



# **Government response to the Second Report of Session 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into Housing for Older People**

Presented to Parliament  
by the Secretary of State for  
Housing, Communities and Local Government  
by Command of Her Majesty

September 2018

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## Introduction

This Government welcomes the Second Report of Session 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into Housing for Older People (HC 370), which was published on 9 February 2018. The inquiry has looked closely at a wide range of issues affecting older people and the Government has considered the Committee's findings and recommendations carefully in formulating its response below.

Please note that with minor exceptions the Government response below has a territorial extent of England only.

As the Committee has recognised, we have a rapidly ageing population. The needs of older people now are different from previous generations and their aspirations around housing and lifestyles have changed dramatically. The Government's Housing White Paper<sup>1</sup>, 'Fixing Our Broken Housing Market', set out our plans to reform the housing market and boost the supply of new homes in England. In that we acknowledged that offering older people a better choice of accommodation can help them to live independently for longer, improve their quality of life and free up more family homes for other buyers. We recognise that ensuring the right and adequate housing for older people can reduce costs to the social care and health systems.

To build a sustainable care and support system, our vision must incorporate the wider networks of support and services which help older people to live independently, including the crucial role of housing and the interaction with other public services.

The Government is taking this agenda very seriously. The Government announced in the Industrial Strategy White Paper last year four 'Grand Challenges', one of which is the 'Ageing Society'. In May this year, the Prime Minister announced that the first mission of the Grand Challenge is to ensure that people can enjoy at least five extra healthy, independent years of life by 2035, whilst narrowing the gap between the experience of the richest and poorest. Housing will have a critical role to play in supporting delivery of this mission.

In addition, the Committee will be aware that the Government has announced that it will now publish a Green Paper setting out proposals to reform care and support in the autumn, in order for this to align with the development of the NHS Plan.

The Committee will also be aware that the then Housing Minister announced an independent review of the Disabled Facilities Grant on 11 December 2017. Home adaptations can be critical in helping older people to remain safely and more independently in their homes for longer. The review has recently completed and considers how the Disabled Facilities Grant currently works and how it might work in the future. This includes considering a range of matters such as the current means test for assessing eligibility, the allocation methodology for distributing the grant to local authorities, and the grant upper limit. We also recognise the link between adaptations and health and social care services, and the review also looks at how the Disabled Facilities Grant might adapt to better support the adoption of new innovations and technology in the future. Government is carefully considering the recommendations and next steps, and intends to publish the review in due course.

We are considering the Committee's recommendations in relation to the Ageing Grand Challenge, the forthcoming Green Paper and independent review of the Disabled Facilities Grant in developing wider proposals.

This Government remains committed to supporting older people to have the lifestyle they choose. We shall endeavour, where possible, to ensure that our planning and housing policies positively reflect the requirements of older people.

<sup>1</sup> <https://www.gov.uk/government/collections/housing-white-paper>

## Advice and information

1. Access to good quality information and advice is fundamental to helping older people make informed, planned and timely choices about how and where they live in later life, and to helping them to live healthily and comfortably wherever they choose to do so and to make the most of their financial resources. (Paragraph 10).

2. We believe that the FirstStop Advice Service currently led by the Elderly Accommodation Counsel (EAC) should be expanded. Although we acknowledge that there is a considerable amount of useful advice available online, we are concerned that this is not accessible to many older people who may require information and advice in person. *We recommend that the EAC should be re-funded by the Government to provide an expanded national telephone advice service (referred to from now on as “the national advice service”), supported by advice online, in hard copy advice and other accessible formats. Advice provided should be holistic, covering the range of issues relating to housing for older people as follows:*

- *Repairs, maintenance and adaptations, and access to funding for these;*
- *Home improvement agencies (HIAs), handypersons, trusted traders;*
- *Heating and energy efficiency;*
- *Housing options, including specialist housing;*
- *Moving home, including the practical and financial aspects of moving;*
- *Care options and financing of care; and*
- *Signposting to appropriate agencies for advice on housing finance: mortgages, equity release, Help to Buy and shared ownership (for example, the single financial guidance body). (Paragraph 11).*

3. The national advice service should maintain and extend its links with local authorities, HIAs and other local charities and partners so it can direct people to advice and practical help locally. Furthermore, the national advice service, and the linked organisations, should be consistently branded and advertised by a Government-backed campaign to raise awareness and promote the creation of a ‘trusted network’. (Paragraph 12).

### Response:

We recognise that the provision of high quality advice is an important service which older people, and their relatives and carers, should have in order to make informed choices at often difficult times in their lives. We also appreciate that some information may not always be accessible. We recognise the valuable service that FirstStop has provided, and we are looking at future provision of advice services.

The Department for Health and Social Care has set out that one of the key principles that will guide thinking ahead of the Green Paper is control – ensuring that individuals and families have the ability to direct the support they receive, and autonomy to lead the lives they want. This includes transparency and access to reliable information. We want the public to be informed and empowered consumers of care and to be able to access trustworthy advice, support and information about care providers that enables them to compare providers on quality and on price. We are considering the recommendations of the Committee in developing proposals to reform care and support for older people.

## The link between housing and health

**4. For older people, living in a cold home can cause chronic and acute illnesses and lead to reduced mobility, falls and depression. This has resultant costs to the NHS and social care. The problem is exacerbated by the fact that older people spend longer at home and may be living on a low income in homes that harder to heat. *We recommend that the national advice service should partner with and signpost older people to the Energy Saving Trust's telephone advice line. In addition, we recommend the Government consider developing a national scheme to help older people in fuel poverty and, as part of this, it may wish to consider schemes similar to the Affordable Warmth Scheme in Northern Ireland and Wales. (Paragraph 16).***

### Response:

While we recognise that older people can be some of the most vulnerable to the impacts of living in a cold home, the Government already has policies which support pensioners living in fuel poverty. This includes the Warm Home Discount through which over 2 million low income and vulnerable households, many of whom are pensioners, receive a £140 rebate off their winter energy bill. This is in addition to the Winter Fuel Payment, which provides all pensioners with a payment of £100-£300 each winter to help with the costs of keeping warm.

