities within the development*
  - *Signposting potential purchasers to equity release products recommended by reputable organisations, e.g. The Joseph Rowntree Foundation*
  - *Devising packages of assistance to help these older homeowners move home as the prospect of dealing with the day to day requirements of moving can be a major disincentive particularly for older people who have no family / friends to assist them*
  - *Ensuring transparency in terms of:*
    - *A simple leasehold agreement, e.g. ease of sale at the end of the day*
    - *Ease of allocation for shared ownership, e.g. minimising bureaucracy*
    - *Clarity in relation to a menu of on-site options and associated service charges .*

Making the best of what we have

In addition to considering new developments, it is important to identify opportunities and challenges and how we can address them. Themes follow:

- Exploiting opportunities for creating 'virtual' ECH based on a core and cluster/hub and spoke model at low cost and possibly utilising some of the new capital funding, e.g. the new 'unringfenced' £251m DH capital funding for Authorities (with Adult Social Care responsibilities) for 2011/12 and 2012/13 - reference LASSL(DH)(2010)2 dated 13.12.10. This could, for example, help to provide additional facilities at existing sheltered schemes together with telecare/telehealth provision in the nearby community
  - *As shown in the case study (see 5.3.1), the RSLs approached the Council in the first instance so it is important for housing providers with sheltered stock to identify opportunities and approach Authorities regarding funding*
  - *On the same theme, not all Authorities in the region have used the £20,000 of DH funding issued in 2010/2011 to refresh/devise ECH strategies to inform future investment plans. It should be borne in mind that these can include wide ranging recommendations including identifying Section 106 sites for ECH development. Stakeholders have a role to play here in encouraging Authorities to update their strategies*
- Identifying 'pathway flats' for reablement in existing ECH schemes and working with health and Social Care to minimise unnecessary admissions to higher forms of care and enabling people to:
  - *Consider ECH provision rather than choosing residential care in 'crisis'*
  - *Return home with appropriate care, support and / or telecare/telehealth solutions*
  - *Where appropriate, opportunities to offer respite or intermediate care*

  Of note: some providers in the region are considering using guest rooms as reablement accommodation.
- Working with partners to ensure that existing ECH provision is used as a 'hub' to provide care and support services to people living in the community. It should also function as a resource for health, well-being and social events for both residents and the local community
  - *This is an area where working with the Third Sector can fill the gap left by declining Supporting People budgets which is likely prevent the employment of 'activities co-ordinators'*
- There appears to be within the South East divergent challenges in relation to allocating ECH properties to people with appropriate care and support needs:
  - *On the one hand there is some evidence that the 'ethos' of ECH is being lost in some schemes as higher numbers of people with high care needs are being allocated properties. It follows that the acknowledged advantages of the 'balanced community' are being lost*
  - *On the other hand the perceived lack of understanding about what ECH can deliver in terms of care services is leading to some properties on schemes being allocated to people with few care and support needs*

  The challenges for providers here are twofold: maintaining updated record of the dependency of residents so that there is an evidence base to influence the allocation process. Improving the understanding of professionals concerning the potential of ECH is another option to consider when at first glance residential care **may** appear to be the most straightforward route
- Challenges in relation to meeting the increasing care needs of residents approaching 'end of life' have been identified as part of this research and again partnership working is key to addressing this issue (see Housing LIN Factsheet No.18).

Finally, it is difficult to over emphasise, the need to deliver appropriate messages to government and commissioners concerning the significant preventative advantages that ECH delivers.

Key messages:

- This research has highlighted for 'culture change' within the ECH sector
  - In particular, there is a need for more innovative thinking which 'breaks the mould' and leads to ECH solutions that fit the current economic and social climates
- Related to the above partnership working across the disciplines is vital from the outset of any proposed ECH project
- It needs to be highlighted that in working with the private sector, RSLs have a great deal of experience and expertise to offer in respect of developing the next generation of ECH provision
- This research should be revisited within the next year to eighteen months in order to identify and communicate the key developments that have occurred in South East England's ECH environment.

Note: *Recognising that this summary may be used as a standalone document for completeness the above conclusions and recommendations also appear in the body of this report (see Section 6 below).*

About the authors and acknowledgements

Prepared for the Housing Learning & Improvement Network and the South East Joint Improvement Partnership by Ridgeway Associates Consulting Ltd.

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The views expressed in this paper are those of the authors and are not necessarily those of the Housing Learning and Improvement Network or the South East Joint Improvement Partnership.

MAIN REPORT

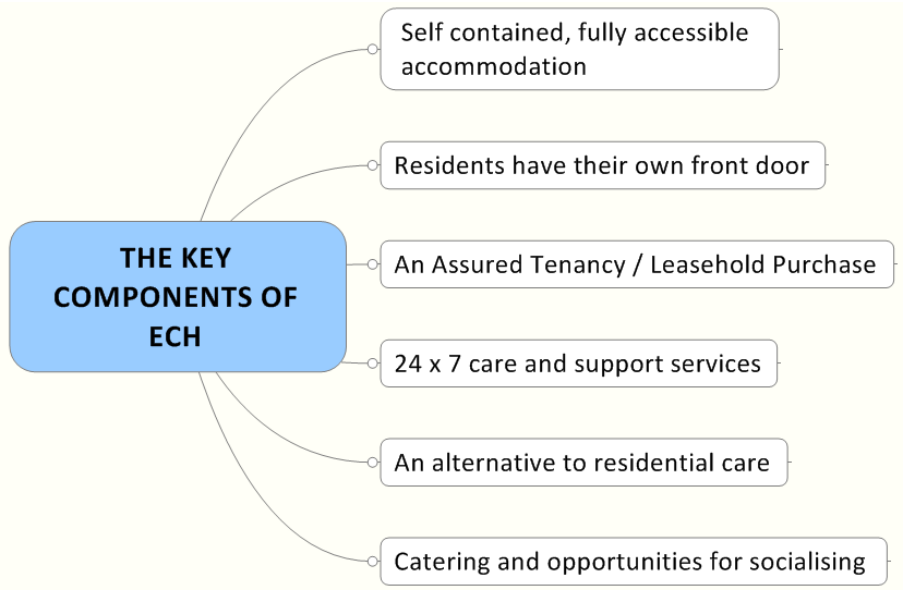
1 Introduction

1.1 Project Background

This research was commissioned jointly by the Housing Learning and Improvement Network (LIN) at the Department of Health and the South East Joint Improvement Partnership (SE JIP) to undertake a review of Extra Care Housing (ECH) in the South East of England and consider how the next phases of development are likely to be achieved.

1.2 Context

At the outset it should be emphasised that there is no nationally accepted single definition for Extra Care Housing rather there is range of models that address the primary aim of providing care and support within a housing environment; for example, a retirement village setting, a stand-alone housing development or care and support services delivered from a hub scheme. However, in essence the key components are likely to include the following:



The thinking in respect of ECH has been influenced by government policy, as well as some 'pump-priming' capital investment,and has a strong focus on continuing independence and choice for older people. Of particular relevance here are the following:

- *Our Health, Our Care, Our Say, DH (2006)* – this document emphasises the importance of diverting focus and resources to prevention, joint health and commissioning care services
- *Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society, 2008, DCLG, DH, DWP (February 2008)* – one significant message within this strategy is the need to provide an a appropriate range of high quality specialised housing (particularly ECH) to increase choice and, at the same time address anticipated future demand
- *Investing for Lifetimes: Strategy for Housing in an Ageing Society, Housing Corporation (2008)* – in particular this strategy emphasises the need to provide housing that is appropriate for an ageing society and is capable of acting as a platform to promote independence with care and support.

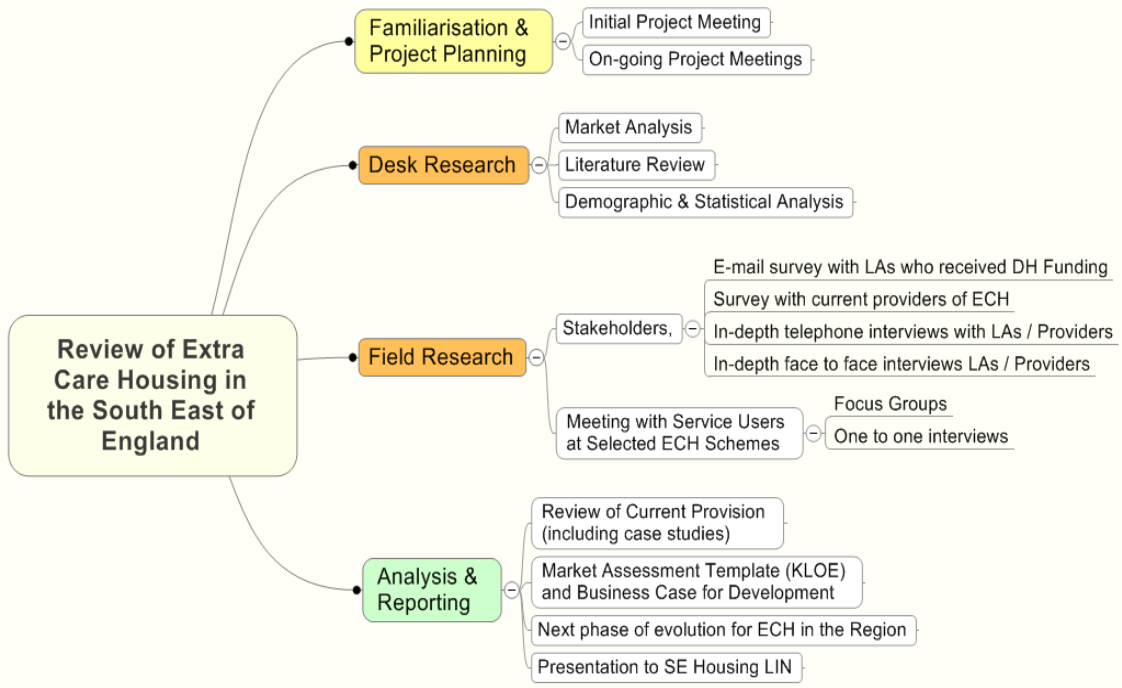
The contribution of housing to transforming adult social care has been underlined by the current government. *Think Local, Act Personal*, the successor to *Putting People First*, suggests that local leaders should undertake two core sets of activities: these are to develop 'universal approaches designed for all' and 'targeted support for particular groups.' In both these areas the need to increase the range of housing options is stressed. The government's vision for adult social care, *Capable Communities and Active Citizens*, highlights the particular value of extra care housing in providing 'flexible levels of support in a community setting' and a cost effective alternative to residential care. ECH is therefore likely to remain an important component of local systems of care and support.

As highlighted in the brief, the future funding of ECH will need to be linked to the Homes and Community Agency's Local Investment Plans, informed by strong local business cases for development and any associated framework agreements. Additionally, in 2010/11 all Local Authorities with Adult Social Care responsibilities were allocated £20,000 of DH funding to encourage them to develop a comprehensive ECH strategy to inform future investment plans. An update of the DH's Extra Care Housing toolkit has also been commissioned by the Housing LIN to underpin these local planning processes and will be available later in the year along with the PSSRU evaluation of 19 schemes that received a grant allocation from the DH's 2004/06 ECH Fund, including several schemes in the South East (see Appendix 1). The outputs from this research will also make a significant contribution to the understanding, of the market for ECH in the region, in particular, by examining the key considerations that need to be addressed in developing ECH within the current economic climate.

In this respect, there is no doubt that the Coalition Government's Comprehensive Spending Review (CSR) and other significant policy initiatives have had and will continue to have a major impact on the sector. Additionally, there are further forthcoming financial and policy related announcements to be made that are likely to affect the sector. Of note, the work of the Care Commission led by Andrew Dilnot.

1.3 Methodology

A summary of the methodology adopted for this project is shown below:



1.4 Headline Project Elements

- The project was launched with a communication document to Housing LIN members in the South East. Additionally, ongoing project update meetings were held with representatives of the regional Housing LIN and the SE JIP.
- An extensive desk research phase was conducted to provide an evidence base to contribute to outcomes (e.g. demographics, current provision / location, home ownership / affordability). During this phase and throughout the project a range publications were reviewed to provide both focus and background to the research and as appropriate these are highlighted in context in the relevant sections of this report
- The field research phase comprised three elements, engagement with Local Authorities, providers and service users. Existing service users were involved via visits to ECH provision and comprised focus groups, one to one interviews, visits to homes and discussions with staff. From a provider perspective an electronic survey with all organisations included in the EAC database was augmented with in-depth face to face and telephone interviews as appropriate. Local Authorities who had received DH funding were consulted via an email survey with follow up interviews as appropriate.
- In the analysis and reporting phase, the evidence base as referred to above was used to develop outcomes as outlined below:
    - Section 4 considers the marketplace and the elements for building a business case for ECH development in the South East of England
    - Section 5 considers the next evolutionary phase for ECH in the region
    - Section 6 provides conclusions and recommendations.

2 Desk Research

2.1 Introduction

This section of the report provides an evidence base to contribute particularly to Section 5 – *'An assessment of the next phase of the evolution of ECH in the South East of England'*. The key areas covered include:

- The estimated current stock of ECH schemes by Local Authority area
- The geographical distribution of sheltered housing and residential / nursing care provision across the South East of England
- Factors related to home ownership and affordability
- The number of community care packages in place by Local Authority area
- Demographic projections for the older population in the region
- Identifying the proportion of the older population who are at greatest risk of needing care and support services, primarily for health reasons.

Whilst the data displayed in the section below focuses primarily of the South East Region as a whole, we have included a lower tier focus in a number of attributes which provides a starting point for interested parties to assess key variables for 'their' local area. For example, demographic changes, the extent of current provision for older people, average house prices etc.

2.2 Older People's Accommodation in the South East of England

2.2.1 Extra Care Housing Provision

To provide baseline information for this research the Elderly Accommodation Counsel (EAC) database was analysed and providers of ECH in South East England were asked to assess and review the information found for their stock and add in any pipeline schemes. In terms of tenure, schemes for rent, mixed tenure and leasehold were included.

Fig. 1 –Estimated number of ECH units and schemes

	ECH Schemes	ECH Units		**ECH Schemes**	ECH Units
Bracknell Forest	3	79	Portsmouth	1	55
Brighton & Hove	6	217	Reading	4	190
Buckinghamshire	10	574	Slough	4	264
East Sussex	13	645	Southampton	7	492
Hampshire	28	1,353	Surrey	21	1,164
Isle of Wight	-	-	West Berkshire	3	156
Kent	19	754	West Sussex	24	837
Medway Towns	7	378	Windsor & Maidenhead	3	103
Milton Keynes	3	349	Wokingham	2	87
Oxfordshire	12	368			

	Schemes	**Units**
TOTAL	**170**	**8,065**

Fig. 2 – ECH Schemes Mapped

Source: EAC and provider feedback

To inform the research and to provide a comparator, sheltered housing was also mapped as shown in Figures 3 and 4 below.

