

Fit for the future

Meeting the Challenge of Housing an Ageing Population



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Foreword



During the International Housing Partnership meeting, held in Vancouver in 2012, it was agreed to establish a working group to examine issues relating to housing and older people. That decision stemmed from the need to learn and share best practice in response to the issues faced by providers in dealing with an ageing population. There is a clear requirement to prepare for the future as the population trends in each of our nations show that the numbers of older people are set to expand ever further, with consequent effects on expenditure, planning, public health and social policy.

While living longer is something to be celebrated, each country within the Partnership is at a different stage in its thinking in response to this landscape. But each recognises the need to develop and adopt strategies to ensure that older people are not only well housed, but that they are also able to play a full part in society too.

This report provides some details of the various approaches taken by policy makers and housing providers in IHP member countries. It also examines some of the key policy drivers that are shaping the debate, and some good practice which is emerging as a result. The aim has been to produce a report that signposts members to the vast amount of advice and guidance that already exists, thus helping providers produce forward looking strategies within their organisations.

I am very grateful for the participation in the working group of each and every member. I recognise this has not always been easy, but the sharing of experiences and learning has been wholly positive.

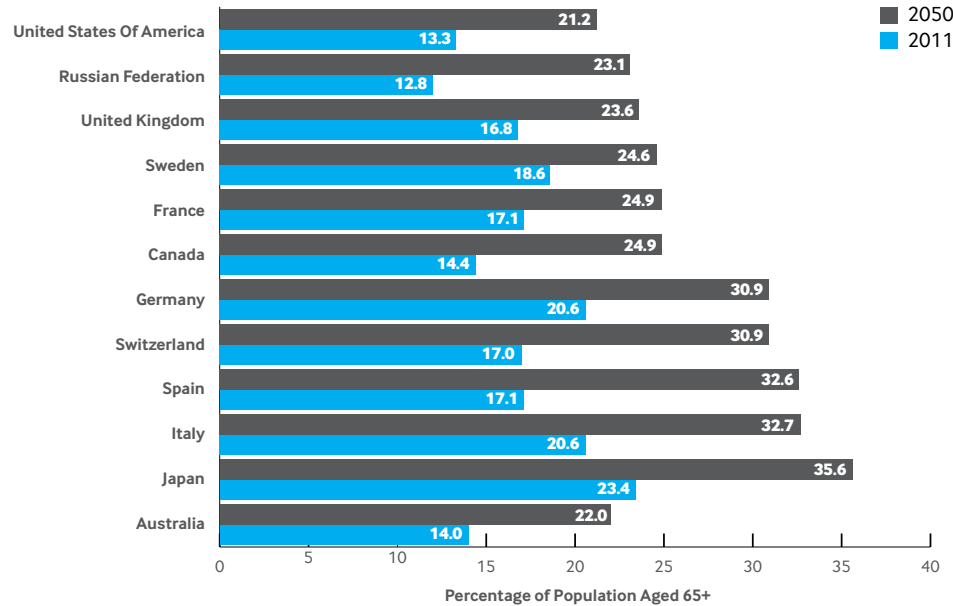
I also wish to place on record my thanks to Sem Moema and Luana Asiata of Genesis Housing Association in the UK for their help in the preparation of this report and Jeremy Porteus at the Housing Learning and Improvement Network for his invaluable comments.

Neil Hadden
HPUK Chair

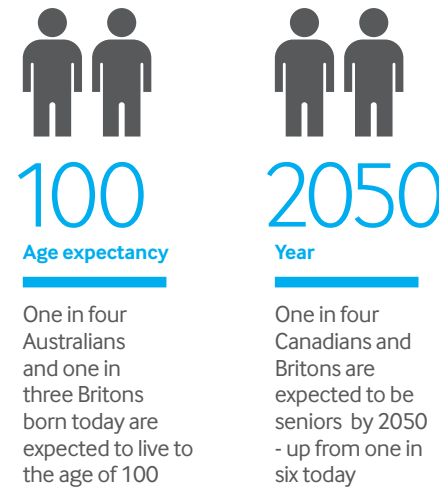


The changed and changing landscape

Ageing societies are an international phenomenon. In 1950, just eight per cent of the world population was aged 60 years or over. By 2005 that proportion had risen to 10 per cent and it is expected to more than double over the next 40 years, reaching 22 per cent in 2050. Globally the number of people aged 60 and over will nearly triple, increasing from 894 million in 2010 to 2.43 billion in 2050.



Source: House of Commons Library, UN Department of Economic and Social Affairs



In all four member countries over time there will be a smaller proportion of people deemed to be 'economically active', a situation which has been exacerbated by the global economic downturn.