In addition to bill rebates, the Energy Company Obligation is worth £640m per year. The Energy Company Obligation is an obligation on the large energy suppliers to deliver energy efficiency and heating upgrades in domestic properties. The Government recently announced that the whole of the Energy Company Obligation will be focused on low income and vulnerable households in the scheme to run from 2018 to 2022. The Government is also developing a new digital energy efficiency advice service to replace the previous Energy Saving Advice Service call line. In doing so we are aware that not all households, including some with older people, are confident or able to use information technology. There will, therefore, also be alternative ways to access the service for those unable to use the digital platform. In all these circumstances, the Government does not consider that an additional national scheme to help older people in fuel poverty is necessary at this time.

**5. The consequences of falls at home caused by often trivial hazards can be catastrophic, precipitating serious decline in older people's physical and mental health. There needs to be a national and local drive to address falls and accidents in the home. This should include provision of better advice and information about repairs, maintenance and adaptations (paragraph 11), wider access to the services of Home Improvement Agencies and handypersons to facilitate adaptations (paragraph 34) and more timely implementation of, and flexible use of, Disabled Facilities Grants (paragraph 43). In addition, integrated working on health and social care should include working with housing partners to identify homes with falls and accidents risks and intervening to remove them. (Paragraph 18).**

### Response:

We recognise that homes need to be safe, secure and free of hazards. We also agree that the integration of housing with health and social care services is a vital part of ensuring that people are able to live healthier, more independent lives for longer. Furthermore, a suitably adapted home can help people stay independent for longer, avoid hospital admissions, fast track hospital discharges, and reduce and delay care costs.

The Government's independent review of the Disabled Facilities Grant considers the links between adaptations and health and social care services. The findings of the review will inform our thinking on preventing falls and accidents in the home.



As we have said in our response to an earlier recommendation, we appreciate information and advice services and the role that they can play in helping older people, and their relatives and carers, to make informed decisions. The Committee may be aware that the Government funds Foundations, the national body for Home Improvement Agencies and these agencies already cover around 70% of local authorities in England. Furthermore, Foundations can provide advice about home adaptations and has a dedicated website where people can find their local HIA service<sup>2</sup>.

**6. Social isolation can lead to poor mental and physical health. Ensuring that older people's housing is within easy reach of local services, amenities and public transport links is therefore critical, and we consider the location of new housing for older people further in paragraph 118. Loneliness is harder to tackle. We support the recommendations of the Jo Cox Commission's Call to Action, including a UK wide Strategy for Loneliness across all ages and a programme to develop the evidence around 'what works' in tackling loneliness, and welcome the Government's recent appointment of a 'Minister for Loneliness'. (Paragraph 20).**

**7. There is a well-evidenced link between housing and health and wellbeing, and the consequent costs of treatment by the health service. Poor quality, un-adapted, hazardous, poorly heated and insulated accommodation can lead to reduced mobility, depression, chronic and acute illness and falls and social isolation to loneliness and depression. *We recommend that prevention, early intervention and promotion of health and wellbeing through housing should be a priority for the national advice service. It should refer people to where they can get practical help to improve the quality of their home and to their local authority and health service if more immediate, direct intervention is needed. (Paragraph 23).***

#### **Response:**

The Government recognises the important links between housing, health and wellbeing and the need to look at how communities and transport can support people to remain independent and well for longer. We also recognise that un-adapted, hazardous, poorly heated and un-insulated accommodation can lead to a number of different ailments including loneliness and depression. These areas are all being explored within the Ageing Grand Challenge, and the Government is keen to work with industry, civil society, academia and local places to consider how to support people to remain independent and well at home for longer.

We recognise the importance of the role of housing on an individual's health and care needs, and the preventative role that good housing can play.

We have been clear that we will consider housing as we develop proposals for the future of the social care system in the green paper to be published in the autumn,

As previously noted, an independent review of the Disabled Facilities Grant has recently completed, which will also inform the development of policy on the links between housing and health and wellbeing.

**8. The need to integrate housing services with health and social care services has been recognised in the care and support statutory guidance and the Department of Health, Ministry of Housing Communities and Local Government and NHS England supported 2014 Memorandum of Understanding to support joint action on improving health through the home. We believe that, given the health consequences of unsuitable housing, this should be reflected better at local level. Housing services should take equal status to health and social care services in the planning and implementation of closer working and in Sustainability and**

<sup>2</sup> <http://www.findmyhia.org.uk/>

**Transformation Partnerships (STPs) and Accountable Care Systems (ACSs). The Government should monitor the extent to which STPs and ACSs include plans for closer working between housing, health and social care organisations and include mechanisms to address housing issues having a direct impact on residents' health outcomes. The Government should, where necessary, make representations to such organisations to ensure that housing is included in STPs and ASCs. (Paragraph 26).**

**Response:**

We recognise that the integration of housing with health and social care services is a vital part of ensuring that people are able to live healthier, more independent lives, for longer. The Ministry of Housing, Communities and Local Government and the Department of Health and Social Care are both signatories and supporters of the 'Memorandum of Understanding to support joint action on improving health through the home'. The Committee will wish to note that this Memorandum of Understanding was revised and published on 19 March 2018<sup>3</sup>. It sets out the principles for cross-sector partnerships, nationally and locally, to design and deliver better health and well-being outcomes, more effective healthcare and social care to reduce health inequalities. We have been clear that housing will form a part of our considerations as we set out proposals in our forthcoming Social Care Green Paper, which will be published in autumn 2018.