2.2.2 Sheltered Housing provision

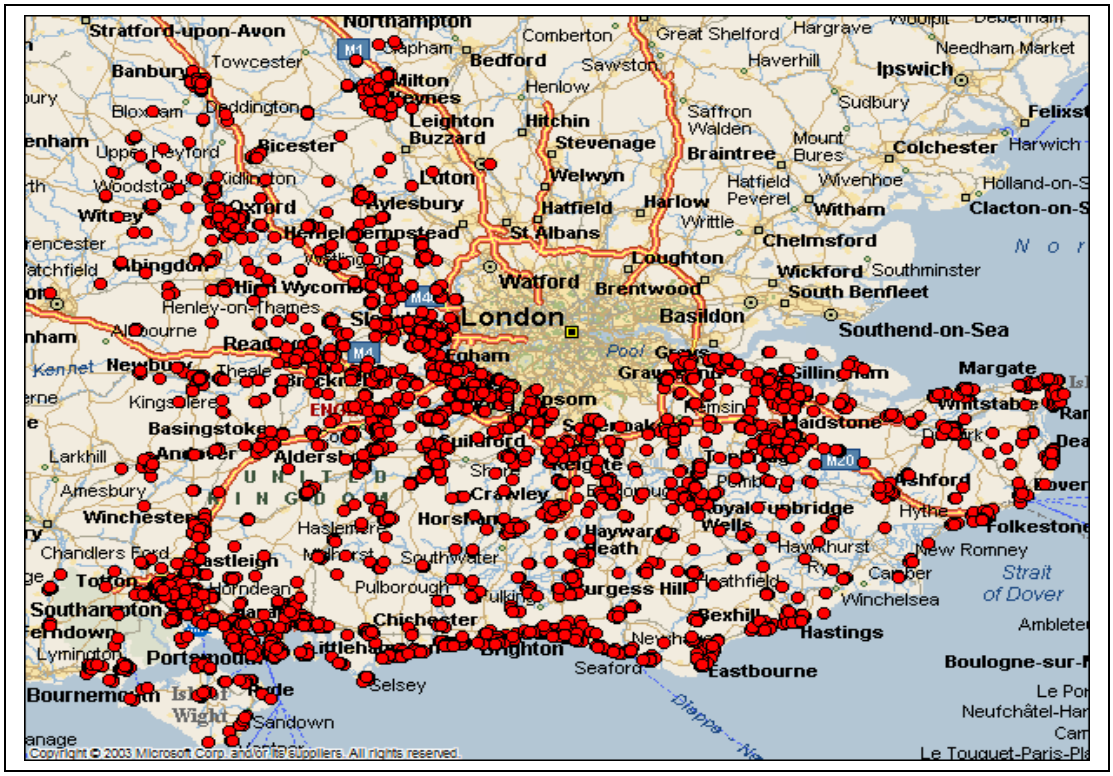
Fig.3 – Number of sheltered units and schemes

	Sheltered Schemes	Sheltered Units		**Sheltered Schemes**	Sheltered Units
Bracknell Forest	25	929	Portsmouth	80	2,946
Brighton & Hove	74	2,451	Reading	38	1,259
Buckinghamshire	147	4,576	Slough	52	923
East Sussex	212	7,228	Southampton	91	3,450
Hampshire	387	12,641	Surrey	383	11,641
Isle of Wight	37	1,014	West Berkshire	52	1,761
Kent	461	13,636	West Sussex	313	9,886
Medway Towns	66	1,904	Windsor & Maidenhead	45	1,480
Milton Keynes	55	1,806	Wokingham	27	875
Oxfordshire	235	6,399			

	Sheltered Schemes	Sheltered Units
TOTAL	**2,780**	**86,805**

Source: EAC

Fig.4 – Sheltered Schemes Mapped



Source: EAC

2.2.1 Housing Stock by Landlord

The following charts show the status of council / former council housing stock by Local Authority. Of interest here is the ability of councils to choose to develop ECH themselves and possibly work with the local population so advancing the 'localism' agenda.

Fig.5 – Stock transfers from council and ALMOs

OUTSOURCED MANAGEMENT					
County	LA	Status	County	LA	Status
Berkshire	Bracknell Forest	Transfer	Kent	Maidstone	Transfer
Berkshire	West Berkshire	Transfer	Kent	Sevenoaks	Transfer
Berkshire	Windsor & Maidenhead	Transfer	Kent	Tonbridge & Malling	Transfer
Buckinghamshire	Vale of Aylesbury	Transfer	Kent	Tonbridge Wells	Transfer
Buckinghamshire	Chiltern	Transfer	Kent	Swale	Transfer
Buckinghamshire	South Bucks	Transfer	Oxfordshire	Cherwell	Transfer
East Sussex	Eastbourne	ALMO	Oxfordshire	South Oxfordshire	Transfer
East Sussex	Mid Sussex	Transfer	Oxfordshire	Vale of White Horse	Transfer
Hampshire	Basingstoke & Deane	Transfer	Oxfordshire	West Oxfordshire	Transfer
Hampshire	East Hampshire	Transfer	Surrey	Elmbridge	Transfer
Hampshire	Eastleigh	Transfer	Surrey	Mole Valley	Transfer
Hampshire	Test Valley	Transfer	Surrey	Reigate & Banstead	Transfer
Hampshire	Hart	Transfer	Surrey	Spelthorne	Transfer
Hampshire	Rushmoor	Transfer	Surrey	Epson & Ewell	Transfer
Hampshire	Havant	Transfer	Surrey	Surrey	Transfer
Isle of Wight	Isle of Wight	Transfer	West Sussex	Chichester	Transfer
Kent	Medway	Transfer (Partial)	West Sussex	Worthing	Transfer
Kent	Thanet	Transfer (Partial)	West Sussex	Horsham	Transfer

Fig.6 – Council owned stock

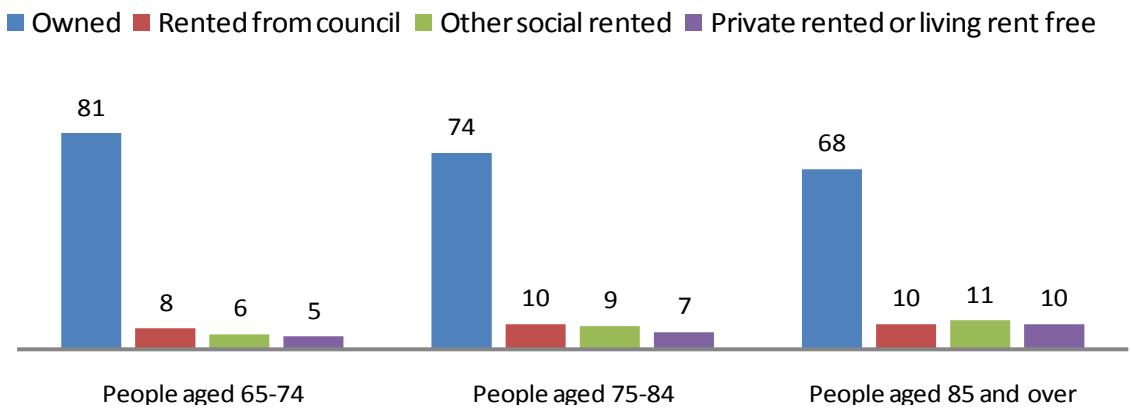
County	LA		County	LA
Berkshire	Reading		Kent	Gravesham
Berkshire	Slough		Kent	Shepway
Berkshire	Wokingham		Kent	Maidstone
Buckinghamshire	Milton Keynes		Kent	Sevenoaks
Buckinghamshire	Wycombe		Kent	Tonbridge & Malling
Buckinghamshire	South Bucks		Kent	Tonbridge Wells
East Sussex	Brighton & Hove		Kent	Swale
East Sussex	Lewes		Oxfordshire	Cherwell
East Sussex	Wealden		Oxfordshire	South Oxfordshire
Hampshire	Fareham		Oxfordshire	Vale of White Horse
Hampshire	Gosport		Oxfordshire	West Oxfordshire
Hampshire	New Forest		Oxfordshire	Oxford
Hampshire	Portsmouth		Surrey	Guildford
Hampshire	Southampton		Surrey	Runnymede
Hampshire	Havant		Surrey	Tandridge
Isle of Wight	Isle of Wight		Surrey	Woking
Kent	Ashford		Surrey	Waverley
Kent	Canterbury		West Sussex	Adur
Kent	Dartford		West Sussex	Crawley
Kent	Dover		West Sussex	Arun

Source: Homes and Communities Agency

2.2.2 Home ownership in the South East of England

The charts below show that the vast proportion of people aged over 65 either own their home outright or with a mortgage or loan. Looking at the older age bands, the corresponding proportion falls and the number in social rented accommodation increases, although not significantly.

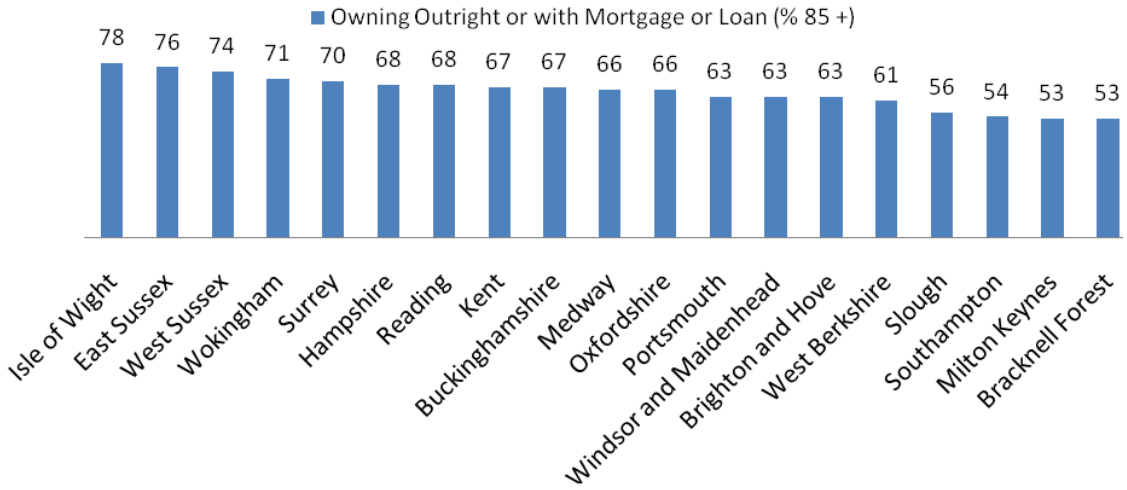
Fig. 7- South East of England Tenure



Source: Projecting Older People Population Information (POPPI) System

The table below shows the proportion of the 85 plus population by authority area who are home owners.

Fig. 8 – Home Ownership by location



Source: Census 2001

2.2.3 Housing Market Considerations

The table below shows house price data from the Land Registry September (2010) for the South East region. While there are clear and significant variations between the Local Authority areas, this information, viewed in context with the significant levels of home ownership reflected in Figures 7 and 8 above, supports conclusions that there are strong untapped markets for ECH for outright sale and shared ownership. But as discussed in detail elsewhere in this report, there are obstacles, notably those to do with the availability and affordability of development sites in suitable locations. Then, on the buyer side of the equation, housing markets need to loosen up if older people are to sell their homes and invest in purpose designed retirement provision such as ECH.

Fig. 9 – House Prices

	Detached (£)	Semi-Detached (£)	Terraced (£)	Maisonette / Flat (£)	All
Windsor & Maidenhead	584,382	301,280	272,911	208,806	323,496
Surrey	536,502	280,599	242,321	189,099	299,058
Wokingham	390,763	244,759	205,658	164,768	274,596
Buckinghamshire	487,286	238,250	194,431	150,648	259,715
Oxfordshire	385,500	226,382	208,568	166,444	241,478
West Berkshire	382,451	218,966	181,194	150,030	229,505
Brighton & Hove	435,144	295,124	286,785	175,566	222,398
Isle of Wight	435,144	295,124	286,785	175,566	222,398
Bracknell Forest	368,351	214,628	179,704	136,669	214,922
West Sussex	368,471	221,840	179,905	122,965	212,565
Hampshire	350,922	202,371	166,169	125,966	211,923
Reading	379,755	213,428	172,937	157,014	197,835
Kent	329,197	191,887	148,282	111,925	188,456
East Sussex	328,040	194,384	157,288	101,062	182,322
Slough	318,177	196,211	172,741	126,465	170,182
Milton Keynes	279,582	143,726	121,578	71,257	155,585
Southampton	240,469	160,525	139,748	119,027	146,700
Portsmouth	320,104	191,853	145,512	115,619	144,295
Medway Towns	287,743	172,255	122,579	102,521	143,421

The following quote from the government's 2004 Pension Commission report provides an interesting perspective on homeowner equity as a form of potential income:

'While the liquidation of housing assets during retirement will likely remain limited in scope, the inheritance of housing assets by people who already own a house may play an increasing role in retirement provision for many people. But house ownership does not provide a sufficient solution to the problem of pension provision given (i) uncertainty over future house prices;(ii) other potential claims on housing wealth such as long-term care; and (iii) the fact that housing wealth is not significantly higher among those with least pension rights.'

2.2.4 Pension Income

The table below shows the numbers and percentages of people of pensionable age who receive a state pension or a state pension plus one benefit. It is likely therefore that a significant proportion of those receiving a state pension only (a universal benefit) may also have some form of occupational pension to allow them more choice in purchasing the care and support they may need as they age. The text box beneath Figure 10 (ONS 2009) examines in detail pensioner income and points to that fact that couples aged 75 and over tend to have lower household incomes on average than younger pensioner couples. This information provides context when considering ECH affordability issues.

Fig.10 – Pensioner Income

Pensioners receiving state pension / state pension plus one other state benefit	Pensioners
Total population of pensionable age	1,624,530
Total receiving state pension only	1,167,220

Proportion receiving state pension plus at least one other state benefit	28.2%
Proportion receiving state pension only	71.9%

Source: Projecting Older People Population Information (POPPI) System

Pensioner Income & Expenditure

In 2008/09, pensioner couples received an average income of £564 per week, compared with £304 per week for single men and £264 per week for single women. The largest source of income for pensioners is state 'benefit income', which includes state pension income and benefits. Occupational pensions are also a significant source of income, particularly for couples.

In 2008/09, the average weekly income of couples in the 'under 75' category was 28 per cent higher than that of couples in the '75 or over' category. A key reason for this is that younger pensioner couples are more likely to have some income from employment than older pensioner couples. Average gross pensioner incomes increased by 44 per cent in real terms between 1994/95 and 2008/09, ahead of the growth in average earnings. However, average incomes conceal considerable variations between poorer and richer pensioners. In 2008/09, pensioner couples in the highest income quintile received median net income of £755 per week, compared with £197 per week for those in the lowest income quintile.

In 2008, the average weekly expenditure of households headed by someone aged 65 to 74 was £354, of which 32 per cent was spent on food and non-alcoholic drink, domestic energy bills, housing and council tax/domestic rates. For households headed by someone aged 75 or over, average expenditure was £217 per week, of which 40 per cent was spent on these items. (Source: ONS)

2.3 Provision of Care

2.3.1 Care Homes and Community Care Packages

Figures 11 and 12 below show the numbers of residential /nursing care sites and the amount of domiciliary care delivered to older people in the region. However, it should be noted, that some Authorities are replacing much of their residential care with ECH and its impact on diverting funding away from residential / domiciliary care is a topic considered as part of this research.

Fig.11 – Care Homes & Nursing Homes for Old Age / Elderly - Number of sites

	Care Homes Nursing Homes for Old Age / Elderly		**Care Homes Nursing Homes for Old Age / Elderly**
Bracknell Forest	13	Portsmouth	26
Brighton & Hove	62	Reading	19
Buckinghamshire	73	Slough	8
East Sussex	178	Southampton	38
Hampshire	263	Surrey	229
Isle of Wight	62	West Berkshire	10
Kent	291	West Sussex	220
Medway Towns	26	Windsor & Maidenhead	25
Milton Keynes	27	Wokingham	24
Oxfordshire	98		
TOTAL	**1,692**		

Source: CQC

2.3.1 Community Care Packages

Fig.12 – Number of Day Care Service users

	Number of Service Users			
Age band (Age 65 and over) / 2008/09	**Total DAY CARE**	**Total HOME CARE**	**Total MEALS**	**Grand Total**
Bracknell Forest	*305*	*1,370*	*145*	*1,820*
Brighton & Hove	*440*	*2,485*	*445*	*3,370*
Buckinghamshire	*875*	*3,360*	*1,200*	*5,435*
East Sussex	*1,245*	*3,960*	*1,375*	*6,580*
Hampshire	*2,035*	*16,680*	-	*18,715*
Isle of Wight	*605*	*1,915*	*710*	*3,230*
Kent	*1,755*	*15,245*	*3,035*	*20,035*
Medway Towns	*1,110*	*2,560*	*550*	*4,220*
Milton Keynes	*305*	*1,495*	*460*	*2,260*
Oxfordshire	*1,325*	*3,680*	*420*	*5,425*
Portsmouth	*300*	*1,955*	-	*2,255*
Reading	*320*	*1,380*	*420*	*2,120*
Slough	*440*	*790*	*190*	*1,420*
Southampton	*815*	*3,680*	*565*	*5,060*
Surrey	*NS*	*NS*	*NS*	-
West Berkshire	*300*	*1,395*	*480*	*2,175*
West Sussex	*1,595*	*4,760*	*95*	*6,450*
Windsor & Maidenhead	*85*	*885*	*185*	*1,155*
Wokingham	*325*	*840*	*400*	*1,565*
GRAND TOTAL	14,180	68,435	10,675	93,290

Source: National Adult Social Care Intelligence Service (NASCIS)

Figure 13 below shows an overview of older people's provision for context.