Across mature economies, Governments are raising the retirement age incrementally as a policy response. This is due to reduce social expenditure and in response to their changing age demographic. The gap between male and female retirement ages is therefore gradually closing. Although measures such as these are often politically difficult, they are also developed against a backdrop of celebrating the fact that older people can and do continue to engage in their communities, work longer and enjoy better health into later life. The contribution older people make economically and socially in each country continues to enrich society: the fact this policy approach also helps address funding gaps in wider Government expenditure is also to the good.

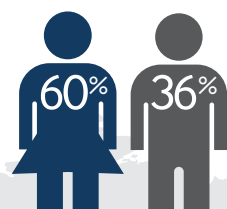
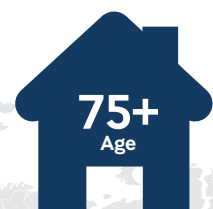
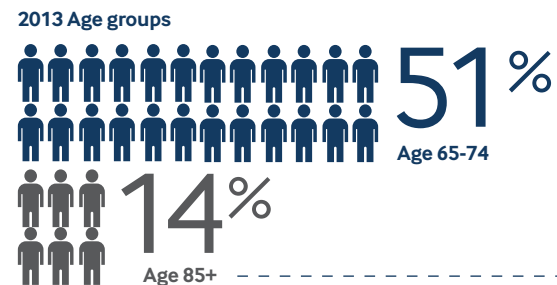
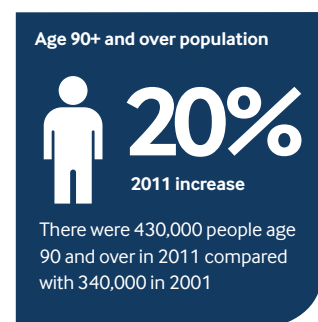
The proportion of American seniors aged over 65 is projected to increase from 35million to 79.7million over 40 years. Of those, 28 per cent are expected to be living alone. Increasing life expectancy and better healthcare has meant a markedly higher growth rate among older people than in the general population.

These positive developments in public health and social care over the last 50 years now lay out a significant public policy challenge in housing: how does society begin to address mainstreaming and providing housing for older people for at least another 50 years? How do housing leaders, in the face of economic and social reforms, including in health and welfare, begin to meet demand and aspirations of this fast growing cohort?

The infographics on the following page demonstrate some demographic characteristics in each of the four countries. The conclusion is that all four are facing similar issues.

Common issues across IHP member countries

UNITED KINGDOM

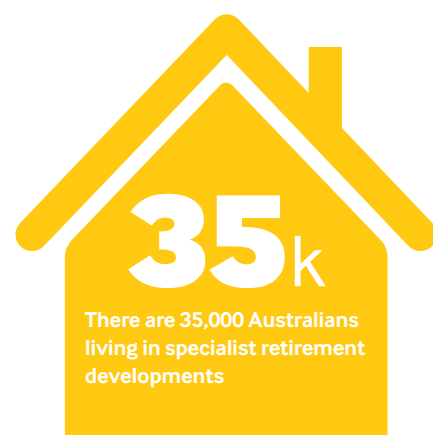
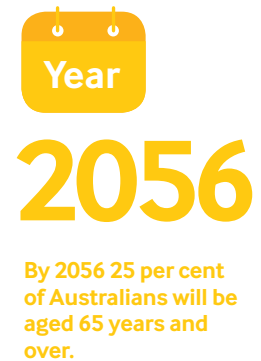


Older women outnumber men although improvements in mortality rates among older men has led to a narrowing of the gap. The sex ratio has increased to 79 men per 100 women. The greater number of women than men is most pronounced among the very old, as women tend to live older than men.



Source: House of Commons library 2013, UN Department of Economic and Social Affairs, Population Division, 2011 UK Census.