The Government also recognises that housing considerations should be an important part of local planning. The Care and Support Statutory Guidance updated in February 2018<sup>4</sup> makes clear the need to include housing on the integration agenda and in strategic planning. Additionally, Sustainability and Transformation Partnerships are required to configure their local system around the holistic needs of the local population, and all Sustainability and Transformation Partnerships include ambitions to strengthen prevention and early intervention. The suitability of housing options should be considered as part of this. Whilst only some Sustainability and Transformation Partnerships have housing as a core theme, many more have considered its role in local systems to some extent. As we progress towards Integrated Care Systems, we expect areas to take on clear, collective responsibility for resources and population health, and work closely with local government and other partners. We have been clear about the vital role that suitable housing provision can and should play in helping people to stay independent and healthy for as long as possible.

**9. The right kind of housing can keep people healthy, support them to live independently and reduce the need for home care or residential care. The social care green paper, planned for publication in summer 2018, must consider the range of housing for older people, from mainstream and accessible homes to supported and extra care housing, as well as access to adaptations and repairs. In particular, the social care green paper should consider the role of extra care housing in the provision of social care alongside domiciliary and residential care. (Paragraph 27).**

**Response:**

As stated above, we have been clear that we will consider housing as we develop proposals for the future of the social care system in the Care Green Paper.

The Government will continue to consider the range of housing available to older people, including new innovative models and those which support interactions across generations. We have made good progress to create options in new mainstream housing by developing a robust framework linking planning to building regulations. Every local authority can now plan to deliver housing that suits local

<sup>3</sup> <https://www.gov.uk/government/publications/improving-health-and-care-through-the-home-mou>

<sup>4</sup> <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

need and viability. We have also introduced an optional technical standard into Building Regulations which gave local authorities a choice in that range between visitable dwellings, accessible and adaptable dwellings and wheelchair user dwellings. This took earlier independent Lifetime Homes guidance and embedded it as a broadly equivalent category of statutory guidance: Category 2 - M4(2)<sup>5</sup>. This can be applied as a planning condition, in a proportion that fits in with the local plan.

In contrast to new build homes, adapting existing homes relies on the home's fabric being suitable for adaptations. The built fabric of some houses will be unsuitable for the sorts of adaptation some people need, such as structural works to widen existing doors. Other homes will be very suitable to add extra steps, ramps and handrails or fit a level access shower room within an existing bathroom. Much depends on the existing building, but also the mobility and the degree of need for each resident. Building Regulations allow for all new homes to include a degree of access and adaptability suited to staying in a home for longer.

Local authorities can now evidence a need for more new accessible and adaptable properties in their area. When developing their local plan policies, each area has the means through planning and building regulations to ensure an appropriate supply of M4(2) Category 2: Access and adaptable dwellings and M4(3) Category 1: Wheelchair user dwellings. The Government will be publishing further guidance shortly to accompany the revised National Planning Policy Framework on how local authorities should plan to meet the needs of older and disabled people.

## Staying put

**10. We believe that this is a false economy. Home Improvement Agencies (HIAs) and handyman services are good value for money, contributing to keeping older people healthy, safe and independent at home. The Government should make additional funding available for the expansion of HIAs so that there is at least access in each local authority area to one agency which operates a full range of services, including a handyman service. (Paragraph 34).**

### Response:

We recognise that home improvement agencies and handyman services can contribute to helping older people live safely and independently at home for longer.

As advised in response to recommendation five, the Government funds Foundations, the national body for home improvement agencies. Foundations have a dedicated website where people can find their local HIA service<sup>6</sup>. While around 70% of local authorities in England already have a home improvement agencies service, Government will continue to look at how it can support and encourage this valuable sector.

**11. Current schemes which check and endorse tradespeople, such as the Government endorsed scheme, 'TrustMark', should consider developing a specific accreditation for traders who have been reviewed by older people or their relatives and proven to be trusted. Once accredited, the trader would be permitted to display the branding used by the national advice line and linked organisations alongside their own logo. (Paragraph 35).**

### Response:

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<sup>5</sup> M4(2) Category 2: Accessible and adaptable dwellings. The approved document [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/540330/BR\\_PDF\\_AD\\_M1\\_2015\\_with\\_2016\\_amendments\\_V3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PDF_AD_M1_2015_with_2016_amendments_V3.pdf)

<sup>6</sup> <http://www.findmyhia.org.uk/>

As earlier stated, the Government funds an organisation called Foundations, which is the national body for home improvement agencies. Foundations already operate a 'TrustMark' scheme in two trade areas – Handypersons and Disabled Adaptations<sup>7</sup>. These TrustMark schemes also require any contractor employed by the home improvement agencies to be TrustMark registered themselves, thereby providing a high level of consumer confidence. However, the Government will consider whether to develop a specific accreditation for traders which have been reviewed by older people.

**12. Equity release and re-mortgaging are possible routes for older owner occupiers to fund large repairs or adaptations to their homes. Mortgage providers and members of UK Finance and the Equity Release Council should work to ensure these products are tailored to the needs of older people. We make a specific recommendation on the provision of joined up advice on equity release and mortgages in paragraph 60. (Paragraph 39).**

**13. The DFG has a very important role to play in making older people's homes accessible and enabling them to maintain their independence. We welcome the Department's commitment to review the operation of the DFG and recommend the review should also look specifically at:**

- Ensuring that adaptations are implemented within a reasonable period of time;
- How to encourage local authorities to innovate in their approach to implementation; and
- The level at which the cap is set. (Paragraph 43).

**Response:**

As already indicated, an independent review of the Disabled Facilities Grant was announced on 11 December 2017 by the then Housing Minister. This review was jointly commissioned by the Ministry of Housing, Communities and Local Government and the Department of Health and Social Care. The review has now completed and considers a range of matters including the current means test for assessing eligibility, the allocation methodology for distributing the grant to local authorities, and the grant upper limit. We recognise the link between adaptations and health and social care services, and the review also considers how the Disabled Facilities Grant might adapt to better support the adoption of new innovations and technology in the future. Government is carefully considering the recommendations and next steps and intends to publish the review in due course.