Fig. 13 – Older Peoples' Provision by Local Authorities combined

	Sheltered Units	*ECH Units*	*Care Homes Nursing Homes for Old Age / Elderly*	*Day Care / Home Care/ Meal Service Users*
Bracknell Forest	*929*	*79*	13	***1,820***
Brighton & Hove	*2,451*	*217*	62	***3,370***
Buckinghamshire	*4,576*	*574*	73	***5,435***
East Sussex	*7,228*	*645*	178	***6,580***
Hampshire	*12,641*	*1,353*	263	***18,715***
Isle of Wight	*1,014*	*-*	62	***3,230***
Kent	*13,636*	*754*	291	***20,035***
Medway Towns	*1,904*	*378*	26	***4,220***
Milton Keynes	*1,806*	*349*	27	***2,260***
Oxfordshire	*6,399*	*368*	98	***5,425***
Portsmouth	*2,946*	*55*	26	***2,255***
Reading	*1,259*	*190*	19	***2,120***
Slough	*923*	*264*	8	***1,420***
Southampton	*3,450*	*492*	38	***5,060***
Surrey	*11,641*	*1,164*	229	***-***
West Berkshire	*1,761*	*156*	10	***2,175***
West Sussex	*9,886*	*837*	220	***6,450***
Windsor & Maidenhead	*1,480*	*103*	25	***1,155***
Wokingham	*875*	*87*	24	***1,565***
TOTAL	***86,805***	***8,065***	**1,692**	**93290**

Source: EAC / CQC / NASCIS

2.4 Demographics

2.4.1 Overall Population Numbers and Projections

The current population in the South East of England aged over 65 stands at approximately 1.5 million (according to Subnational Population Projections for 2009). This equates to 17% of the region's total population (8.5 million). The corresponding 85 plus population stands at 216,000 (3% of the total population).

The tables below show population projections for the 65 plus and 85 plus age groups to 2030, first in numbers of people and then as percentage growth. As can be seen, there is a significant growth in the older population and, of particular note, is the 96% growth in the 85 plus population which will have a considerable impact on the demand for ECH and other related care /support and health services.

Fig. 14 – Older people – population projections

Numbers of people	2010	2015	2020	2025	2030
65 plus	1,457,500	1,665,700	1,816,400	1,999,000	2,228,300
85 plus	215,900	246,100	287,900	348,000	423,600

% Change	2010	2015	2020	2025	2030
65 plus	n/a	14	25	37	53
85 plus	n/a	14	33	61	96

Source: Projecting Older People Population Information (POPPI) System

To provide context the table below shows the 85 plus population by Authority area.

Fig. 15 - Older people – population projections by Local Authority area

People aged 85 and over	2010	2030	% increase
Wokingham	2,900	7,800	169
Milton Keynes	3,600	9,100	153
Bracknell Forest	1,800	4,400	144
West Berkshire	3,000	7,100	137
Buckinghamshire	11,400	26,400	132
Hampshire	34,500	78,400	127
Medway	4,200	9,200	119
Kent	36,000	76,300	112
Oxfordshire	15,100	32,000	112
Windsor and Maidenhead	3,200	6,600	106
Isle of Wight	5,400	10,900	102
Surrey	30,100	58,900	96
West Sussex	26,700	52,200	96
East Sussex	20,400	38,100	87
Reading	2,900	5,200	79
Slough	1,900	3,300	74
Southampton	5,400	8,500	57
Portsmouth	4,600	7,000	52
Brighton and Hove	6,600	8,900	35

Source: Projecting Older People Population Information (POPPI) System

2.4.2 Ethnicity

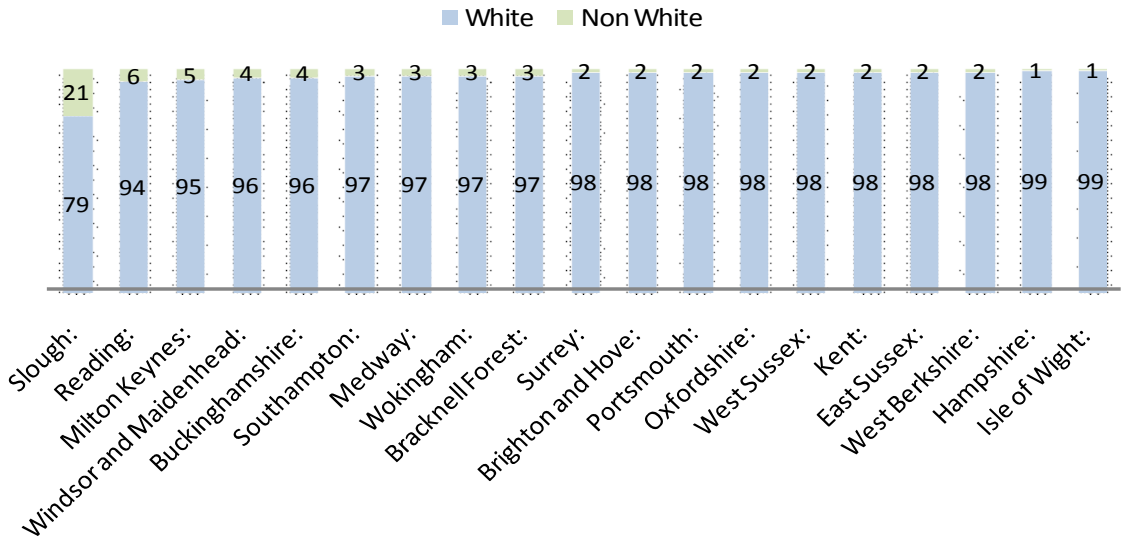
Ethnicity and the need to account for associated cultural sensitivities can impact on housing and service provision. Figure 16 below sets out the broad ethnicity picture for the South East of England while Figure 17 shows White and Non-white proportions by location. In the latter case, wide variations are apparent. However, on the question of scale, it is often the case that smaller ethnic minority numbers prove the most challenging in terms of creating and delivering appropriate housing and services.

Fig. 16 – Ethnicity by age

South East of England:	People aged 45 - 64		People aged 65 – 74		People aged 75 - 84		People aged 85+	
	No.	%	No.	%	No.	%	No.	%
White	1,885,386	*96.8*	656,862	*98.2*	461,077	*99.1*	175,141	*99.3*
Mixed Ethnicity	7,251	*0.4*	1,589	*0.2*	848	*0.2*	326	*0.2*
Asian or Asian British	33,451	*1.7*	6,739	*1.0*	2,207	*0.5*	540	*0.3*
Black or Black British	10,193	*0.5*	2,364	*0.4*	799	*0.2*	179	*0.1*
Chinese or Other Ethnic Group	12,267	*0.6*	1,491	*0.2*	507	*0.1*	136	*0.1*

Source: Projecting Older People Population Information (POPPI) System

Fig. 17 – Ethnicity - people by Location (%)

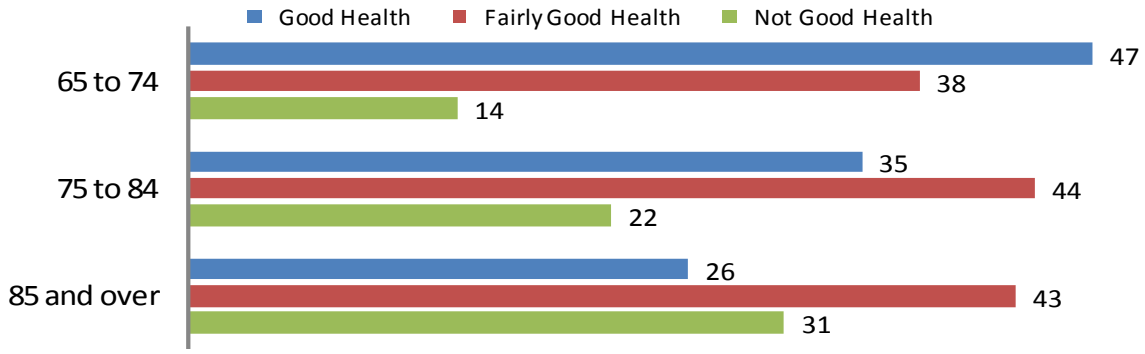


Source: Projecting Older People Population Information (POPPI) System

2.4.1 Health

In the South East of England, 47% of those aged between 65 and 75 have 'good health' according to Census 2001 while this reduces to 35% for the 75 to 84 age group and then further to 26% for the 85 plus age group. Clearly the 85 plus age group is the element of the population that is likely to benefit most from ECH.

Fig. 18 – General Health



Source: Census 2001

The charts below show the numbers in the region's population aged over 65 with a Limiting Long Term Illness (LLTI) and other challenging circumstances for 2010 and projected to 2030. Although the numbers increase significantly over this timescale for all the age ranges shown, the most marked increases are for the 85 plus age group where the numbers more than double.

Fig. 19 – LLTI Projections

Numbers of people with a LLTI	**2010**	**2020**	**2030**
People aged 65-74	252,760	314,334	358,576
People aged 75-84	243,469	300,859	383,431
People aged 85 and over	118,529	162,876	243,100

Source: Projecting Older People Population Information System (POPPI)

Considering LLTI more deeply Figure 20 below gives the LLTI projections over the same timeframe for people aged 85 plus for each of the region's Authority areas.

Fig. 20 – LLTI projections by location (85 plus)

	2010	2030
South East of England	***118,529***	***243,100***
Bracknell Forest	1,039	2,539
Brighton and Hove	3,552	4,790
Buckinghamshire	6,478	15,002
East Sussex	10,054	18,778
Hampshire	18,295	41,576
Isle of Wight	2,843	5,739
Kent	19,552	41,440
Medway	2,437	5,339
Milton Keynes	2,129	5,380
Oxfordshire	8,820	18,691
Portsmouth	2,649	4,031
Reading	1,752	3,141
Slough	1,183	2,055
Southampton	3,298	5,191
Surrey	16,198	31,696
West Berkshire	1,715	4,058
West Sussex	13,401	26,199
Windsor & Maidenhead	1,755	3,620
Wokingham	1,631	4,388

Source: Projecting Older People Population Information (POPPI) System

The chart below lists a number of health related and challenging circumstances which are particularly relevant to older people and it is not surprising that in each case, given the predicted growth in older populations, the numbers of these conditions is predicted to increase.

Fig. 21 - Health and other challenging circumstances for people aged over 65 / 85 in the South East of England

	2010	2015	2020	2025	2030
People aged 65 and over predicted to have dementia	108,807	123,869	143,128	168,533	198,965
People aged 85 and over predicted to have dementia	51,883	60,952	72,327	88,386	109,355
Population aged 65 and over predicted to have a learning disability	4,055	4,704	5,076	5,489	6,143
People aged 85 and over predicted to have a learning disability	395	459	543	661	811
Total population aged 65+ predicted to be admitted to hospital as a result of falls	31,685	35,534	40,527	47,499	52,915
Total population aged 75+ predicted to be admitted to hospital as a result of falls	26,444	29,400	33,797	40,933	45,496

	2010	2015	2020	2025	2030
People aged 75 and over predicted to have registrable eye conditions	45,990	51,130	58,778	71,187	79,123
Total people aged 65 and over predicted to have a profound hearing impairment	17,194	19,717	22,320	25,810	30,311
People aged 85 and over predicted to have a profound hearing impairment	9,466	10,880	12,776	15,456	18,915
Total population aged 65 and over predicted to have diabetes	181,025	208,830	228,746	252,467	283,636
Total population aged 65 and over predicted to have a stroke	33,777	38,914	43,177	48,698	54,587

Source: Projecting Older People Population Information (POPPI) System

2.4.2 Challenges to Independence

Figures 22 and 23 below demonstrate a significant growth in the projected number of people who are likely to be unable to manage at least one 'day to day' activity or have self care limitations which could challenge their ability maintain independence. It is likely that these people could maintain their independence for longer through the provision of health and well-being services delivered from, for example, a 'hub' ECH scheme.

Fig. 22 Everyday activities - Limitations

	2009	2015	2020	2025	2030
People aged 65 and over unable to manage at least one activity on their own	614,381	695,886	783,530	890,757	1,013,036
People aged 85 and over unable to manage at least one activity on their own	170,032	196,152	231,082	280,188	343,256

Source: Projecting Older People Population Information (POPPI) System

Tasks include: *household shopping, wash and dry dishes, clean windows inside, jobs involving climbing, use a vacuum cleaner to clean floors, wash clothing by hand, open screw tops, deal with personal affairs, do practical activities*

Fig. 23 - Self Care Limitations

	2009	2015	2020	2025	2030
Total population aged 65 and over unable to manage at least one self-care activity on their own	504,198	571,390	640,919	728,084	830,027
Total population aged 85 and over unable to manage at least one self-care activity on their own	145,949	167,489	196,399	237,366	290,342

Source: Projecting Older People Population Information (POPPI) System

Activities include: *bathe, shower or wash all over, dress and undress, wash their face and hands, feed, cut their toenails, take medicines*

2.4.3 Deprivation

The Department of Communities and Local Government's (DCLG) Index of Multiple Deprivation 2007 (IMD 2007), provides rankings based on a scale where the rank of 1 is the most deprived and 354 is the least deprived. Of note, the least deprived in the South East region (and the country) are Hart, Wokingham and Surrey Heath. The most deprived by a significant margin is Hastings (31 out of 354) followed by Thanet District (65).

Fig. 24 – Deprivation

LA NAME	Rank of Average Score	LA NAME	Rank of Average Score
Hart	354	Cherwell	276
Wokingham	353	Tunbridge Wells	273
Surrey Heath	352	Rushmoor	268
West Oxfordshire	349	Chichester	259
Waverley	348	Spelthorne	256
Mid Sussex	346	Maidstone	248
Chiltern	345	Ashford	227
Elmbridge	343	Lewes	218
Winchester	342	Milton Keynes	212
Vale of White Horse	341	Crawley	207
Mole Valley	339	Canterbury	198
Fareham	338	Arun	187
Horsham	337	Dartford	186
Epsom and Ewell	335	Worthing	172
South Oxfordshire	333	Gosport	167
East Hampshire	332	Rother	166
West Berkshire	330	Oxford	155
Guildford	329	Dover	153
Runnymede	328	Reading	151
South Bucks	327	Gravesham	142
Tandridge	324	Adur	138
Windsor and Maidenhead	323	Isle of Wight	134
Reigate and Banstead	322	Havant	126
Woking	321	Shepway	123
Bracknell Forest	320	Swale	116
Aylesbury Vale	319	Slough	115
Test Valley	316	Waveney	114
Eastleigh	313	Eastbourne	104
Basingstoke and Deane	304	Portsmouth	93
New Forest	300	Southampton	91
Sevenoaks	295	Brighton and Hove	79
Wycombe	291	Thanet	65
Wealden	284	Hastings	31
Tonbridge and Malling	281		

2.4.1 Conclusions from the Desk Research Phase

- Although the number of ECH units in the South East of England are estimated at approximately 8,000 the number of units in individual Local Authority areas vary considerably
- ECH represents a small percentage of the total stock of older people's housing across the region, for example, the total number of sheltered housing units is approximately 86,000
- Some 81% of older people in the South East of England own their own home indicating that there could be a significant marketplace for ECH for outright sale/ shared ownership
    - However, wide variations in house prices will indicate a need for corresponding price levels for ECH housing for sale developments

    - There are obstacles in relation to ECH for sale, namely:
        - The availability and affordability of development sites in suitable locations
        - The downturn in the housing market which is currently preventing older people selling their homes and investing in purpose designed retirement provision
- The demographic projections for 2030 in the South East of England indicate the following increases:
    - 53% in the 65 plus population
    - 96% in the 85 plus population
- The predicted growth for the 85 plus population varies considerably across Local Authorities and ranges from 35% to 169%
- Older people's health has a major effect on the requirement for housing with care and support and the data shown above indicates that some 31% of people aged 85 plus are likely to *'not have good health'*, a further 24% are predicted to have some form of dementia and 64% of this age group are predicted to be unable to undertake at least one type of self care activity.

3 Field Research

The field research comprised consultation within three distinct areas. These and the associated methodologies used were:

- **Local Authorities who had received DH funding for ECH**
  - Here respondents were asked to complete a self completion questionnaire requesting the information set out in 3.1.1 below and indicate their willingness to engage in an associated one to one interview
- **Providers of ECH across the region**
  - These organisations were also sent self completion questionnaires designed to gather the information identified in 3.2.1 below and indicate their willingness to engage in an associated one to one interview
- **Residents living in ECH**
  - This consultation involved focus groups with residents living in ECH type developments to gain a range of views about their housing choices. To provide a comparator we chose a 100% for rent development of purely ECH flats and a private 'for sale' development comprising accommodation for a range of needs including independent older residents, assisted living (similar to ECH) and residential care.

3.1 Local Authority Survey and Associated Interviews

3.1.1 Background

To feed into the evidence base for the research all Local Authorities in the region who had received Department of Health (DH) Extra Care Housing grant funding since 2004 to develop ECH (see Appendix 1) were sent questionnaires and asked to:

- Confirm the number and location of ECH developments within the Local Authority area
- Assist the authors in contacting other stakeholders involved in the programme
- Highlight the success factors and the challenges experienced in commissioning ECH schemes
- Identify what they would do differently if they develop EC housing in the future.