AUSTRALIA

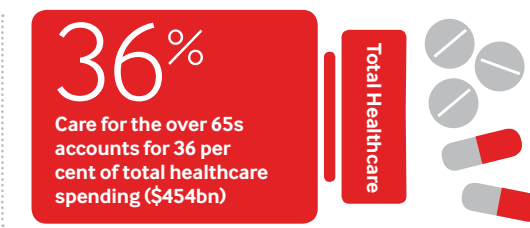
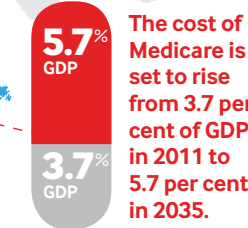
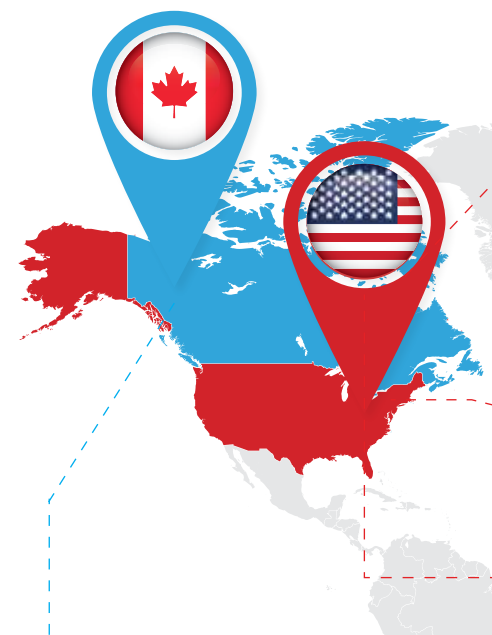


There were 344,100 people aged 85 years and over in Australia in 2007, making up 1.6% of the population. This group is projected to grow to 7.3% by 2056 and to up to 9.3% by 2101.



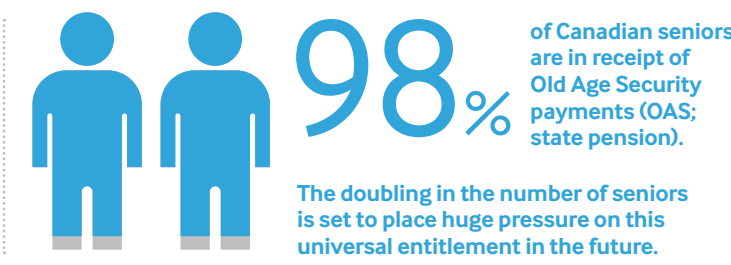
Source: Australian Bureau of Statistics; PriceWaterHouseCoopers and Demos research into elder care.

UNITED STATES

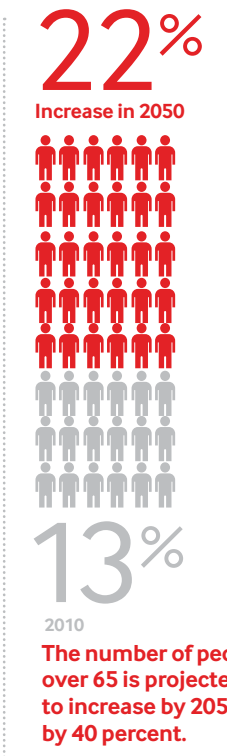


Source: US Dept. Health and Human Services; American Elder Care Research; US Census Bureaus; US Social Security Administration

CANADA



Source: Human Resources and Skills Development Canada; Service Canada (Government of Canada old age security information portal)





Policy developments

The need for fresh approaches

Internationally the housing sector has set in train a number of positive steps to respond to the reality of older populations – a change in approach which has evolved in earnest over the last decade. The key challenge however remains the same: to meet the complex needs and aspirations of older people at a time of wider societal reforms. The growing integration between social care and health provision looms large, pensions changes impacts on income mean the post-Baby Boomer generation approach retirement with fewer and less generous financial options.

What is emerging is a 'perfect storm'. Advances in medical care and treatment, coupled with reductions in generous Government welfare and retirement frameworks, that although people are living longer, they often lack the resources to secure dignity in older age – including in exercising their choice of housing options.

This problem requires imagination and diversity of approach in meeting the aspirations of older residents to enable them to live independent lives, as they choose and in a way which works for them.

At local and national level across IHP member countries, housing providers and Governments have begun to acknowledge and address the impacts of demographic changes.

Although change is in progress on this agenda it is running at different speeds across the four IHP nations and with different levels of urgency, in part fuelled by their electoral cycles. This has been especially tested in Australia in an election year – where the 'grey' vote is seen as an influential lobby to be responded to during the election, but also increasingly by Government once in office.

As a good scene setter, the Local Government Association (LGA), which represents local authorities in England and Wales, published, "Good Homes in which to Grow Old? The Role of Councils in Meeting the Housing Challenge of an Ageing Population", outlining the key challenges and issues facing an ageing population, which they found to be:

- The core demographic challenges;
- barriers to local leadership in planning and provision of housing;
- delivering personalisation, choice and diversity in housing;
- reduced public sector resources.

In addition to these, they have identified six areas to be addressed, three of which are directly relevant to housing providers across IHP. These are all strategic issues that local Government and partners need to address to begin to provide the homes that older people want and need.