**14. Private renting is an increasingly important housing option for older people and they should feel confident in being able to adapt their home to meet their needs. We recommend that the review of the DFG should consider how to ensure that older tenants in the private rented sector secure the adaptations they need. In particular, it should consider the case for allocating government funding to local authorities to make discretionary payments to landlords for the costs of reinstatement or removal of the adaptation once the tenancy has ended. (Paragraph 45).**

**Response:**

At present, tenants in the private rented sector may ask their landlords to agree to carry out adaptations in their properties – and landlords should not unreasonably withhold consent. While support for disabled tenants in the private rented sector and the costs of reinstatement or removal of adaptations once a tenancy has ended were not within the scope of the independent review of the Disabled Facilities Grant, we will consider these points separately. Landlords may be more willing

<sup>7</sup> <http://www.foundations.uk.com/resources/hia-services/quality-assurance/trustmark/>

to agree to adaptations where a longer tenancy is in place. We have consulted to collect views on what could be done to provide tenants with longer, more secure tenancies while balancing landlords' needs. The consultation opened on 2 July and closed on 26 August 2018. This work will inform any next steps of how we can support landlords to offer more secure tenancies.

## Moving home

**15. Many older people would like to move in later life but often the physical, financial and emotional aspects of moving home prevent or delay them from doing so, and we heard that many of those who do move often wished they had done so sooner, often “five to 10 years earlier”. The national advice service should provide information and advice on moving, including the practical aspects of moving and where to obtain help with this; housing options; and finance, including mortgages, help to buy and shared ownership. (Paragraph 48).**

### Response:

As acknowledged earlier in our response, the provision of high quality advice can be an important service for older people and can provide valuable information with which older people, and their relatives and carers, are able to make informed choices. We recognise that advice on moving and related matters could be equally helpful and we want the public to be informed and empowered consumers and have access to trustworthy advice, support and information. As such, we are considering the recommendations of the Committee in developing proposals to reform care and support for older people.

**16. Moving home requires a significant amount of physical resource particularly for older people who may have less energy, health needs and a lifetime's worth of belongings to pack and unpack. We recommend that the national advice service should consider how best to gather information about local organisations which can provide practical help with the moving process (decluttering, disposing of unwanted items, packing and unpacking, removals and cleaning) and, where possible, signpost people to these organisations. Furthermore, trade and professional bodies involved in the home buying and selling process, such as The British Association of Removers, NAEA Propertymark, The Law Society and the Royal Institution of Chartered Surveyors, should consider creating an accreditation for their members which provide tailored services for older people. Once accredited, firms would be permitted to display the branding used by the national advice line and linked organisations. (Paragraph 51).**

### Response:

We recognise that it is important for older people to be appropriately supported through the home moving process as the stress of actual moving from a home which a person may have lived in for decades can be a real barrier to deciding to move, especially for older people. As part of the Government's response to its recent Call for Evidence about improving the home buying and selling process, we announced on 8 April 2018 that we will be developing a 'How to Sell' guide to provide clear advice on the selling process and the factors homeowners should take into account, like early de-cluttering, to ensure the process is less stressful. We will also be convening a group of industry experts (lenders, conveyancers, removal firms) to see if anything can be done to improve the moving day experience itself such as the speedier transfer of funds.

As the Committee has suggested, the Government would also welcome the development of an industry-led scheme whereby trade and professional bodies involved in the home buying and selling process could accredit their members, which provide tailored services for older people. We want to



ensure that consumers right across the housing sector are fairly treated and not penalised by hidden charges. An accreditation service tailored to older people could help to drive up quality and provide greater transparency about what services they are getting at what cost.

**17. The Government's commitment to improving the home buying and selling process is welcome and, given the Minister's evidence, we expect to see particular consideration given to how the process can be improved for older people. (Paragraph 52)**

**Response:**

We published our response to the Call for Evidence on the home buying and selling process on 8 April 2018. This set out an ambitious plan of action to make the home buying and selling process in England quicker, cheaper and less stressful. This plan firmly recognises that the buyers and sellers of homes are increasingly older as our population ages.

We will: work with industry to improve the transparency of referral fees; introduce mandatory qualifications for estate agents; work with industry to share conveyancing data so customers can make an informed choice; set out Government's expectations for local authorities to turn around searches within ten working days; set up a technology working group to work on digital signatures and online ID checks among other things; develop 'How to Buy' and 'How to Sell' guides for consumers; have behavioural insight research carried out on reservation agreements and hopefully trial them by the end of 2018; introduce fixed time frames and fees for freeholders and managing agents to provide leasehold information; and work with developers to improve the purchase of new build homes.

Together, these actions should make it easier and less daunting for an older person to sell their home.

**18. We have carefully considered calls for a stamp duty exemption for older people but are not convinced that this would enable many more people to move. Many older home owners are likely to receive a capital gain when they move that will cover the cost of the stamp duty payable on their new home. In addition, we believe that an exemption would be extremely difficult to implement. We believe that stamp duty is not the main barrier to older people moving home and that there are many other practical, emotional and financial factors which act to deter people from doing so. (Paragraph 55).**

**19. A small but increasing number of older people take out a mortgage beyond retirement age. They may have more success obtaining advice from a mortgage broker, who can better assess their personal financial circumstances, than approaching a highstreet lender directly. *We recommend that the Government should encourage lenders to improve the service they provide to older customers. This should entail the provision by high street lenders of clearer guidance, on their website and in the literature available in the branch, on their policy with respect to lending to older people. We also recommend that, where an older person who applies for a mortgage or re-mortgage is rejected, the lender should routinely refer them to another lender, a mortgage broker or, once established, the single financial guidance body for advice (see paragraph 60). (Paragraph 58).***

**Response:**

The Government agrees with the Committee's recommendation that it should encourage high street lenders to provide clearer guidance on their policy with respect to lending to older people.