3.1.2 Outcomes from survey and in-depth interviews

A key and vital fact highlighted by Authorities was that the ability to develop would have been constrained or even impossible if DH capital funding, as well as HCA (formerly the Housing Corporation) grants, had not been available. Concerning the success factors in relation to commissioning schemes, the key themes that emerged were those of improved partnership working; the on-going commitment of partners; and the adoption of clear project management processes.

3.1.2.1 Success factors and challenges

The points listed below reflect the themes among the responses received:

Success factors:

- The commitment and investment by Adult Social Care in:
  - Offering the land at a discount
  - Committing project management resources
  - Hosting away days to create a clear vision and objectives
  - Funding of a Community Participation Worker
  - Hosting monthly meetings including those with the community
- Supporting People funding for the Scheme Manager

- Utilising a framework agreement which helped in design and procurement terms
- A multi disciplinary corporate team to oversee the project
- Close monitoring of progress on site by the working group consisting of representatives from all the key partners
- Relationship with preferred Registered Social Landlord (RSL) partners re financial modelling of scheme development costs
- Partnership working with RSLs, care provider and developer/contractor has provided flexibility in developing units for private sale to cross subsidise the affordable housing.

In addition, further benefits identified included: reducing the cost of domiciliary care packages overall; providing an alternative to residential care and the ability to replace unsuitable 1960s sheltered stock.

Clearly, the process of developing an ECH scheme from inception to completion can be challenging and it is not surprising that this research has identified a range of challenges, particularly for those Authorities who had little or no experience of the process. The key themes that resulted are summarised below:

Challenges:

- Meeting tight timescales in relation to the funding bids and criteria were onerous
- Managing stakeholders' expectations from inception to delivery of the completed scheme
  - Including explaining and achieving an understanding of the concept and benefits of ECH
- Site constraints due to planning conditions:
  - Including changes to the scheme design
- Lack of in-house experience, e.g. the first new housing built in Local Authority for 20 years
- Allocation processes including:
  - The role of the housing department
  - Letting the properties, so avoiding voids
- The split between care and support including achieving Supporting People funding
- Requirement to market ECH housing extensively as it is a new concept for people in the local area including:
  - Concerns of prospective residents about affordability of rents and service charges as they are higher than sheltered tenants are used to.

3.1.2.2 What would Authorities do differently?

Authorities were asked what they would do differently if they were to develop ECH in the future and as would be expected the responses relate to the challenges identified above including issues around the decision-making at the outset of the project, for example ensuring that the location is suitable and agreeing the mix of tenures within the scheme. Comments in the latter category were, however, very probably influenced by the current financial climate whereby it is recognised that schemes are unlikely to be viable without significant numbers of properties for outright sale / shared ownership. Other issues raised were those of involving 'planners' in the wider project management team, marketing schemes at an earlier stage, learning lessons around the allocations processes and making the right decisions about the amount of communal facilities included in schemes. In relation to the latter a key issue has been making catering facilities 'stack up' financially. A synopsis of the section relating to catering in Hanover HA's 2009 publication '*The Future of Extra Care and Retirement Housing*' identifies the nature of the debate related to catering services in ECH (see below and Housing LIN Factsheet No22).

Catering Considerations

The above publication by Hanover HA highlights the fact that the mid day meals currently available in its Extra Care scheme restaurants deliver value beyond the benefits of good cooking: they also provide important opportunities for social contact with other residents and staff.

It adds, however, that this service does not suit everyone and that the economics of running a restaurant requires everyone to commit to paying, whether or not they want meals on a particular day, a factor that reduces residents' choice.

The question is then raised as to whether it is possible to replace the lunchtime meals service with an operation that requires less dedicated space for food preparation and eating, less management and, therefore, lower costs?

The Association stresses its reluctance to wind down a service that residents say they value but adds that it must consider alternatives such as lunch clubs run in partnership with external caterers or opportunities for residents to organise meals for themselves.

3.1.3 Conclusions - Local Authority Survey and Associated Interviews

- Clearly the extent of ECH development would have been less if public funding from DH and HCA had not been forthcoming
- The commitment of partners in terms of funding and the provision of resources was a key success factor
- The development process had resulted in improved:
  - Partnership working across agencies / stakeholders
  - Project management processes
- Some respondents identified a reduction in the cost of domiciliary care packages overall
- A range of challenges were identified as developing ECH is a complex process, for example:
  - Those related to the planning and build process
  - Explaining the concept of ECH to stakeholders and the public
  - Addressing issues around revenue funding and the allocation processes
- What Local Authorities would do differently in the future related mainly to learning lessons from the challenges identified although the challenges stemming from the current financial climate were a major consideration.

3.2 Provider Survey and Associated Interviews

3.2.1 Background

The Elderly Accommodation Counsel (EAC) database identified 75 providers as having ECH provision in the South East of England. All were contacted and sent tailored questionnaires requesting them to update the information on stock as appropriate and answer a range of questions related to Extra Care provision. The topics covered included assessment processes for making business cases to develop schemes and views on future development programmes. Those contacted included providers of both social housing together with private sector providers. There was a somewhat disappointing response

level in this survey (approximately 25%) despite follow-up calls and emails together with deadline extensions. The authors believe this could have been the result of a number of factors, namely:

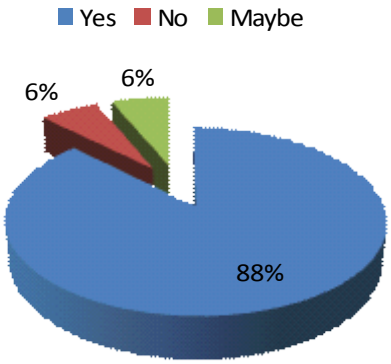
- The timing of the survey coincided with the budget round
- The CSR announcement and the resulting budget cuts
- The commercial sensitivity in relation to development processes
- Some small providers may have felt that they did not have the time or expertise to complete the survey documentation.

In addition to the above, there was an intensive round of face-to-face and telephone interviews to further inform the research. However, taken as a whole, the outcomes from the survey and interviews have supported the development of a good evidence base to inform the research.

3.2.2 Outcomes from Provider Survey and in-depth Interviews

3.2.2.1 Future development opportunities

Some 80% of those providers who responded said that they plan to develop further ECH and a further 6% stated that they may consider further developments in the future.



Also, as previously stated, it should be noted that in 2010 each Local Authority benefitted from £20,000 of DH funding to further develop and / or refresh their ECH Strategies.

Comments from those providers who intend to develop further ECH include:

'We are keen to develop further Extra Care services as we recognise this is one of the Priorities for the County.'

'The current facility has a huge demand and the waiting list is at least equal to the total number of available units.'

However, the majority of providers who had stated that they would be developing further ECH had some concerns and these were mainly centred on lack of capital / revenue funding and land availability. The following comment underlines these concerns. A further issue raised by some providers was the high cost of schemes, in particular in relation to the amount of communal facilities that can be afforded in the future within smaller schemes.

'We would like to develop around an additional 150 Extra Care homes, but current lack of subsidy and lack of suitable site availability makes this very challenging.'

In relation to lack of capital funding some RSLs considered that a direct result would be the need to develop with little or no subsidy and so consideration would have to be given to including higher numbers of outright sale / shared ownership properties within schemes. Concerns raised here included the requirement to undertake significant levels of market research to minimise risk, the reluctance of some Authorities to move away from 100% for rent schemes and the poor experiences of some providers who were developing mixed tenure schemes when the housing recession occurred.

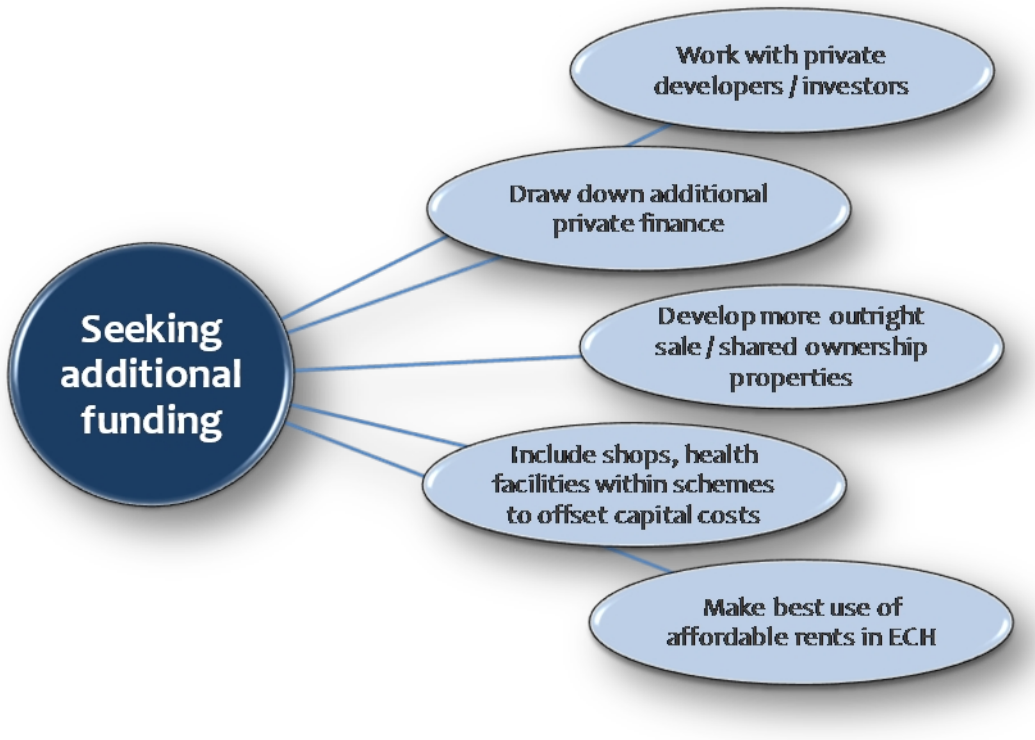
'A recently adopted vision states that mixed tenure for future Extra Care schemes will be considered as part of a viability assessment for the development. We have no set proportions unless a scheme comes through as a section 106 site and proportion of affordable rent, market sale and low cost ownership is determined by our Affordable Housing Strategy.'

Further areas of concern raised by respondents included:

- How new affordable rent levels will affect the viability of new ECH
- The future of Attendance Allowance as a universal benefit because there is a view that the benefit may be reduced or even means tested.

3.2.2.2 Meeting the challenge of little or no grant funding

Those contemplating further development suggested they would look to seek additional funding as shown below:



Of note: The new spending settlement makes very little funding available to support new social rented housing (less than £2.5bn over four years) – Source CIH. This is likely to have a major impact on the ability to deliver new ECH. Also, we now understand that the rental levels for new build set at 80% of market rent includes service charges which will disadvantage ECH balance sheets given that service charges in this provision are significantly higher than in mainstream social housing.

Other respondents considered that the funding challenge may result in RSLs:

- Developing on 'an opportunity basis' rather than via a planned programme
- Remodelling existing sheltered schemes rather than developing new build schemes
- Developing new build at a slower rate
- Making better use of telecare / floating support services – i.e. 'Virtual ECH'.

'The current financial restraints are preventing us from finishing a modernisation programme to the fabric of our housing stock.'

However, in general private developers had more consistent, positive views, e.g.:

'[We have] a rolling national [development] programme increasing on a year-by-year basis.'

3.2.2.3 Addressing the challenges in relation to revenue funding

The downward pressure on revenue funding, for both 'personalised' support and care, is also considered to be a major challenge that is likely to limit future expansion. Of note, at least one organisation had made the strategic decision to no longer provide care services. Others were concerned that 'a squeeze' on revenue funding could significantly impact on whether good quality and well trained staff can be recruited and retained.

'We have a 46% cut in Supporting People funding from April 2011 and this will result in the loss of three posts (a 17% reduction).'

Respondents are utilising a range of methodologies to reorganise their services including:

- Reviewing Supporting People contracted services to include some service elements within housing management
- Uncertainty about future Housing Benefit changes for supported and specialist housing
- Review service provision to provide a more flexible service and workforce
- Restructuring services to protect frontline staff, although this will lead to reductions in senior staff
- Charging the community for services via a 'menu of services'
- Offering chargeable services to Agencies, e.g. assisted bathing
- Developing partnerships with care providers with a view to reducing staff costs.

3.2.2.4 Personalisation

The planned growth in personal budgets has resulted in a range of responses from providers whereby some are confident about maintaining services while others consider 'personalisation' to be a risk.

'In general the introduction of individual budgets is an opportunity to develop services which customers need and want and we welcome this chance to develop to meet these needs.'

'The financial pressures associated with the general reduction in Supporting People funding, and the year upon year refusal of the local Social Services to address the gap in care costs / funding, are making it increasingly difficult to deliver the model we aspire to.'

Some respondents have strategies to address personalisation in ECH and a popular approach seems to be providing a 'core care and support service' over night which all service users must accept as this will work to protect a 24hour service. Residents can then use their individual budgets to purchase additional services from the same provider or another of their choice. Providers of leaseholder schemes were generally positive about individual budget holders as all owners are treated as self funders, even if they rely on pension credit and attendance allowance.

Other approaches utilised in relation to revenue funding are:

- Charging residents a 'well being' fee to cover the 24 hour alarm and response service
- Making use of Attendance Allowance

3.2.2.5 Further challenges affecting the day to day management of the service

Changes in allocations policies in respect of ECH:

Approximately one third of respondents had not experienced any changes in allocation policies and related positive experiences of working with Local Authorities.

'An LA allowing 2 bed properties allocated to residents who only qualify for 1 bed accommodation.'

In some cases, respondents noted the 'balanced community' (i.e. the care needs of residents comprising: one third low, one third medium, one third high), often seen as best practice within ECH, was becoming difficult to achieve. There was a view that care needs of new referrals were increasing and in some instances commissioners no longer accept there should be a balance of need within schemes. Respondents have seen an increase in demand for: dementia care, service users with two carer hoist needs and service users under 60 with complex needs. In these situations, respondents considered that it could be difficult to deliver the quality of care required with the contracted hours. One respondent considered that this was resulting in the 'Extra Care Ethos' being lost with service users receiving a service similar to domiciliary care in their own homes. The following verbatim comments illustrate the challenges here:

'The biggest worry is that local authorities will expect reductions in the hourly rate which will have to be passed back to pay rates for staff. We have agreed to provide good quality care and support and this may price us out of some contracts.'

'Where an allocation agreement exists dependency levels at the point of admission have increased noticeably. There is a perception that Social Services Departments are basing extra-care admissions on financial criteria rather than the appropriateness of EC to the needs of the client. This has resulted in a significant increase in the number of 'failed placements' over the past couple of years.'

'In all our extra care schemes the care needs of new referrals are increasing and commissioners no longer accept that there should be a clearly-defined balance of need within the scheme.'

Other provider responses highlighted the fact that where ECH is included within 'Choice Based Lettings' this can create challenges. Also, a particular issue for some respondents was identifying possible applicants for ECH in a timely manner. In one instance this had resulted in properties being allocated to service users with low or no care needs which in turn has led to night cover not being introduced in a 'pilot EC scheme'.

'Adult Care often need accommodation very quickly so it is hard to put suitable applicants and vacancies together in a timely fashion.'

This issue could be ameliorated by the provision of more assessment flats (sometimes known as pathways flats) in ECH which could avoid people entering residential care in crises when ECH may have been a better alternative. On the other hand, others considered that some Adult Social Care management teams appeared not to be convinced about the ability of ECH to meet the needs of their clients.

3.2.3 Conclusions –Provider Survey and Associated Interviews - Social Landlords and Private Providers:

- The vast majority of providers who responded plan to develop further ECH
- Concerns exist around the lack of capital and revenue funding and the availability of land to facilitate future ECH developments
- There is a view that the lack of public funding will result in ECH with a higher percentage of properties for straight sale / shared ownership
- Some providers are reluctant to move away from the principle of 100% for rent schemes
- Private developers are generally more positive about future development programmes
- Some RSLs feel that they may need to remodel schemes or develop 'virtual' ECH rather than pursuing the new build route
- Responses in relation to the personalisation agenda ranged from this being an 'opportunity' to it representing a 'risk'
- One third of respondents had found that allocations policies work well while others have experienced challenges which need addressing.
- Concerns were raised that the 'ethos' of ECH was being lost as service users with higher care needs are being allocated to schemes and that this could result in the loss of achieving a 'balanced community'.

3.3 The Views of Residents

3.3.1 Introduction

As part of the research, focus group meetings were held with residents at two ECH venues. As explained above, one of these was held in a standalone ECH scheme which is wholly rented with no option to buy a property and so some residents have simply sold their homes before moving in. The other was a larger village style development with properties for sale (prices range from approximately £225,000 to £500,000) and here residents have a choice of services and properties, i.e.:

- Independent living – apartments with full kitchens and the option to purchase additional services including meals
- Assisted living – apartments without a full kitchen but with meals and support provided. There is also a care home on site where approximately two thirds of the residents have dementia.