- Investing in housing for better outcomes for older people;
- Local coordination of planning, housing, care and health; and
- Local freedom and leadership to shape the housing market and local coordination of care.

Integration with health and social care programmes

Since Housing Partnership UK's (HPUK) 2012 report, "Housing our Ageing Population: A Report of the HPUK Working Group 2012", there has been considerable discussion and debate into how developed economy societies address and pay for an ageing population. Integrating health and social care for this cohort is a step that we as a sector can and should lead on.

In the UK, the Association of Directors of Adult Social Services (ADASS), a body representing adult social services directors in

England and with inputs from, among other areas, housing, has compiled a resource pack in partnership with the Housing Learning and Improvement Network (Housing LIN). This pack includes toolkits that outline how housing can be designed with people's future care needs in mind, allowing them to 'age in place'. Providing a framework for commissioners and providers, the ADASS/ Housing LIN resource pack provides a range of models for estimating demand, identifying and developing local markets, holistic neighbourhood and service development, and engaging with providers in Directors' role as commissioners of specialist housing.

Changes to health and social care commissioning, with Primary Care Trusts (PCTs) being replaced at a local level by Clinical Commissioning Groups and developing partnership with local authorities with health and wellbeing boards (HWB), provide both an opportunity and a challenge for housing providers. Partnership building will likely become more nuanced than at present. In order to guarantee the success of integrating delivery (and indeed commissioning) of health, housing and social care, the partnership outlined by the Chartered Institute of Housing (CIH) and Housing LIN suggests a model for providers to consider operational and strategic levels of delivery. While the Partnership's recommendations may not be applicable in all circumstances, underlying principles of joint working and training with health, housing and social care professionals, will be key to ensuring success.

In Canada, where strategic housing delivery is devolved, there are clear differences in the interplay between federal and state actors across housing and healthcare provision for seniors. The Social Housing Services Corporation (SHSC) was established in 2002 to support social housing landlords and municipally managed housing programmes. They focused their 2007 research on, "housing and care options for low – income seniors in Ontario", exploring, "...a continuum that integrates social housing health care and community supports through comprehensive and flexible programs", within Ontario's challenging health and housing policy context.

Its successor organisation, the Housing Services Corporation (HSC), which was established with a similar remit, has in the absence of a national strategy and limited investment in homes for seniors, continued to support strategies in Ontario that allow Canadians seniors to 'age in place'. At the same time, the HSC plays a part in mitigating the deterioration of neighbourhoods and housing in a province that holds almost 40 per cent of Canada's social housing stock .

With the imminent expiry of a number of operating agreements that have provided subsidies to social housing providers, the HSC's challenges are manifold. The Government has committed to investing C\$480.6million through the HSC administered Investment in Affordable Housing Ontario (IAH) programme, intended to, "create and repair 7000 affordable homes", in a concerted effort to pull together a diverse range of programmes, forming the basis of long term new homes delivery to fill the policy void in strategic health and housing. Ontario's 2014 Housing and Homelessness Plans will be a first step in addressing some clear weaknesses in federal and provincial policy, namely:

- 32 per cent of the population age 75 and over rent
- 39,463 households are waiting for subsidised homes
- 25 per cent of households waiting for new homes are seniors
- No new private rental homes are being built
- Clarity on how programmes such as the Seniors' Property Tax Deferral Program, Healthy Homes Renovation Tax Credit, IAH and Ontario's Local Health Integration Network (LHIN), will translate calls for better housing [and healthcare] into tangible results.

Lessons learned in the USA of successful integration of health and housing for seniors are slowly being applied in the UK. Integrating health and housing has the added benefit, in an environment with greatly reduced grant, of generating additional income for providers. The report, "Social Hearted, Commercially Minded: A Report on Tomorrow's Housing Associations", by the Smith Institute and supported by

Issues around whether we have appropriate housing, issues around whether we have the care and health agenda sorted out, all of these are key priorities [for government]. So the agenda is important and elements within it are extremely important.

Sir Bob Kerslake
Head of the UK Civil Service

A better health and social care system to support people to stay living independently needs adequate housing and support in the home. The work done by housing adaptation and repair charities is commendable, but needs to become universal. The housing market is delivering much less specialist housing for older people than is needed. Central and local government, housing associations and house builders need urgently to plan how to ensure that the housing needs of the older population are better addressed and to give as much priority to promoting an adequate market and social housing for older people as is given to housing for younger people.

Lord Filkin
Ready for Ageing?
Select Committee on Public Service and Demographic Change 2013

Genesis Housing Association, shines a light on the challenges ahead for UK housing associations, who traditionally have been less active in growing funding streams other than those from local and national Government.