The Government has sympathy with the Committee's recommendation that when an older person

who applies for a mortgage or re-mortgage is rejected, the lender should routinely refer them to the Single Financial Guidance Body for guidance. The Financial Guidance and Claims Act 2018, creates a requirement for the Financial Conduct Authority (FCA)<sup>8</sup> to make rules signposting to the body's guidance services. Depending on the Financial Conduct Authority's rules, this may mean that high-street lenders are required to signpost older people rejected for a mortgage or re-mortgage to the Single Financial Guidance Body for financial guidance.

It is important to highlight to the Committee that whilst the Single Financial Guidance Body will provide financial guidance, it will not be responsible for providing any kind of financial advice aside from debt advice. Financial advice is a regulated activity that involves a personal recommendation to an individual about a particular course of action, rather than the provision of information on the range of options that may be available to them. Guidance is defined as anything that is not advice.

The Single Financial Guidance Body's role is to ensure that members of the public have access to the relevant guidance that allows them to be informed and educated about how to manage their money well and avoid falling into problem debt. Whilst the body will not offer financial advice, it will be able to help people understand when professional financial advice could be useful and how to access it. It will signpost consumers to information on all money matters, including mortgages and equity release, shared ownership and shared equity, and on re-investing the proceeds of sales.

Financial services firms' treatment of their customers is governed by the Financial Conduct Authority in its Principles for Businesses. This includes a general requirement for firms to provide a prompt, efficient and fair service to all of their customers. The Financial Conduct Authority's Handbook also requires firms to identify particularly vulnerable customers, including older people, and to deal with such customers appropriately.

**20. The Government and UK Finance should together consider what steps can be taken to increase lenders' confidence in lending on the purchase of specialist housing. The Government's acceptance of the Law Commission's recommendation for a code of practice on event fees and specific legislation for the extra care housing sector (discussed in paragraphs 98 to 101) may also help to sustain resale values, thereby boosting lenders' confidence. (Paragraph 59).**

**Response:**

We will work with UK Finance to consider what steps could increase lender confidence for the purchase of leasehold retirement homes. A clearer and transparent framework for event fees will help to provide greater certainty to investors and lenders.

**21. We recommend that the single financial guidance body, for which the Financial Guidance and Claims Bill (Lords) will legislate, should be made responsible for providing specialist advice tailored to the financial circumstances of older people. It should signpost older people to mortgage brokers, banks and building societies who can offer advice on mortgages and equity release, shared ownership and shared equity, and on re-investing the proceeds of sales. The national advice service should be closely linked to the single financial guidance body and signpost people seeking housing finance advice to it. (Paragraph 60).**

**Response:**

The Government is not of the view that the Single Financial Guidance Body should be made responsible for providing specialist advice tailored to the financial circumstances of older people.

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<sup>8</sup> <https://www.fca.org.uk/>

As discussed in the Government's response to recommendation 19, whilst the Single Financial Guidance Body will provide financial guidance, it will not be responsible for providing any kind of financial advice aside from debt advice. Financial advice is a regulated activity that involves a personal recommendation to an individual about a particular course of action. Guidance is defined as anything that is not advice. The body will be able to help people understand when professional financial advice could be useful and how to access it.

However, the Government agrees with the Committee's recommendation that the Single Financial Guidance Body should signpost older people to mortgage brokers, banks and building societies who can offer advice on mortgages and equity release, shared ownership and shared equity, and on re-investing the proceeds of sales. The Single Financial Guidance Body will support older people to understand when and how to access specialist financial advice.

**22. Owner-occupiers in low-value housing or in poor condition may not be able to move unless they can access social rented housing or shared ownership. Both shared ownership and Help to Buy could play a more important role in enabling older people to afford to purchase a mainstream home or release equity when they move. *We recommend the Government should ensure that providers and lenders make these home ownership options available and transparent for older people and address perceptions that Help to Buy is aimed at first time buyers. We also recommend that the Government should work with lenders and housing providers to ensure one model for shared ownership which would encourage more lenders to offer mortgages, thereby widening access to this initiative, and consider how shared equity can be used for specialist housing. (Paragraph 63).***

**Response:**

We agree that more older owner-occupiers, living in low value housing, should have the opportunity to move to more appropriate housing as they age. At present, new commercial specialist older people's housing tends not to cater for this market while new supported housing is largely targeted at the most vulnerable. We are keen to encourage innovative approaches which can target this important cohort, especially from local authorities and housing associations, and recognise there can be an equity gap which makes it difficult for an older household in weaker housing markets to purchase a new home.

Shared ownership has an important role to play in addressing this gap. The Government is already investing over £9 billion in affordable homes through our Affordable Homes Programme 2016-21<sup>9</sup> including shared ownership and Older Persons Shared Ownership. The latter is sheltered housing on shared ownership terms adapted for the particular needs of the over 55s. Standard shared ownership schemes are also available and offered to older people if it meets their needs. Since 2010 around 54,000 new Shared Ownership homes have been delivered, and we continue to encourage bids for shared ownership within the 2016-21 Affordable Homes Programme. We are also currently considering a range of ways in which shared ownership can be made more accessible to all buyers and increase its attractiveness to lenders and investors.

The Government also recognises shared equity could play a role. We believe private lenders working with developers are best placed to develop appropriate shared equity models for new older people's housing. Unlike first time buyers, most older owner-occupiers, even in weaker markets, have significant equity for a new purchase, which reduces lender risk. More lenders are now developing retirement products aimed at older people, such as lifetime mortgages.

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<sup>9</sup> <https://www.gov.uk/government/collections/shared-ownership-and-affordable-homes-programme-2016-to-2021-guidance>



The Government's Help to Buy: Equity Loan scheme<sup>10</sup> remains available to older people who wish to purchase a newly built mainstream home - the scheme is explicitly designed to help people into homeownership. In particular, there is a requirement for an eligible buyer to have a mortgage of at least 25% of the property's value, so we recognise it may not be suitable for many older people. We are committed to maintaining Help to Buy until 2021.