The 'for rent' scheme has a good range of facilities including a gym while the facilities on the much larger village development include a health spa (swimming pool, gym, sauna) which is also open to the public and a bowling green.

The schemes chosen for consultation were therefore entirely different in nature, and represented opposite ends of the ECH spectrum, i.e. one was a relatively conventional scheme built for social rent and included residents who had previously lived in residential care (25%) whereas the private development was in a village setting and designed for leasehold purchase. Clearly, therefore, the respective development costs for each of these schemes would have been significantly different. However, since budget details are not available a comparison of the differences cannot be included here.

A comparison of the key findings from the two focus groups is as follows:

FOCUS GROUP FINDINGS		
	Social Rent ECH Development	**Private Village Development**
Finding out about ECH	▪ Through the Council ▪ Family member ▪ Social Worker (was in a care home) ▪ Found online ▪ Made aware by landlord (previous sheltered residents)	▪ Marketing material – flyer ▪ Heard about previous developments – same developer ▪ Family member ▪ Specialist retirement leasehold consultancy
Main reasons given for moving	▪ To be closer to family ▪ Accommodation that is bigger and better located than their former homes ▪ Care on site ▪ More suitable than former home ▪ Couldn't manage former home	▪ To be closer to family ▪ No longer wishing to look after own home ▪ Partner unwell and in need of care ▪ Living alone – wanted company ▪ Halfway house – not a care home ▪ No need to move again as can move from independent living to assisted living and then care home if necessary (a long term offering) ▪ A clear methodology for selling the property after their death

FOCUS GROUP FINDINGS *continued*		
	Rented ECH Development	**Private Village Development**
The positive aspects	▪ Smooth allocation processes ▪ Good facilities ▪ Excellent care staff ▪ Good payment structure ▪ Extra help in an emergency ▪ The laundry facilities	▪ Socialising with like minded people ▪ The village concept works well ▪ A co-ordinator to arrange social events ▪ The leisure centre (pool, spa, gym) ▪ Link with outside world, e.g. leisure centre, public footpath through grounds, close to the village ▪ 125 year lease ▪ Excellent care staff ▪ A choice of services
The negative aspects	▪ Mix of young and old people within the development ▪ Poor quality of the meals ▪ Social activities have not gelled ▪ Buggy store not practical	▪ More like an old folks home than I imagined ▪ The restaurant facility too small and there were some adverse comments about the quality of the food ▪ Some dissatisfaction with the meals ▪ Only one minibus and a growing number of people no longer drive ▪ Concern that night staff may not be sufficient ▪ No buggy store

When comparing the outputs of this purely qualitative exercise there are some similarities between the two groups despite the different settings and tenures. For example: being closer to family and being unable to manage their former home were important drivers when both sets of respondents looked to move from their previous homes to ECH. In terms of the positive aspects related to the scheme services the quality of the care staff was rated highly by both sets of respondents. However, dissatisfaction with the quality of the meals service was raised by a number of respondents at both focus group meetings.

While those living in the private development were generally very happy with their decision to move home, some respondents commented about certain design features in their homes and the scheme generally. These included:

Communal facilities - the need for:

- A electric scooter store
- A tea kitchen where they can make a cup of tea and socialise
- A quiet space for reading
- The public room fitted with a hearing-loop system
- More parking for visitors

The apartments:

- A full kitchen in the 'assisted living' apartments to provide choice
- The two bedroom apartments have a walk-in shower and a bath – two showers preferred
- Grab rails in the bathroom
- A higher toilet
- Kitchen: cupboards too high; no mid height cooker; kitchen window behind sink (cannot reach)
- More storage

The question of design features to be included in private ECH developments can be influenced by marketing considerations, i.e. developers could be reluctant to incorporate, for example, grab rails that may detract from the internal appearance of the apartments and so affect sales. In contrast, at the rented scheme focus group, the building and its features were praised and challenges centred around the mix of older and younger people with disabilities living within the scheme. In addition, there was discontent in evidence about some properties being allocated to people with 'too high needs'.

3.3.2 Conclusions - Resident Focus Groups

- In both categories of provision it was clear that there was no dominant communication channel through which respondents had become aware of their schemes with the exception of through a 'family member'
- Issues with managing former accommodation and the availability of care on site were raised by both groups of respondents as drivers for the move to ECH
- The onsite facilities and the care staff were described as excellent in both focus group events
- Flexibility in terms of services/extra help in emergencies were also raised as positive attributes of the respective developments
- Less positive reactions were evident at both meetings concerning the catering arrangements
  - The issue for some in both schemes was the standard of food quality and in the private sector scheme the restaurant was seen as being too small
- In the private sector development there were comments about some design aspects, e.g.:
  - The need for a buggy (electric scooter) store and more parking for visitors
  - A full kitchen in assisted living properties to provide choice in terms of self catering
  - Kitchen cupboards/cookers at unsuitable heights and hard to reach windows
- In rented scheme there was some discontent about the mix of age groups within the development
- Also of note, was the fact that in the rented scheme the social activities were not thriving whereas in the private scheme where there was an Activities Co-ordinator there was an extensive range of activities which were much enjoyed by the residents.

3.4 Summary themes from the three separate consultation exercises

Of particular note, as reflected in the conclusions drawn from the consultation with Local Authorities and providers, there was little consistency in terms of outcomes. This also proved to be the case when comparing the outcomes of the consultation undertaken with residents with those that resulted from interviews with commissioners / providers. However, the individual outcome that we would draw attention to here is the essential need to take on board views from residents about the attributes needed in future ECH provision. In particular:

- Learning from past developments in respect of the facilities in communal areas that are valued by older people together with the range of aids and adaptations required in properties to maximise independence
- Designing the development with an extensive range of communal facilities without first identifying a strategy as to how they will be integrated within community life at the scheme
- The sometimes negative impact from allocations policies that results in tensions associated with a mix of older and younger residents.

4 Undertaking Market Assessments and Building a Business Case for the Procurement and Development of ECH in the South East of England

4.1 Introduction

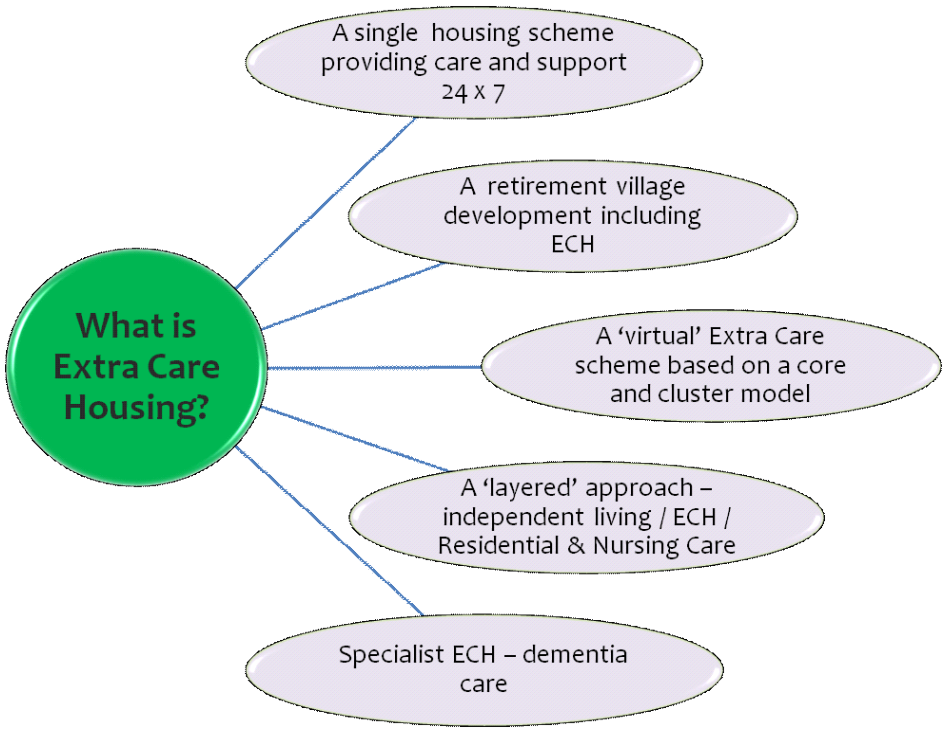
Undertaking a market assessment to establish a business case for procuring and developing ECH is challenging for the partners involved in the process as there is more than one model for ECH and in addition a range of customers for the product whose needs and aspirations are distinctly different. In essence the views of the customer must drive the process if the outcomes are to be successful.

Whilst the approach devised below was supported by the findings from the consultation with providers, providers who participated were understandably unwilling to share commercially sensitive information in relation to how they develop a business case for ECH.

4.2 Setting the Scene

To inform this market assessment in the first instance let us consider what the various models of ECH may look like.

Fig. 1 - What is Extra Care Housing?



The figure above provides only a sample of the possible models for ECH and demonstrates the complexity of this issue (for further information go to the Housing LIN website). In this regard, the following are elements to consider:

- Some developments include other forms of housing and care establishments without which some of these models would perhaps not 'stack up' financially
- The ability to offset capital costs by introducing, e.g. retail outlets / GP surgeries as part of the development / outright sale properties / shared ownership
- The range of developments in relation to size, e.g.

- Larger schemes help to amortise the cost of the communal facilities (available for residents and the local community) and this consideration has been raised by a number of respondents during this research
- In the Housing LIN Case Study 34 – Mini Cost Model of Housing with Care Project it was noted that *'The benefits of smaller schemes are that well located sites are easier to find and, thanks to simpler planning as well as shorter construction programmes, can usually be finished more quickly.'* Also, smaller sites can be utilised for specialist developments, e.g. for people with dementia.

- Up to now the majority of developments have been 'social rent' only and this situation is unlikely to continue taking into account the current financial climate and the high home ownership rates in the South East of England. Therefore this template assumes that some outright sale / shared ownership will be included in future developments
- The ability of ECH to prevent / delay admission to higher forms of care
- The opportunity to use ECH schemes as a hub for inreach/outreach into the community.

It should be noted that although this template provides an overview of the market assessment process the trigger that instigates the process may vary. For example, the trigger could be created by one or a number of the following influences: a County Council ECH Strategy; the decision to close residential care homes; identification of suitable land; an approach from a private developer; the decision to remodel sheltered stock.

The key to the successful development of ECH is partnership working a good example of which is illustrated below and comprises a synopsis from the Housing LIN Factsheet 47: Integrating Extra Care – Partnership Working.

The importance of partnership working in Extra Care housing environments deserves continual emphasis and a recent example of achieving this in practice is provided by Aspire Housing's Mill Rise scheme, a new build development in Staffordshire. Built within a major regeneration area this £17m scheme comprises 60 flats, 40 for social rent and the remainder for shared ownership.

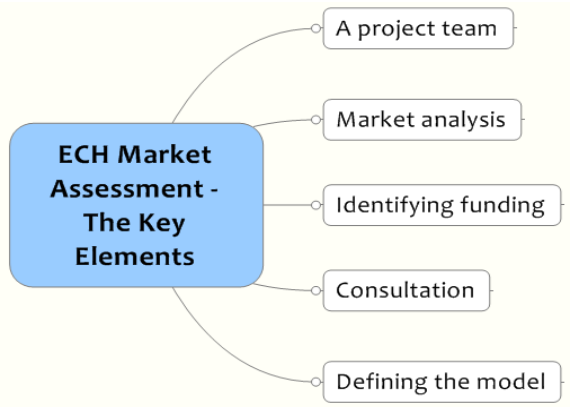
The need for a scheme like Mill Rise was identified via a local authority needs survey and a revised Older People's strategy which pointed towards more flexibility in supporting vulnerability and independence. This project involved eight partners and embodied considerable complexity given that funding involved six partners and that a range of differing requirements and objectives needed addressing. The success of this joint working has been described as 'remarkable'.

A range of key learning points were emphasised by this complex multi-disciplinary project, including the need for:

- *A clear and compelling vision for the services*
- *Strong communications and a commitment among partners to deliver a joint project*
- *Effective co-ordination and project management processes*
- *Customers being at the centre of service design and delivery*
- *Professional input from service providers to maximise the effectiveness of the built project*
- *Ensuring that development aligns effectively with strategic planning and future service delivery models.*

4.3 So what are the Key Elements in any Market Assessment for ECH?

Fig. 2 - ECH Market Assessment – The Key Elements



4.3.1 A Project Team

This is where true partnership working begins as developing a clear 'roadmap' for the strategic direction of the project that all parties can sign up to is the key to making a strategic decision on whether to move ahead with a project. The composition of the team may vary to some extent depending on the project in hand but is, however, likely to include the following participants (in alphabetical order).

Potential Project Team Members	Advantages and involvement
The Council (Unitary / 2 Tier) from a: ▪ Strategic perspective ▪ Housing ▪ Adult Social Care (care and support)	▪ Understanding the Council's strategic objectives in terms of: ▪ Perceived need ▪ Diverting budgets from residential care ▪ The reablement agenda ▪ The objectives for telecare / telehealth ▪ The care and support model, e.g. traditional, based on personalisation ▪ Tenure mix
Developer(s)	▪ Proposing model schemes for evaluation ▪ Considering cost efficiencies build / on-going maintenance ▪ Discussing financial options / approaching investors ▪ Marketing strategies – for properties; retail / other uses within the building
▪ Health ▪ GP Practice(s) ▪ PCT (GP Consortia)	▪ Integration of health facilities on schemes for: ▪ Health and well-being programmes ▪ Reablement (pathway / intermediate care flats)
Parish Council / the Community	▪ Gaining 'on the ground' views of potential developments and the 'culture' of the population in the area ▪ Assisting in engaging local people - the ' localism' debate ▪ Support through the planning process

Potential Project Team Members	Advantages and involvement
Planning Department	▪ Raising awareness of ECH ▪ Identification of possible section 106 (s106) sites ▪ Opportunities to earmark s106 sites for ECH ▪ Gaining views on the type of development envisaged, e.g. single scheme, village, mixed rural development
RSL partner(s)	▪ Building on experience of previous developments, e.g. successes/challenges of development and on-going management / sales
The Third Sector	▪ Involvement in the scheme, for residents and the community – how will this affect the model?

4.3.2 Assessing Demand

Assessing demand is a vital element in understanding the market for ECH therefore the considerations are wide ranging as shown below.

Key elements	Considerations
Demographic projections	To assess need for ECH but only one element in the process – see below
Ethnicity – ethic split / growth projections	Requirement for specialist design features, e.g. in properties, catering facilities
Existing ECH stock in the locality (and in surrounding districts)	By social / private rent; outright sale; shared ownership

Health circumstances	▪ Statistical information on:
	  ▪ Falls
	  ▪ Hearing and sight impairment
	  ▪ Incidence of dementia
	  ▪ Learning disabilities
	  ▪ Limiting Long Term Illness
	  ▪ Stroke

Strategic decisions on provision of residential care	▪ Proposals on relocating people from residential care to ECH ▪ Opportunities for redeveloping sites – free land
Tenure & Affordability	▪ For 65 plus age group ▪ Rent levels (low rent level areas could affect financial viability of scheme – may require cross subsidy) ▪ Owning with / without a mortgage ▪ House prices (by type of property) – gauge affordability of outright sale / shared ownership market ▪ Pensioner income ▪ Deprivation by area to assess tenure mix / for sale marketplace

4.3.3 Identifying capital and revenue funding

This is perhaps the most challenging area in the current climate and developing a 'package' of capital funding will be even more important than it has been in past years. Also the downward pressures on revenue funding and the growth in individual budgets will require providers to rethink the revenue funding model and, of note, some respondents have already recognised that they will need to develop models based on personalisation.

Key elements	Considerations

Free or subsidised land	▪ Via s106
	▪ Redevelopment opportunities:
	  ▪ Sheltered housing
	  ▪ Residential care

Grant / cross subsidy	▪ Conversion / disposal of existing sheltered stock to reinvest in new supply ▪ HCA ▪ Draw down more private finance (RSL) ▪ Build private accommodation to cross subsidy rented accommodation (particularly appropriate with a 'hub and spoke approach where care and support can be delivered to the rented / homeowner properties)

Tenure split	▪ Include more outright sale / shared ownership properties within the development (reducing requirement for subsidy)
	  ▪ Work with private developers / contractors to learn from marketing techniques
	  ▪ Share risk of 'for sale' with contractor
	  ▪ Reduce bureaucracy to facilitate 'shared ownership' sales

Other funding opportunities	▪ Package schemes to make developments more attractive to investors
	  ▪ Work with a group of RSLs / contractors to achieve this
	▪ Generate financial capacity - conversion to shared ownership, market rents, outright sale
	▪ Spread capital costs
	  ▪ Include facilities funded by other agencies (pathways flats leased to health) / private sector (important to sign agreements at outset – if included in feasibility for the scheme)
	▪ Charitable funding from Trusts, Almshouses

Funding for care, support and facilities management on a 24 x 7 basis	▪ Understand funding required and establish rent / service charge levels for – rental properties, outright sale , shared ownership
	▪ Agree methodology for care and support:
	  ▪ Block contract
	  ▪ Individual budget (with core service overnight)
	  ▪ Menu of services offering choice

Rental levels	▪ Make best use of affordable rents for ECH

4.3.4 Consultation

Outcomes from this and other research have all highlighted the fact that consultation cannot occur 'too early' in the process as it is vital to understand the needs and aspirations of the potential residents. In addition, the vision for the scheme in relation to the statutory and voluntary sector is also an important part of the process and this can be addressed via the Project Team.