**23. We believe that the options for older social tenants who wish to move are limited. There are wider social advantages in enabling this group to move if they wish to do so, namely the health and wellbeing benefits that can result from more appropriate accommodation and the fact that it can free up homes for families waiting to move. More of all types of housing for older people - extra care, sheltered and accessible housing - need to be built across the social and private sectors. (Paragraph 69).**

**24. We heard frequent claims that older people moving home in later life could be part of the solution to tackling the housing shortage but little real evidence to support this. We believe that this issue warrants further investigation as there may be wider social advantages in older people moving to a smaller home that better suits their needs. The Government should commission independent research to investigate the impact of 'rightsizing' on the housing market. This research should aim to provide a better understanding of how many older people move, where they move to, who moves into the homes they vacate and to what extent this helps to satisfy local demand for homes. (Paragraph 73).**

#### **Response:**

We agree that further research into the impact of older people moving home on the housing market could contribute to a stronger evidence base to inform policy making. The scope and remit of the research would need to be tailored to ensure we add value to currently available information.

#### **Housing options**

**25. We believe that mandatory Category 1 standard is too low and that all new homes should be built to be 'age proof' for the current and future needs of an ageing population. We recommend therefore that the baseline standard for all new homes should be Category 2. The Government should work with local authorities to collect data on the number of homes built to Category 2 and 3 standards and require that homes built to such standards are advertised as such in sales and lettings literature so they are easily identifiable. (Paragraph 81).**

#### **Response:**

Following the Grenfell Tower tragedy, on 30 August 2017 the Government set up an independent review of Building Regulations and fire safety, led by Dame Judith Hackitt. Although the focus is on fire safety and high rise buildings, that review may raise issues which have wider implications for the Building Regulations and building control system. The review has recommended that the Government should consider how the suite of Approved Documents, which support the Building Regulations, should be structured and ordered.

**26. We recommend that local authorities ensure their accessible housing register or comparable system is comprehensive and up-to-date and keep track of stock which has undergone significant adaptation so that it can be matched in the future to the needs of new occupants. They should also ensure that housing occupational therapists, surveyors and housing associations feed into the information gathering process. (Paragraph 82).**

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<sup>10</sup> <https://www.help2obuy.gov.uk/>

**Response:**

We recognise the importance of ensuring that older people and those with disabilities are able to access suitable accommodation which meets their needs. We also recognise that accessible housing registers can be useful. We are aware that a number of local authorities are adopting such an approach, and in London there is a city-wide London Accessible Housing Register<sup>11</sup>.

The Government believes it is important that people who require accessible housing are given the right level of priority under a council's housing allocation scheme, and that councils and social landlords are able to make the best use of affordable housing in their area, including accommodation which is accessible or has been adapted. That is why through the Localism Act 2011 we have retained the statutory reasonable preference requirements which ensure that priority for social housing is given to those who need to move on medical and welfare grounds (including grounds relating to a disability). We have also made sure that council and housing association landlords have the flexibility to use their social housing stock in a way which best meets the needs of individual households and their local area. We will continue to review local initiatives and consider whether they can be expanded more widely.

**27. The current array of terms used to describe the different types of specialist housing is confusing, although what is provided is diverse. This makes it difficult for people to understand what is on offer and make comparisons, and may ultimately be off putting for people interested in this type of housing. We note that the success of specialist housing in other countries may be due to having a “consistent concept” of what is on offer. The Government should instigate discussions between developers and providers of specialist housing with the aim of agreeing on a consistent terminology to describe the housing and related services on offer. (Paragraph 84).**

**Response:**

It is important that providers use terminology which is clearly understood, so that people can make informed choices. We will encourage providers to work together in identifying appropriate terminology which more accurately describe different types of specialist housing. This should allow individuals to more easily choose the housing which best meets their aspirations.

**28. We believe that, in the face of demand, there is a shortfall in supply of specialist homes in general and particularly for private ownership and rent and for the ‘middle market’. This limits the housing options available to older people and the opportunity to derive the health and wellbeing benefits linked to specialist homes. (Paragraph 86).**

**29. Specialist housing, and particularly extra care housing, can promote the health and wellbeing of older people and their carers, leading to savings in spending on health and social care. *We recommend that the planned social care green paper should include plans to promote awareness of this type of housing so it becomes an option for older people whose care needs are not significant enough for residential care. (Paragraph 91).***

**Response:**

A safe and suitable home may be a housing option with increased levels of care and support, and it is crucial that enough of this kind of housing is provided. What constitutes a safe and suitable home is different for different people, so we want to provide access to as many different options as possible, along with the information and advice people need to make the right choice for them.

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<sup>11</sup> <https://www.london.gov.uk/what-we-do/housing-and-land/renting/london-accessible-housing-register>

As well as health and wellbeing benefits, there is good evidence around the savings associated with supported housing. For example, a report by Frontier Economics in 2010 found that for older people in supported housing, there was a net benefit of £444 per person per year, excluding the cost of housing benefit.<sup>12</sup>

We are committed to promoting supply and investment in extra care housing. We recognise the importance it plays in helping older people live safely and prevent more intensive interventions. We expect local authorities to plan for this type of provision in their area.

The Department of Health and Social Care also provides funding to support and encourage more supported housing to be built. In 2012, Department of Health and Social Care launched the Care and Support Specialised Housing Fund to invest in more specialised accommodation for older people with care and support needs, as well as adults with mental ill health, or a physical or learning disability. The continued support and funding for this scheme reflect the important role supported housing has to play. This is alongside funding provided by the Ministry of Housing, Communities and Local Government to deliver new affordable supported housing for the vulnerable, elderly or those with disabilities. Furthermore, we have been clear that we will consider housing as we develop proposals for the future of the care system in the Social Care Green Paper, which will be published in autumn 2018.

**30. Registered social landlords also play a significant role in promoting the health and wellbeing of vulnerable older tenants. *We believe that, as recommended by our predecessor Committee, housing associations should remain mindful of their social mission to ensure that they make best use of this position and consistent levels of service, the Government should publish standards setting out their role and responsibilities to their older tenants, including ensuring good quality, adapted (where necessary) housing and, more widely, falls and accident prevention, preventing hospital admissions and enabling prompt discharge. (Paragraph 92).***

**Response:**

We continue to have full confidence that housing associations will deliver against their social objectives and act in the interests of the communities they serve. However, we will consider the Committee's views further.

**31. We believe that concerns about the cost of and costs associated with specialist housing, as well as its resale value may deter older people from purchasing this type of property. Greater transparency on charges and payment models, particularly event fees, linked to wider availability of advice, would help to improve consumer confidence in this area. *We therefore recommend that the Government should accept the Law Commission's recommendations on event fees and give legislative backing to its proposed code of practice. In addition, consideration should be given to introducing a legislative framework for extra care housing (as has been introduced in New Zealand) to bring together regulations relating to the provision of housing, care, and other support services. (Paragraph 101).***

**Response:**

We will work towards implementing the Law Commission's recommendation for a code of practice on event fees. The Ministry of Housing, Communities and Local Government and the Department for Business, Energy and Industrial Strategy will also work together to consider whether there is the need for new legislation to underpin a code of practice for event fees.

<sup>12</sup> Frontier Economics (2010) Financial benefits of investment in specialist housing for vulnerable and older people. <https://goo.gl/tQuFKH>

**32. We welcome the announcement of a ‘sheltered rent’ and the additional information offered by the Minister in oral evidence. Once its discussions with the sector are complete, the Government should confirm as soon as possible how sheltered rent will work in practice, in particular:**

- **The evidence base used to set the sheltered housing rent;**
- **How the rent will increase in future years and what provision is being made for an increase in supply;**
- **Whether all the schemes currently defined as sheltered housing will be eligible for sheltered rent; and**
- **What transitional arrangements will be put in place. (Paragraph 104).**

**Response:**

Sheltered and extra care housing plays an important role for older people to live independently, while promoting their health and wellbeing. As announced on 9 August 2018, we are not convinced the regulatory approach proposed in October 2017 is the right step. Providers have been very keen to work with us on ensuring that best quality and value for money is achieved, and we want to continue this dialogue in order to develop additional and robust oversight across the whole supported housing sector, including sheltered and extra-care.

**33. While better provision of advice and information about other housing options may encourage older people to consider alternative options, we believe that, given the enduring popularity of bungalows among older people and their accessibility features, more councils and developers should consider the feasibility of building bungalows. (Paragraph 107).**

**Response:**

We agree that local authorities should be planning for the future housing needs of older people so that they are able to live safely, independently and comfortably in their homes for as long as possible, or move to more suitable accommodation if they so wish. That is why our planning guidance makes clear that local authorities should be planning for various general housing options, including bungalows, which are suitable for independent living for older people. Where bungalows have been identified as suitable solutions, we would encourage local authorities and developers to take an innovative approach that makes the most effective use of land.

**34. The Government’s continuing support for cohousing through the Community Housing Fund is welcome. *We recommend that, alongside this, the Government, in partnership with the UK Cohousing Network, should produce guidance for local authorities on supporting cohousing groups through the planning system. (Paragraph 109).***

**Response:**

We agree about the benefits of cohousing. Local authorities are best placed to understand the housing needs in their area. We expect them to work closely with key partners and local communities in deciding what type of housing is needed. The Government recognises the importance of planning for the range of housing needs of older people, including cohousing and other intergenerational models, in order to allow them to live independently and safely in their own home for as long as possible.

Our planning guidance makes it clear that plan-making authorities should consider the size, location and quality of dwellings for older people and the Government continues to support cohousing options where they meet local need. We will engage with the UK Cohousing Network to help them prepare best practice guidance, which is helpful and consistent with national planning policy.

**35. We agree that the functional and accessible aspects of design need to be balanced with aesthetics. However, the evidence about the lack of attractive housing options for older people would suggest that this balance is not being achieved. (Paragraph 111).**

**36. We believe that developers of specialist and accessible housing should be more ambitious in the design of their housing and should make use of the HAPPI (the Housing our Ageing Population Panel for Innovation) design criteria for older people's housing. Local authorities and housing associations should require developers to involve older people in the design process, to better reflect their needs. (Paragraph 111).**

**Response:**

The Housing our Ageing Population: Panel for Innovation report<sup>13</sup> published in 2009 is a voluntary guide that sets out the principles for good design and innovation for purpose designed new homes for older people. We agree that all housing should be designed to high standards and the section covering design quality in the National Planning Policy Framework has been strengthened. Furthermore, the planning guidance we are preparing to support the revised National Planning Policy Framework will be informed by an evidence base including the Housing our Ageing Population: Panel for Innovation principles for design.

The revised National Planning Policy Framework emphasises the importance of early engagement of residents in the planning and design process and this includes the involvement of older people where practical.

## **Planning and supply of homes for older people**

**37. We believe that national planning policy should give greater encouragement to the development of housing for older people and ensuring sites are available for a wider range of developers. We recommend that, in the impending review, the NPPF should be amended to emphasise the key importance of the provision of housing for older people in both local authority plan making and decision taking. (Paragraph 114).**

**Response:**

We have strengthened national planning policy to reflect the importance of housing for older people. The revised National Planning Policy Framework<sup>14</sup> was published on 24 July 2018 and sets out that plan making authorities are expected to have clear policies for addressing the housing needs of older and disabled people. The revised National Planning Policy Framework also includes a wider definition of older people in the glossary that includes those approaching, as well as over, retirement age. This will enable plan-making authorities to plan for the needs of people seeking to move to more suitable accommodation at an earlier age.