Key elements	**Considerations**

The product	▪ What product will prospective service users want to rent / buy
	▪ A flatted development or a village environment
	▪ A 'layered' approach on the same site:
	  ▪ Independent living
	  ▪ Extra Care (assisted living)
	  ▪ Residential / nursing care
	▪ Size of property
	  ▪ Predominately 2 bedrooms
	  ▪ Access to a private patio / balcony
	  ▪ User friendly kitchens / bathrooms, e.g. height of appliances, walk-in showers
	▪ Private parking

What is your 'target market'	▪ A mixed tenure development with the 'for sale' emphasis on shared ownership and those who wish to purchase a lower priced property outright ▪ Rent element specifically for people leaving residential care or nominated from the Council ▪ A village environment with a choice of properties and options for the provision of care and support
Location	▪ Accessibility to local facilities and transport ▪ How important is this to prospective residents
Services	▪ Access to 24 hour care and support ▪ The ability to choose the services purchased ▪ Meal(s) provision ▪ Cleaning services
Facilities	▪ Assisted bathing ▪ Communal facilities ▪ Guest room ▪ Restaurant ▪ Cinema ▪ Spa ▪ Transport (when resident can no longer drive)
Localism	▪ The views of the local community in relation to the development ▪ The views of the politicians in relation to location, design and tenure

Other	▪ Use of facilities by the community:
	  ▪ Day care
	  ▪ The public using the restaurant / spa
	Note: where schemes are designed to provide a community use consideration must be given to the privacy of residents

4.3.5 Defining the model

This key element of the process will depend on the outcome of the processes highlighted above giving consideration to the following:

Key elements	Considerations

The resident mix	▪ Older people only
	▪ Provision for people with:
	  ▪ Dementia
	  ▪ Learning disabilities
	  ▪ Younger people with complex needs, Ms

Identifying possible sites	▪ Mapping sites against outcomes of needs analysis / consultation exercise ▪ Identify challenges, e.g. proximity to amenities, transport, restrictive covenants ▪ Design and development feasibility study to prioritise options
Will the capital costs stack up financially	The cost: ▪ Land ▪ Build ▪ Professional fees ▪ Internal furnishings / fit out ▪ Cost of sales ▪ Administration ▪ Interest Funding: ▪ Subsidy from various sources (including land where appropriate) ▪ Private borrowing ▪ Sales income
Will the ongoing revenue funding arrangements be sufficient to support the development	▪ Rent and service charges (rental and leasehold residents) ▪ Care and support costs ▪ Rents from other sources (statutory agencies / private sector)

4.3.6 Developing a cost matrix

In considering the cost of schemes predominately for the social sector, the South East of England has benefitted from the subsidies available, the private financing from RSLs and to some extent the sale of properties. An example of the average cost and funding percentages for an actual scheme developed in the region follows:

Fig. 3 - Breakdown of the capital cost of an average ECH scheme

Cost	%	Funding	%
Land	10	Free land	10
Works	74	DH grant	25
Fees	9	HCA grant	20
Internal furnishing / fit out	1	RSL funding	25
Admin/ interest/ cost of sales	6	Sales income	20

Of note, in the example above some 45% of the funding was derived from DH / HCA grant funding and a further 10% from the Local Authority in respect of the land. This clearly demonstrates the significant percentage of the build derived from public sources and it is unrealistic to expect this to occur in the future.

Therefore, achieving future development will depend on minimising the cost of build and including more properties for outright sale / shared ownership. The following is an example of the capital funding for a 60 unit Extra Care scheme with 75% of the properties for sale and 25% for social rent which clearly demonstrates the challenges ahead with an average size ECH scheme. In fact, it is unlikely that such a model would be acceptable to RSLs, contractors or funders without either:

- Higher prices for the 'for sale' units which may be possible in some areas in the Region
- Increased numbers of units for sale / an agreement by the HCA to convert sales to social rent if properties did not sell within a defined period
- Some element of public funding.
- Cross subsidy, e.g. building houses for sale, including retail units, GP surgeries.

This therefore points to the fact that schemes such as the one highlighted below are less likely to be viable without additional funding other than in the more affluent areas where home owners have more capital to invest in ECH.

Fig. 4 - An example of capital funding for a 60 unit ECH scheme (75% for social rent / 25% for sale)

Cost	**£**	**Funding**	**£**
Land	730,000	Free land (incl. Infrastructure & planning charges)	730,000
Build costs (HCA standard flat sizes + 30% communal areas, incl. Marketing/cost of sales)	5,500,000	RSL funding (£80,000* x 15 units)	1,200,000
Fees 15% of build cost (planning/investigations/ marketing)	825,000	Sales income (£130,000 x 45 units)	5,850,000
Internal furnishing / fit out	100,000		
Total cost	**7,155,000**	**Total funding**	**7,780,000**

**Higher than guide rent figures*

In relation to the revenue cost for ECH and the comparison with residential care costs, it is challenging to place definitive figures on this element as, for example:

- The cost of residential care can vary considerably from approximately £350 - £700 plus per week
- The hourly rate for domiciliary care also varies from, for example, £18 - £22 plus per hour.

These variations extend to the rents and service charges, for example, the table below provides an example from ECH providers:

Fig. 5 - Examples of rent and service charges for ECH

Average rent Per week – 1bed	Average rent Per week – 2bed	Average service charge per week
82.93	87.47	94.39
91.51	100.47	44.52
142.98	165.75	57.60
91.72	107.14	TBA
75.77	NA	49.02
78.64	NA	60.85
80.32	96.47	59.59
94.15	NA	50.15
78.29	90.01	50.06
168.08	175.70	16.15

In considering the revenue costs within ECH, these will vary depending on the services available within each individual development and the method of charging. These are likely to include:

Fig. 6 - Revenue funding

Revenue	
Rent	▪ Charge will depend on size of property / cost of the development ▪ Percentage of rent if purchased shared ownership
Service charges	▪ Items eligible/ ineligible for Housing Benefit ▪ Could also include the cost of food if a condition of tenancy ▪ Additional charges for maintenance in respect of 'for sale' properties ▪ A proportion of the cost of staff attributable to housing (facilities) management
Personal Care	▪ For provider will depend on whether block / spot contract or 'individual budget' model
Support services	▪ In some ECH this is a separate charge whereas combined care and support contracts are the norm in other Authorities
Cleaning and laundry	▪ For residents this charge could be included within Social Care Assessment if eligible
Menu of services for additional items	▪ Charges could vary for residents and non-residents ▪ May include, assisted bathing, gym, restaurant

The table below provides a template for stakeholders to self-complete.

Fig. 7 - Capital and revenue template

Capital costs	Cost (£)
Land	
Works	
Fees	
Internal furnishings / fit out	
Admin / interest / cost of sales	

Revenue costs	
Rent	
Service charges	
Personal Care	
Support services	
Cleaning and laundry	
Menu of services for additional items	

4.4 In summary

Undertaking a market assessment and building a business case for the procurement and development of ECH is an essential element in the decision making process for all stakeholders. However, ultimately, the decision on whether to invest or not will rest on the financial viability of the proposal, considered in tandem with an analysis of probabilities of letting / selling the properties. In particular, there is a need to concentrate on:

- Market research to ensure, to the greatest extent that the completed development will appeal to the prospective client group. In this regard the following are of particular significance:
  - The design, space standards and lifestyle attributes of the properties
  - The location of the development particularly in respect of accessibility to services
  - The extent and choice of services provided
  - The cost factors to residents (e.g. rental, purchase price, service charges)
- The indicated level of 'buy-in' from commissioners, landlords, developers and stakeholders to the:
  - Development concept overall
  - Proposed on-going model of scheme management processes
  - Support and care delivery mechanisms.

5 Assessment of the Next Phase of Evolution of ECH in the South East of England

5.1 Introduction

Those consulted as part of this research felt that the ECH programme in the South East of England had been a success; and had, for example, in the main, improved partnership working across agencies, which is a key element in developing successful ECH. However, the timing of this research has to some extent served to mask the success factors as providers are facing, due to the difficult economic climate:

- Cuts in Adult Social Care / Supporting People funding which, for example, is likely to contribute to the challenges in maintaining 'balanced' communities within ECH
- The prospect of reduced capital grant funding for ECH in the future
- The likely impact of future welfare reform (most notably in relation to Housing Benefit)
- Any resultant implications on rent levels and service charges, and
- For older homeowners, depending on local market conditions, the extent of equity in their property and/or the ability to sell.

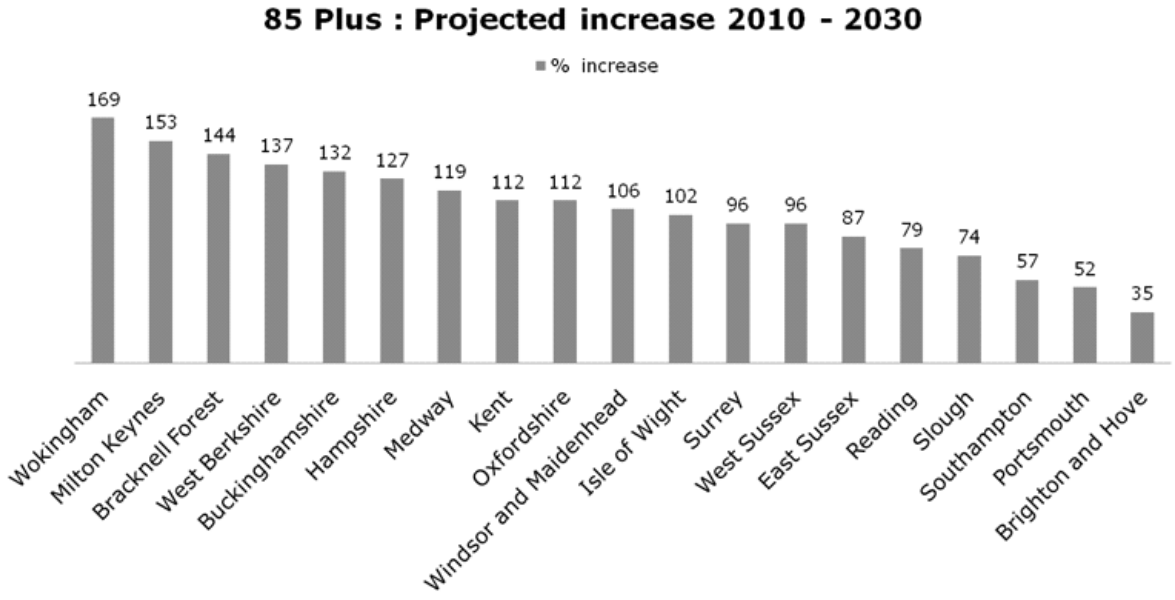
5.2 How much ECH is needed in the South East of England?

The Housing LIN/DCLG toolkit, *More Choice, Greater Voice* (2008) suggests that the future requirement for ECH should be 25 units per 1,000 of the population aged over 75 years of age. Currently there are:

- Approximately 11.2 units of ECH per 1,000 of the 75 plus population in the SE of England; and
  - With no change this would fall to 6.5 units per 1,000 of this section of the population by 2030.

Recent population projections publicised by the Office for National Statistics suggest that the number of centenarians in the UK will reach almost 80,000 by mid-2033 so, it could be argued, that many service users entering ECH are likely to be in an older age group.

To illustrate this, the chart below shows the projected increase in the 85 plus population across the South East of England by Local Authority areas.



So, we have looked at the 85 plus age group as a comparator:

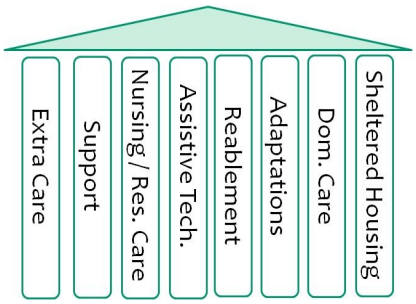
- According to POPPI, 450,000 people in the South East of England will be aged 85 plus by 2030
  - Working with the same number of ECH units (circa 8,000) and assuming only people aged 85 plus live in ECH there would be 18 units per 1,000 people for the 85 plus age group (this would range from 0 to 80 units in the various Authorities across the South East of England)
  - If the number of units of ECH remains the same, only circa 2% of the 85 plus age group could possibly have access to ECH by 2030.

In addition, POPPI estimates indicate that by 2030 (in the 85 plus population):

- 24% will have some form of dementia
- 54% are predicted to have LLTI
- 64% will be unable to undertake at least one type of self care activity.

So having ECH for only 2% of the 85 plus population in the South East of England in 2030 is patently inadequate, however, taking into account the emerging and on-going financial constraints, how can additional provision be developed?

It can be argued that ECH has a positive effect on many strands of service provision for older and vulnerable people and will contribute to Authorities' requirement to achieve savings through diverting spending on residential care and promoting the preventative agenda. A report of relevance here is the result within a September 2010 report by Frontier Economics for the HCA that identified *'the net benefit of HCA investment in specialist housing for older people as being £444 per person per year which equates to a total net benefit for older people of £219m*'. Savings will be achieved through the integration of services and ECH will be one of the elements in delivering services within this new challenging environment within the older people's sector. The diagram below illustrates a potential service integration configuration.



5.3 Developing further ECH – the Financial Constraints

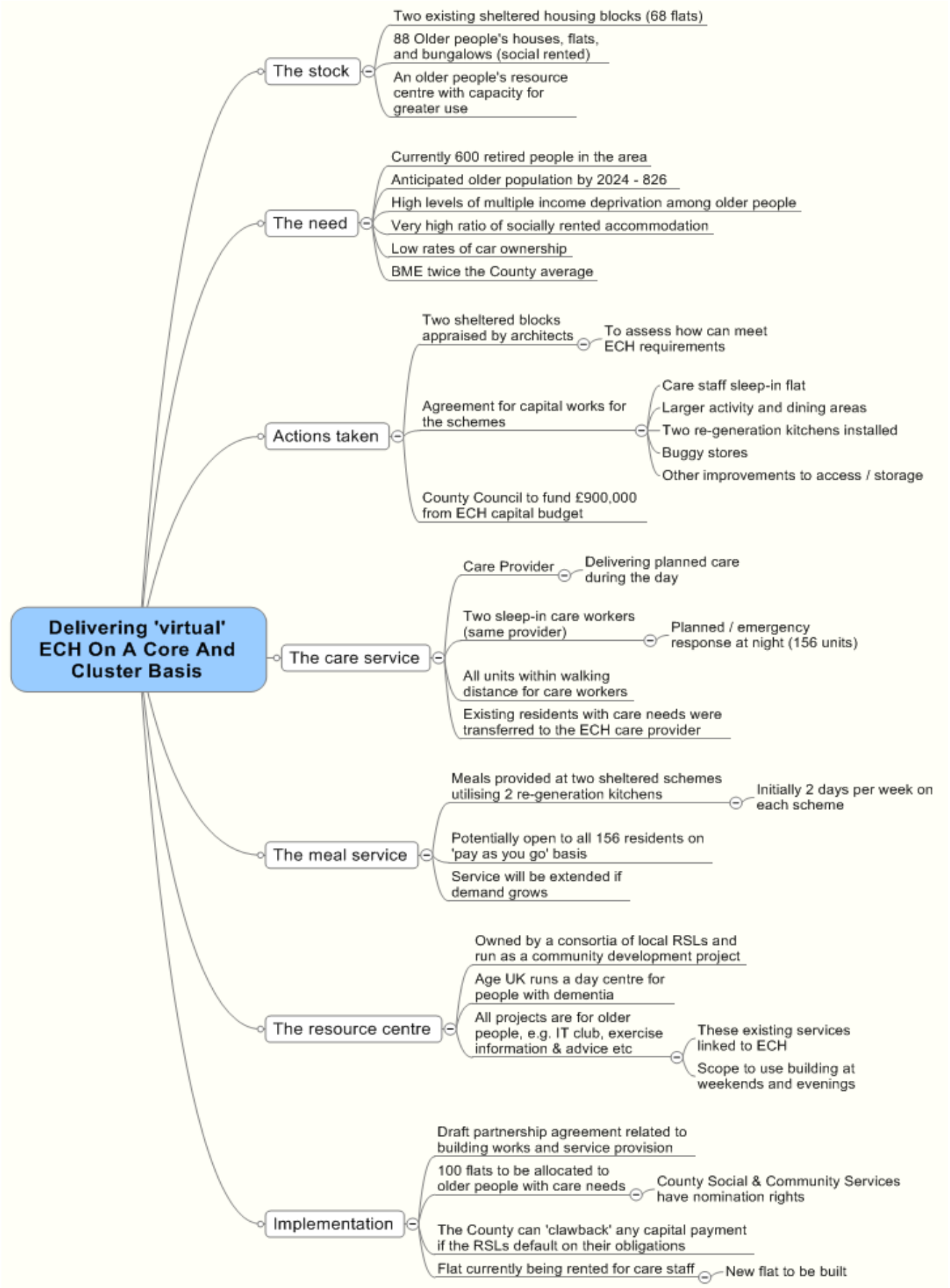
This research has indicated that there is concern among social landlords about the level of capital and revenue funding available for ECH in the future. On the other hand, private developers of retirement leasehold housing are generally more positive about their ability to continue to develop ECH although there were comments from some about the challenges of raising loans from banks.