**38. We recommend that the new standard approach to assessing housing need explicitly addresses the complex and differing housing needs of older people. (Paragraph 116).**

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<https://www.gov.uk/government/publications/housing-our-ageing-population-panel-for-innovation>  
<https://www.gov.uk/government/collections/revised-national-planning-policy-framework>



## **Response:**

Our new standard method for assessing housing need is based on data which provides an indication of the future age structure of the country. Our planning guidance<sup>15</sup> on housing need assessment provides plan-making authorities with advice on how to consider their overall local housing needs to best identify different types of housing. The guidance includes a specific section on housing for older people, which recognises their particular housing needs and identifies key considerations for plan-making authorities. The guidance also identifies sources of data to enable local authorities to plan for the future need for specialist accommodation.

**39. We believe that older people should be able to choose from a wide choice of housing which can accommodate their needs and preferences. This will include, across the social and private sectors, smaller, or better designed, general needs housing, accessible housing, specialist housing, including retirement homes and extra care housing, and cohousing. To enable them to make this choice, and move to a home which better suits their needs, the guidance required under the Neighbourhood Planning Act 2017 should recommend that:**

- **Local authorities produce and publish a strategy explaining how they intend to meet the housing needs of older people in their area, including the scale and mix of housing and the tenures needed, and setting out the evidence relating to current housing need.**
- **Local Plans should, based on an assessment of local need, identify a target proportion of new housing to be developed for older people and identify suitable well-connected sites, close to local amenities. They should identify a range of different types of housing, including accessible homes, extra care housing and smaller mainstream homes to be built. The number of homes developed against this target should be published each year.**
- **There should be greater collaboration within local authorities between planning, social care, health and housing teams, particularly on the production of Local Plans. Local authority planning, health and social care teams should work together to assess the savings to health and social care budgets which may arise from additional specialist housing in their area and consider this in the context of negotiations over planning charges.**
- **Local authorities should be more receptive to private developers who wish to build housing for older people in their area, and appreciate the potential health and wellbeing benefits leading to reduced need to health and social care services to be gained. (Paragraph 122).**

## **Response:**

We welcome these suggestions to inform our preparation of planning guidance on how local planning authorities can meet the housing needs of older people in their plans. We have already undertaken positive stakeholder engagement with local authorities, charities and house builder representatives to inform the new guidance, which will be published in the autumn 2018.

Our revised National Planning Policy Framework and accompanying guidance make clear that local plan policies should be underpinned by relevant and up-to-date evidence which is proportionate; accessible to communities; and focused on justifying policies. The guidance also encourages

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<sup>15</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/687239/Draft\\_planning\\_practice\\_guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/687239/Draft_planning_practice_guidance.pdf)

local planning authorities and public health organisations to work together to promote healthy communities and support appropriate health infrastructure, for example by recommending the use of evidence from Joint Strategic Needs Assessments, prepared by Health and Wellbeing boards, when calculating housing need.

**40. We believe that the level of planning contributions on specialist housing, which are increased as a result of the non-saleable communal areas which are a feature of this type of housing, is impeding the delivery of homes. We recommend either the creation of a sub-category of the C2 planning classification (which currently applies to residential care and nursing homes) for specialist housing, which would reduce the contributions required from developers, or the creation of a new use class for specialist housing which would have the same effect. (Paragraph 126).**

**Response:**

We do not think that a change to the use classes order would make a difference as charging authorities are not restricted to setting the rates of developer contributions in line with the use classes Order.

Charging authorities do have to take account of viability impacts when considering levels of developer contributions through section 106 planning obligations and the Community Infrastructure Levy. Our revised National Planning Policy Framework includes a new approach to testing viability and reforms to developer contributions so developers are clear about their commitments, local authorities are empowered to hold them to account and communities are confident their needs will be met.

**Conclusion: A national strategy**

**41. The terms of reference for this inquiry asked whether a national strategy on housing provision for older people was needed. The vast majority of those responding said yes, and we have decided to endorse their view. It is a well-known fact that our society is ageing, with 18% of people aged 65 and over and 2.4% aged 85 and over in 2016, and the proportion of people aged 85 projected to double over the next 25 years. While this is something to be celebrated, it also presents challenges as people's housing needs and preferences change as they grow older and they may want to make changes to the way they live. This is compounded by the fact that older people's housing needs and options will be diverse in terms of tenure, geographical location, income, equity and individual choice. Furthermore, as the number of issues tackled in this report demonstrates, this is a broad and complex area of policy. We therefore recommend that the Government introduces a new national strategy for older people's housing, which takes into account the recommendations made in this report. It should be established in consultation with older people and those who provide for them. The strategy should bring together and improve the aspects of policy affecting housing for older people and, recognising the link between housing and health, be closely linked with the social care green paper and the Government's future work on social care. (Paragraph 127).**

**Response:**

We have set out a strategy to make the housing market work and make sure it works for all parts of our community, including older people. In our Housing White Paper 'Fixing our Broken Housing Market'<sup>16</sup> we recognised that there is a fundamental need to do more to ensure that more homes suitable for older people are being built as part of our overall ambition to increase housing supply.

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<sup>16</sup> <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

We have also set out plans to start to tackle the lack of affordability and increase choice, and to make the housing market fairer for renters and home owners. We have also set out £44 billion of financial support for housing over the next five years, and we have recently consulted on reforms to the planning system through a revised National Planning Policy Framework<sup>17</sup>. This specifies that local planning authorities are expected to have clear policies for addressing the housing needs of groups including older people. Guidance which supplements the Framework gives further advice on how plan making authorities can identify the housing needs of older people.

We also recognise the need to provide more of the right types of homes for older people to help support an ageing population. Offering older people a better choice of accommodation can help them to live independently for longer, improve their quality of life and free up more family homes for other buyers. We will consider the Committee's recommendations alongside wider issues affecting older people in the forthcoming Social Care Green Paper and following the independent review of the Disabled Facilities Grant.

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<sup>17</sup> <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>









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