Those RSLs who expressed a desire to continue to develop ECH suggested that the following could provide options for them:

- To look at more 'for outright sale' / 'shared ownership'
- Develop models with less communal facilities to reduce the cost of individual units
- Make use of existing sheltered schemes to provide 'virtual' extra care on 'hub and spoke' / 'core and cluster' model.

5.3.1 Working together – a new virtual ECH Model in the South East of England

The virtual Extra Care housing provision known as *'Greater Leys, Greater Care'* is an example of true partnership working between the County and City Council and two RSLs (Oxford Citizens HA and Catalyst HA). The key aim here was to provide virtual Extra Care Housing on a 'core and cluster' basis without new land / buildings and with little financial input. The approach was instigated by the two RSLs following the publication of the County's Extra Care Strategy. An overview of the approach being adopted is as follows:


Delivering 'virtual' ECH On A Core And Cluster Basis
The stock
Two existing sheltered housing blocks (68 flats)
88 Older people's houses, flats, and bungalows (social rented)
An older people's resource centre with capacity for greater use
The need
Currently 600 retired people in the area
Anticipated older population by 2024 - 826
High levels of multiple income deprivation among older people
Very high ratio of socially rented accommodation
Low rates of car ownership
BME twice the County average
Actions taken
Two sheltered blocks appraised by architects
To assess how can meet ECH requirements
Agreement for capital works for the schemes
Care staff sleep-in flat
Larger activity and dining areas
Two re-generation kitchens installed
Buggy stores
Other improvements to access / storage
County Council to fund £900,000 from ECH capital budget
The care service
Care Provider
Delivering planned care during the day
Two sleep-in care workers (same provider)
Planned / emergency response at night (156 units)
All units within walking distance for care workers
Existing residents with care needs were transferred to the ECH care provider
The meal service
Meals provided at two sheltered schemes utilising 2 re-generation kitchens
Initially 2 days per week on each scheme
Potentially open to all 156 residents on 'pay as you go' basis
Service will be extended if demand grows
The resource centre
Owned by a consortia of local RSLs and run as a community development project
Age UK runs a day centre for people with dementia
All projects are for older people, e.g. IT club, exercise information & advice etc
These existing services linked to ECH
Scope to use building at weekends and evenings
Implementation
Draft partnership agreement related to building works and service provision
100 flats to be allocated to older people with care needs
County Social & Community Services have nomination rights
The County can 'clawback' any capital payment if the RSLs default on their obligations
Flat currently being rented for care staff
New flat to be built

5.3.2 Working with the private sector

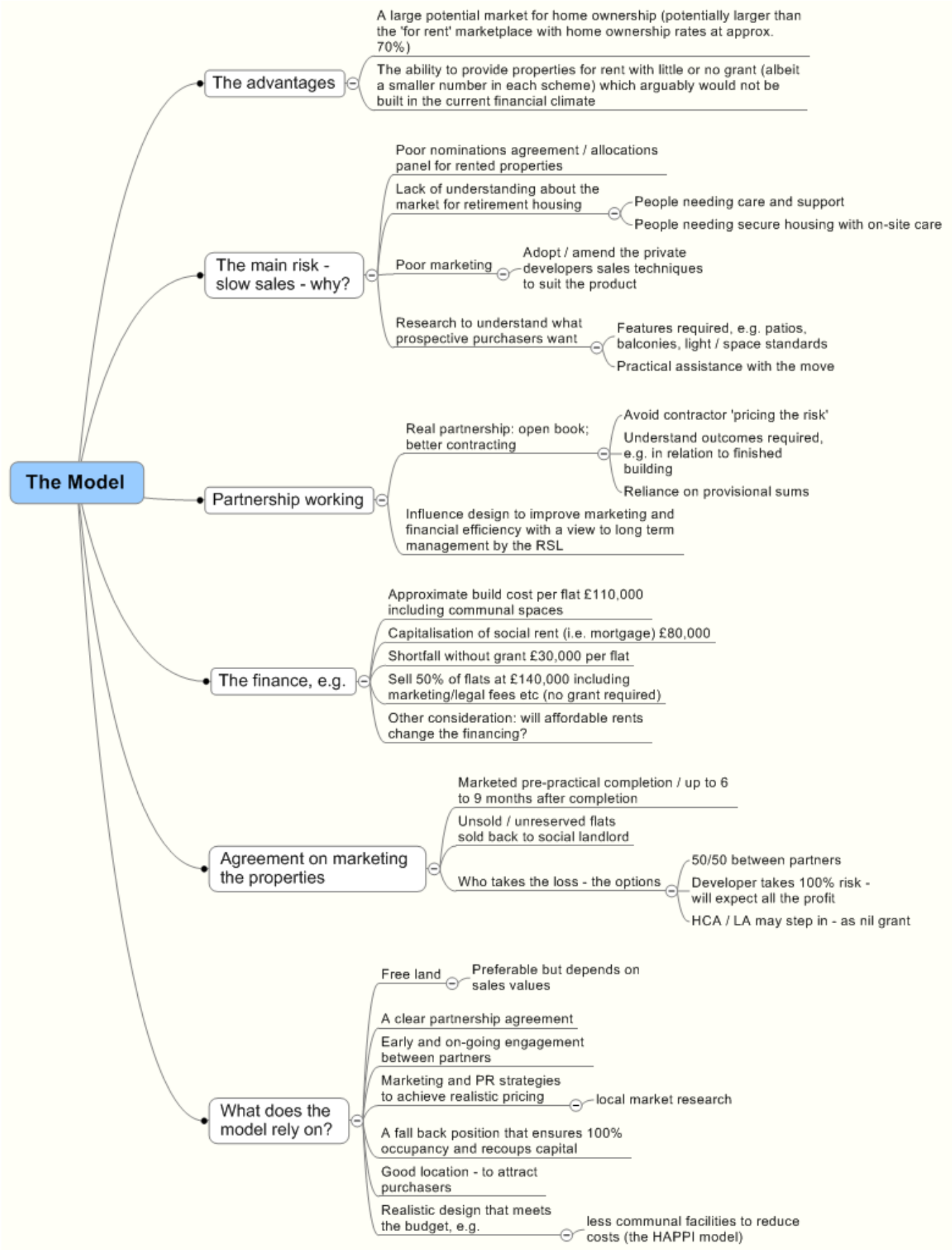
If a significant number of ECH properties are to be developed, in the current financial climate, the balance between social rented and outright sale shared ownership will need to change, e.g. 25% for rent/75% for sale/shared ownership. The developments will require substantial funding together with highly developed marketing skills and, arguably, major contractors will be able to contribute in this regard. In recent months, it has been noticeable that developers/contractors have been working on possible models and discussing options with RSLs and policy makers.

So why are developers/contractors interested in working with RSLs at this time? These companies are facing a downturn in turnover with the reduction in funding for public contracts and to satisfy shareholders there is a need to boost income and this can be achieved in part though partnership working with RSLs. In addition, in attracting private finance from city investors there is a requirement to achieve not only an acceptable yield but also a secure/safe investment in the long term and RSLs can offer the latter. So what are the key factors in working with developers/contractors?

- Mapping the process and understanding the outcomes required
- An open book approach
- Joint risk taking with the private sector
- Removing barriers – reducing bureaucracy
- Learning from the private sector in relation to 'sales and marketing'
- Lower procurement and build costs
- Packaging schemes to make developments more attractive to investors
- Making a decision on who will be the long term owner of the building, e.g. the RSL could be the leaseholder.

Arguably, the way to achieve this is through open discussion and true partnership working. ECH can be developed using a variety of methodologies and this, together with the current changes being introduced by the new coalition government, e.g. localisation, planning legislation, increases the need for joint working if schemes are to be developed.

The following diagram outlines a methodology devised by one national developer. This model uses the profit from the sales of properties to subsidise / partially subsidise the build cost and, although it is accepted that the level of risk can be off putting for housing providers and developers alike, trying new approaches in the current difficult marketplace is something to be considered.


The Model
The advantages
A large potential market for home ownership (potentially larger than the 'for rent' marketplace with home ownership rates at approx. 70%)
The ability to provide properties for rent with little or no grant (albeit a smaller number in each scheme) which arguably would not be built in the current financial climate
The main risk - slow sales - why?
Poor nominations agreement / allocations panel for rented properties
Lack of understanding about the market for retirement housing
People needing care and support
People needing secure housing with on-site care
Poor marketing
Adopt / amend the private developers sales techniques to suit the product
Research to understand what prospective purchasers want
Features required, e.g. patios, balconies, light / space standards
Practical assistance with the move
Partnership working
Real partnership: open book; better contracting
Avoid contractor 'pricing the risk'
Understand outcomes required, e.g. in relation to finished building
Reliance on provisional sums
Influence design to improve marketing and financial efficiency with a view to long term management by the RSL
The finance, e.g.
Approximate build cost per flat £110,000 including communal spaces
Capitalisation of social rent (i.e. mortgage) £80,000
Shortfall without grant £30,000 per flat
Sell 50% of flats at £140,000 including marketing/legal fees etc (no grant required)
Other consideration: will affordable rents change the financing?
Agreement on marketing the properties
Marketed pre-practical completion / up to 6 to 9 months after completion
Unsold / unreserved flats sold back to social landlord
Who takes the loss - the options
50/50 between partners
Developer takes 100% risk - will expect all the profit
HCA / LA may step in - as nil grant
What does the model rely on?
Free land
Preferable but depends on sales values
A clear partnership agreement
Early and on-going engagement between partners
Marketing and PR strategies to achieve realistic pricing
local market research
A fall back position that ensures 100% occupancy and recoups capital
Good location - to attract purchasers
Realistic design that meets the budget, e.g.
less communal facilities to reduce costs (the HAPPI model)

There are challenges, however, as these models may work in many areas but making schemes stack up financially in less affluent areas could be more difficult and may require, as indicated in the chart above, cross subsidy or financial capacity may need to be generated through other social properties being converted to shared ownership, market rent or outright sale.

With the challenging housing market this research has evidenced that providers are reducing the number of empty properties in developments by setting up rental agreements with prospective purchasers so they can move into properties prior to their homes being sold.

5.3.3 Market renting Extra Care Housing

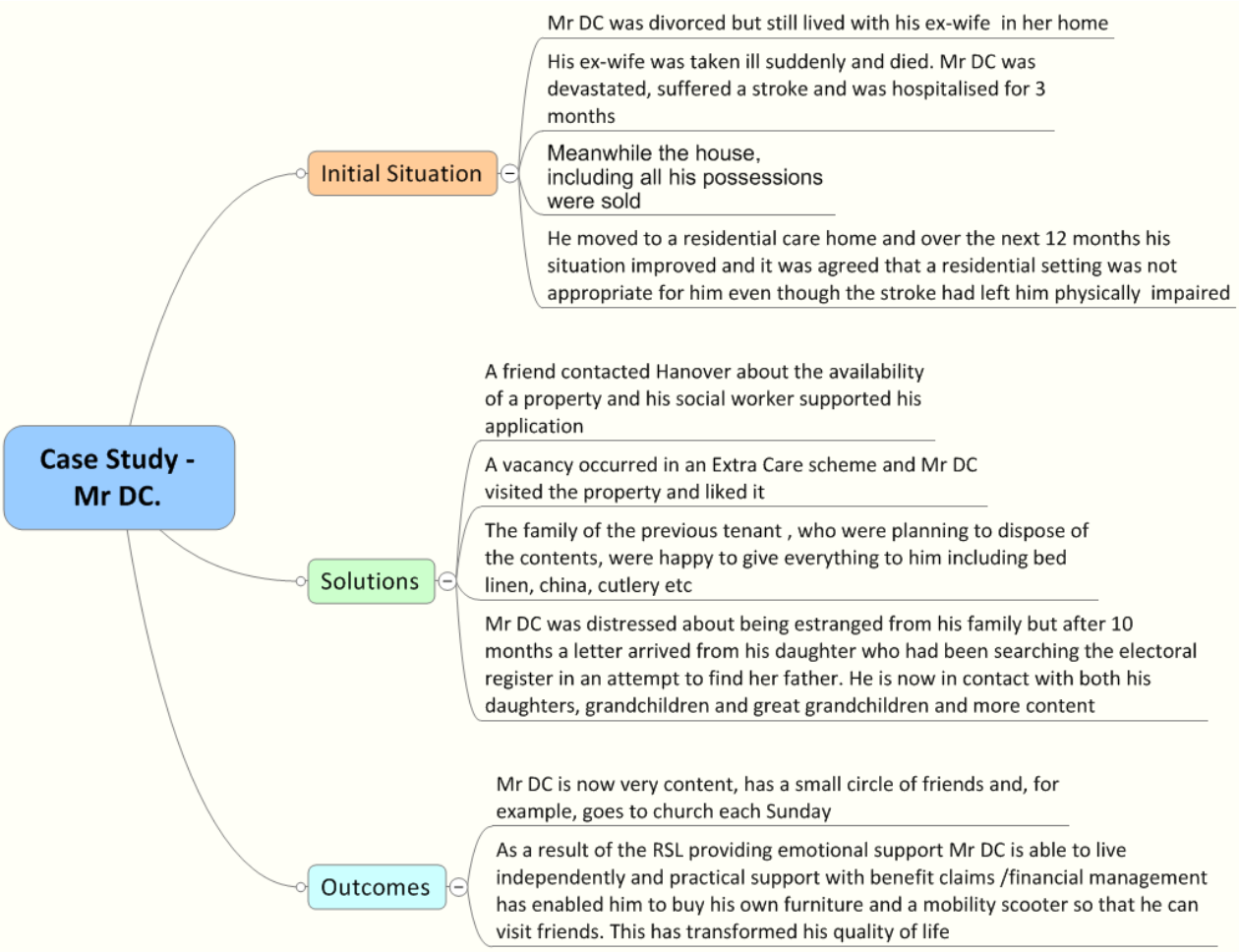
In terms of long term market renting, the outcomes from recent research for the Housing LIN (Factsheet 32) identified the following key influences concerning ECH and the private rented marketplace:

- *From around 1995 onwards the private rented sector as a whole has grown significantly and rapidly (15% in 2008)*
- *Only a handful of private rented schemes offer Extra Care housing*
- *The market consists mainly of small providers which raises uncertainty over whether it will be viable for Extra Care*
- *Government proposals for social rent at 80% of market rent could see RSLs becoming interested in market rental*
- *Some owner occupiers may wish to downsize to release equity to supplement income or pay for care services*
- *Currently Extra Care housing for sale / shared ownership is in short supply and research has shown that:*
  - *Older home owners have been prepared to change tenure (location and property suitability can over-ride tenure choice)*
  - *The available stock is rationed according to need which eliminates choice which private renters value highly*
- *Market rental is offered to facilitate purchase of an Extra Care property prior to the purchaser's property being sold – providers thought that this option could be offered more widely*
- *There could be a small market for individuals with relatively high income and no property for sale*
- *A more streamlined model (EC 'lite') is required to meet this marketplace, e.g.*
  - *With less communal facilities so providing the potential for lower capital costs and service charges*
  - *Establishing 'hub and spoke' models which are less institutional*
  - *The 're-use' potential would be attractive to investors*
- *A major obstacle to developing and letting schemes is the lack of knowledge about the model by professionals, prospective service users and their families*
- *The personalisation agenda presents challenges but also opportunities, namely:*
  - *For individuals to buy into the core service and access a menu of services*
  - *Attendance Allowance and Disability Living Allowance could also top up rent.*

Housing LIN Factsheet 32: Private rented Extra Care: a new market?

5.4 The Need for Cultural Change

In addition to the 'financial factor' outcomes discussed above, this research has indicated that **cultural change** will be required as some professionals still need to accept that ECH is viable for a wide range of clients, including many with complex needs. It is accepted that residential care *may* appear the most straightforward option but in today's challenging environment minimising the use of residential care is a vital element in diverting care budgets. To address this issue better use could be made of intermediate care / reablement, to bridge the gap and evidence from this research has shown some providers are already considering using guest rooms or leasing flats to health within ECH schemes to provide these facilities. In relation to the latter, health reablement funding could be used to fund the leased provision. The case study example below demonstrates how circumstances can lead to a person entering residential care and how in this instance they were rehoused successfully in an ECH scheme.



Another cultural challenge identified through this research is the difficulties faced by prospective purchasers of ECH shared ownership in terms of allocations criteria and capital funding restrictions.

'We would be looking for a mix of rented & shared ownership, although the recent changes to the HCA Capital Funding Guide & the exclusion of current owners from taking shared ownership units where grant is involved could seriously hamper our abilities to sell them in future. We would want to see that restriction lifted before planning other mixed tenure schemes. Otherwise we will be looking at 100% rented in future.'

5.5 Other Issues to consider

There are other on-going research studies which will inform the future direction for ECH and one of these is the study being undertaken by the Personal Social Services Research Unit, University of Kent, Canterbury (PSSRU) for the DH.

- *The objective of the PSSRU study is to evaluate 19 new build schemes for older people funded between 2004–06 and is the first evaluation of specialised housing supported by the Department of Health.*
- *The evaluation aims to examine the development of the schemes from their implementation, and to follow the residents' experiences and health over time. A particular feature of the evaluation is to compare costs and outcomes with those for residents moving into care homes.*
- *The evaluation also provides an opportunity to collect research evidence about the process and impact of new approaches to providing accommodation and care for older people, and funding has been obtained for three complementary studies:*
  - *A study of the development of social activity and community involvement in extra care;*
  - *An in-depth study of one of the schemes to investigate and compare costs to all stakeholders before and after residents move into extra care;*
  - *A joint project with colleagues from the University of Sheffield to develop a tool to identify design and environmental features of buildings that promote the well-being of users.*
  - *Funding has also been agreed to extend the collection of data to a second scheme in one of the local authority areas included in the evaluation.*

The PSSRU final report is due in 2011/12, including indicative findings of the benefits of ECH compared to Residential and Nursing Care. Furthermore, to coincide with the PSSRU report, the Housing LIN is refreshing its ECH toolkit and developing an on-line resource pack to help local commissioners and providers undertake strategic investment decisions (forthcoming).

The above assessment, supported by the desk and field research outcomes given in sections 2 and 3 above have led to the development of the conclusions and recommendations given in section 6 below.

6 Conclusions and Recommendations

The ECH programme in the South East of England has been successful over recent years boosted by DH and HCA funding. The current economic climate has 'changed the landscape' and is posing challenges that could inhibit development of ECH in the future. However, we would submit that the key challenge, which encompasses the financial element, is to change the way we work which will in essence mean significant 'cultural' change for commissioners, providers and developers/contractors within the sector.

However, a positive aspect is that there is a place for ECH to assist in meeting the government's agenda of reducing Local Authority care budgets by diverting funds from residential care and maintaining people in their homes in the community for longer. It makes good housing sense!

In the first instance, it will be important to understand the market for ECH in the South East. The demographic projections, together with the downturn in public funding, indicate that there is likely to be a shift from predominately rented developments to, for example, 25% for rent / 75% for straight sale/shared ownership over the coming years (see an example of a possible model in Section 5.3.2) and RSLs and developers/contractors will need to work together to develop solutions that meet the needs of their local areas. It should also be borne in mind that ECH can contribute to the 'downsizing agenda' and create movement in local social rented and owner-occupier markets.

The key factors in moving the ECH agenda forward are:

Increasing stock numbers:

- Creating a vision for the development, e.g. size, tenure split, client group, the care and support model
  - *Will the model form a 'hub' for the provision of care and support into the community?*
  - *Will the model include provision for retail / community use?*
  - *Is the intention to house some residents who: had previously lived in residential care; suffer from dementia; have physical / learning difficulties?*
  - *Will the care and support model be based on residents receiving a 'core service' overnight with a menu of services for additional care and support services funded through individual budgets?*
- Meeting the distinctly different needs and aspirations of older people so providing choice, for example:
  - *A stand alone development; a village setting; 'virtual' ECH based on a 'hub & Spoke' model*
  - *Introducing greater tenure choice ranging from social rent through to outright sale or a mixed tenure development*
  - *In terms of property size and facilities, e.g. a 2 bedroom accessible property with a private patio/balcony*
- Meeting the challenges of the 'localism' agenda through working closely with the local community including, for example, the Third Sector, Parish Councils
- Engaging with planning departments at an early stage and including representatives within a multi-disciplinary project planning team.

Meeting the challenges of developing with little or no public subsidy

The typical public capital subsidy for ECH has been in the range of 45% to 55% and in the current climate these subsidy rates will not continue. So how can providers address this issue? There are a number of components as shown below:

Making the best of what is available by utilising, for example:

- Section 106 Agreements and identifying 106 sites for ECH at the planning stage
  - *Of note, private developers are already lobbying government on this subject so for RSLs partnership working is a key component*
- Accessing free / subsidised land – the sale of HCA land represents an opportunity here
- Conversion / disposal of existing stock to reinvest in new supply
- Using available DH and HCA grant
- Spreading capital costs – include facilities funded by other agencies / private sector
- Packaging schemes in partnership with other providers / contractors / developers – making them more attractive for investors who prefer to lend larger loans.

Considering scheme design:

There has been much discussion among contributors to this research as to whether financial constraints will restrict the ability to provide significant communal facilities, particularly in smaller schemes in future ECH developments. In addition, some providers feel constricted by Councils' set models for ECH which require them to include facilities within the build which they consider experience has shown not to be required.

Working with private developers / contractors to address the challenge of little public subsidy

The first question to raise is why are developers / contractors interested in working with RSLs?

- To satisfy shareholders:
  - *A reduction in public funding means a downturn in income from ECH and other public development for contractors*
  - *Income can be boosted through private development in partnership with RSLs who have experience in the sector*
- So what are the key factors in working with the private sector?
  - *Mapping the process and understanding the outcomes required*
  - *An open book approach*
  - *Joint risk taking with the private sector*
  - *Removing barriers – reducing bureaucracy*
  - *Learning from the private sector in relation to 'sales and marketing'*
  - *As noted above, packages schemes to make developments more attractive to investors*
  - *Identifying from the outset who will be the long term owner of the building*
- One of the challenges is making schemes stack up financially in less affluent areas and the options include:
  - *Looking for opportunities to cross subsidise the development*
  - *Generating financial capacity by converting existing social stock to shared ownership, market rents, or outright sale*
- Making the offering attractive to potential purchasers by:

- *Ensuring the product meets their needs and aspirations*
- *Providing choice in terms of the size and type of property together with the range of facilities within the development*
- *Signposting potential purchasers to equity release products recommended by reputable organisations, e.g. The Joseph Rowntree Foundation*
- *Devising packages of assistance to help these older homeowners move home as the prospect of dealing with the day to day requirements of moving can be a major disincentive particularly for older people who have no family / friends to assist them*
- *Ensuring transparency in terms of:*
  - *A simple leasehold agreement, e.g. ease of sale at the end of the day*
  - *Ease of allocation for shared ownership, e.g. minimising bureaucracy*

    Clarity in relation service charges.

Making the best of what we have

In addition to considering new developments, it is important to identify opportunities and challenges and how we can address them.

- Exploiting opportunities for creating 'virtual' ECH based on a core and cluster/hub and spoke model at low cost and possibly utilising some of the new capital funding, e.g. the new 'unringfenced' £251m DH capital funding for Authorities (with Adult Social Care responsibilities) over next two years - reference LASSL(DH)(2010)2 dated 13.12.10. This could, for example, help to provide additional facilities at existing sheltered schemes together with telecare/telehealth provision in the nearby community
  - *As shown in the case study (see 5.3.1) the RSLs approached the Council in the first instance so it is important for housing providers with sheltered stock to identify opportunities and approach Authorities regarding funding*
  - *On the same theme not all Authorities in the region have used the £20,000 of DH funding to refresh/devise ECH strategies to inform future investment plans. It should be borne in mind that these can include wide ranging recommendations including identifying Section 106 sites for ECH development. Stakeholders have a role to play here in encouraging Authorities to update their strategies*
- Identifying 'pathway flats' for reablement in existing ECH schemes and working with health and Adult Social Care to minimise unnecessary admissions to higher forms of care and enabling people to:
  - *Consider ECH provision rather than choosing residential care in 'crisis'*
  - *Return home with appropriate care, support and / or telecare/telehealth solutions*
  - *Where appropriate, opportunities to offer respite or intermediate care*

  Of note: some providers in the region are considering using guest rooms as reablement accommodation.
- Working with partners to ensure that existing ECH provision is used as a 'hub' to provide care and support services to people living in the community. It should also function as a resource for health, well-being and social events for both residents and the local community
  - *This is an area where working with the Third Sector can fill the gap left by declining Supporting People budgets which is likely prevent the employment of 'activities co-ordinators'*

- There appears to be within the Region divergent challenges in relation to allocating ECH properties to people with appropriate care and support needs:
  - *On the one hand there is some evidence that the 'ethos' of ECH is being lost in some schemes as higher numbers of people with high care needs are being allocated properties. It follows that the acknowledged advantages of the 'balanced community' are being lost*
  - *On the other hand the perceived lack of understanding about what ECH can deliver in terms of care services is leading to some properties on schemes being allocated to people with few care and support needs*

  The challenges for providers here are twofold: maintaining updated record of the dependency of residents so that there is an evidence base to influence the allocation process. Improving the understanding of professionals concerning the potential of ECH as another option to consider when at first glance residential care **may** appear to be the most straightforward route
- Challenges in relation to meeting the increasing care needs of residents approaching 'end of life' have been identified as part of this research and again partnership working is key to addressing this issue.

Finally, it is difficult to over emphasise, the need to deliver appropriate messages to central government, regional bodies, commissioners, planners and developers concerning the significant preventative advantages that ECH delivers.

Key Messages:

- This research has highlighted for 'culture change' within the ECH sector
  - In particular, there is a need for more innovative thinking which 'breaks the mould' and leads to ECH solutions that fit the current economic and social climates
- Related to the above partnership working across the disciplines is vital from the outset of any proposed ECH project
- It needs to be highlighted that in working with the private sector RSLs have a great deal of experience and expertise to offer in respect of developing the next generation of ECH provision
- Consideration should be given to revisiting this research within the next year to eighteen months in order to identify and communicate the key developments that have occurred in South East England's ECH environment.

Appendix 1

LOCAL AUTHORITIES WHO RECEIVED DEPARTMENT OF HEALTH FUNDING FOR EXTRA CARE HOUSING

Aylesbury Vale District Council	Medway
Brighton & Hove City Council	Oxfordshire County Council
East Sussex County Council	Portsmouth City Council
Kent County Council	Royal Borough of Windsor & Maidenhead
Luton Borough Council	West Sussex County Council

GLOSSARY OF TERMS

ASSISTED LIVING
Housing within which older people can still be independent but receive care and support services (similar to ECH)

BALANCED COMMUNITY
In the context of extra care housing,, achieving this is an objective that seeks to ensure that the community within ECH has a differing range of care needs from older people who are relatively fit and independent to those who have more intensive care needs

CARE QUALITY COMMISSION (CQC)
Independent regulator of health and social care

CHOICE BASED LETTINGS
Choice based lettings – the new way that social housing is let – people make a choice and then 'bid' on properties, rather than waiting on a waiting list and being told what property they are going to be allocated

COMPREHENSIVE SPENDING REVIEW (CSR)
A UK government process carried out by the treasury to set departmental spending requirements

CROSS SUBSIDISE
Using the capital from the sale of land / buildings to subsidise a new development

DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (DCLG)
Government department that administers matters related to local government and housing

DEPARTMENT OF HEALTH (DH)
Government department that exists to improve the health and well-being of people in England

DOMICILIARY CARE
Care services delivered to people in their own homes by a registered care agency

ELDERLY ACCOMMODATION COUNSEL (EAC)
A charitable organisation that provides information about housing and care services for older people

HOUSING AND COMMUNITIES AGENCY (HCA)
The national housing and regeneration agency for England

HUB & SPOKE
Configured like a wheel there is a central point hosting services which reach out like 'spokes' (sometimes known as core and cluster)

INTERMEDIATE CARE
A 'step-up/step down facility that offers intensive reablement services to prevent a hospital admission or support the transfer of care back home following a **hospital admission**

LOCALISM
An agenda that seeks to devolve power from the centre to local government and communities

MARKET RENTS
The rent a landlord might expect to receive within a given locality

NATIONAL ADULT SOCIAL CARE INTELLIGENCE SERVICE (NASCIS)
A single national resource of timely, relevant and useful information for social care services

PATHWAYS FLAT
Represents a stepping stone into Extra Care Housing to see if this would be an appropriate housing solution

PERSONALISATION
A social care approach supported by government which places control and funds in the hands of the service user so enabling them to buy the services they need and want

REABLEMENT
A range of person-centred health and social care interventions that can help people regain confidence for independent living, eg following a hospital admission

REGISTERED SOCIAL LANDLORD (RSL)
Independent not for profit bodies that develop and manage social housing

RINGFENCED BUDGET
Protected funds allocated for a specific purpose

SECTION 106 AGREEMENTS
Allows a local planning authority to enter into a legally binding agreement or planning obligation with a landowner in association with the granting of planning permission

SUPPORTING PEOPLE PROGRAMME
Introduced by government in 2003 to initially provide a mechanism for separating housing benefit costs from housing related support costs

TELECARE
Use of technology within a community alarm environment to enhance peace of mind, summon help in an emergency and maximise independence

THIRD SECTOR
A collective term used to refer to a wide range of voluntary and community organisations

REFERENCES, ORGANISATIONS AND RESOURCES

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Homes and Communities Agency www.homesandcommunities.gov.uk
Projecting Older People Population Information System http://www.poppi.org.uk
Office For National Statistics http://www.statistics.gov.uk/
Care Quality Commission Independent regulator of health and social care http://www.cqc.org.uk/
National Adult Social Care Intelligence Service A single national resource of timely, relevant and useful information for social care services http://www.ic.nhs.uk/
Hanover HA's 2009 publication 'The Future of Extra Care and Retirement Housing' http://www.hanover.org.uk/
ADASS 2010 publication 'Personalisation: what has housing got to do with it?' http://www.adass.org.uk/
National Housing Federation (NHF, 2011) Breaking the Mould http://www.housing.org.uk/

Housing LIN Resources
Housing LIN Viewpoints 17 & 19 on 'downsizing' in general needs and specialist housing
Housing LIN Factsheet 6: Design principles in Extra Care Housing
Housing LIN Factsheet 19: End of Life Care in Extra Care Housing
Housing LIN Factsheet 22: Catering arrangements in Extra Care Housing
Housing LIN Factsheet 32: Private rented Extra Care: a new market?
Housing LIN Factsheet 47: Integrating Extra Care – Partnership Working
Housing LIN Case Study 34: Mini Cost Model of Housing http://www.dhcarenetworks.org.uk/IndependentLivingChoices/Housing/Topics/HousingLINProducts/index.cfm?tag=Factsheet
Housing LIN Report (2010): Marketing Extra Care Housing
Other on-going research studies which will inform the future direction for ECH
A study to evaluate 19 new build schemes for older people funded between 2004–06 Personal Social Services Research Unit, University of Kent, Canterbury (PSSRU) for the DH. www.pssru.ac.uk/projects/echi.htm
The Housing LIN is currently refreshing its ECH toolkit and developing a new on-line resource pack to help local commissioners and providers undertake strategic investment decision

About the authors

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About the Housing LIN

The Housing Learning and Improvement Network is the leading 'knowledge hub' for promoting new ideas and supporting change in the delivery of housing, care and support services for older and vulnerable people. With over 5,700 members, the Housing LIN has a comprehensive range of on-line resources and highly regarded national and regional programmes that showcase examples of innovation and improvement. It offers commissioners, developers and providers across housing, health and social care a unique opportunity to create effective housing solutions for an ageing society. For more information:

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