As well as reducing long term health and social care costs for social services departments and the National Health Service (NHS), an integrated approach to health and social care demonstrates innovation by associations, acting commercially in order to deliver on their social purpose. One Housing Group, a leading provider of homes and care services in London and the South East of England, have identified opportunities to work with the North London Health Trust (NLHT), a health and housing commissioning body.

One Housing Group found that, "it costs £700 a week in a housing association home but £3000 a week to house the same person on a ward... if housing associations were able to house a third [of people in NLHT's jurisdiction] that could save £1 billion a year." Such an approach rolled out at scale would no doubt reap financial and social dividends for health care commissioners, housing and care providers alike.

In March 2013, the House of Lords Committee on Public Service and Demographic Change highlighted the urgent need for support from Government, chaired by Lord Filkin. If the committee's recommendations are acted on, the UK Government will commit to establishing panels of experts and parliamentarians to explore health and social care (and funding these through equity release for owner occupiers), pensions and other financial products.

Unlike Australia, where the post of Minister for Older People has been established; or Canada, where clear national strategies exist (albeit at a devolved level of Government), the UK lags behind in its preparation for dealing with the implications of a fast growing ageing population instead taking a siloed approach to policy making. Arguably there is growing awareness of the impact on society, if not (yet) the political will to address integration of housing as the next logical step.

Building on recommendations from HPUK's report, IHP welcomes the formal recognition of housing as the foundation of cost effective, adequate delivery of joined up health and social care in the future.

In 2010, the UK Department of Health established the Commission on Funding Care and Support, chaired by Andrew Dilnot [the Dilnot Commission]. The Commission's objective was to make recommendations on how older people in the UK could be guaranteed health and social care, and indirectly, housing options.

With some of the Dilnot Commission's recommendations to be partially enacted by 2017, this is a welcome first step in a strategic approach to ensuring provision of housing, social and healthcare in the future. This is to include the high profile and much debated commitment to individual health and social care funding entitlements. Although not a uniquely UK characteristic, the concentration of housing wealth among older cohorts in comparison to the wider population means a range of other policy areas such as taxation, further pension reforms, incentives to reform and wider promotion of equity release products, will over time become a feature of the debate on providing integrated health, social care and housing products for older people.

The UK Government has also begun to make positive steps in making the link between housing and care clearer in policy beyond the traditional housing lead, the Department for Communities and Local Government (DCLG). In July 2013, Care and Support Minister, Norman Lamb MP, allocated the first phase of a Department of Health (DoH) fund to boost the supported housing market, to build over 3500 new specialist homes.

A welcome step in cross-departmental integration of housing and care, the first phase of the, "Care and Support Specialised Housing scheme", incorporates features that will allow people to live independently in their own home, reducing the need for hospital admissions, reducing costs to the NHS and redirecting funding to long term provision of homes for older people.

The Department of Health will provide £101million in phase one, of which £29m has been allocated to the Homes and Communities and Greater London Authority to build 669 new homes in London, where provision is particularly scarce.

It's not just the macro, strategic policy drivers that require consideration. At micro-level savings can be accrued through relatively low level interventions and retrofit of existing accommodation. These savings significantly increase over time when applied to new homes designed and built for older people.

Internationally there are clear lessons to be learned and best practice to be followed. Genesis Housing Association's development of new and existing homes for older people demonstrate the success of a partnership approach to incorporating health and social care outcomes at an early stage.

Amber Court, Stratford Halo

Amber Court is integrated into the mixed tenure community at Stratford Halo, Genesis' landmark development in East London, home of the 2012 Olympics. Offering tenure – blind service delivery to tenants and owners alike, across private and social residents, Amber Court provides a model of personalised supported living in an urban setting for older people and people with disabilities. The resident group enjoys a modern approach to flexi care for residents from ages 18 upwards: at present the youngest is 22 and the oldest is 98.

Support plans are person-centred meaning delivery is directed by individuals, paid for through personal budgets. To date the community of people, with mixed needs and ages, has had some very positive outcomes.

Older people who had previously been lonely and isolated have now formed positive, friendly and supportive intergenerational relationships. Indeed, the community at Amber Court has and is developing into an extremely supportive environment, breaking the boundaries between young and old, able bodied and disabled.

A model of funding of older people's housing, USA

As their qualified management company, Housing Development Corporation MidAtlantic (HDC) supported a tax credit application by Presbyterian Senior Living (PSL) in Pennsylvania to develop affordable housing. Following approval, the agreement expanded to include development work; sale of intellectual property and multiple management contracts. A succession plan, where HDC would train PSL's own staff enabling them to assume the project management and development work, was also put in place.

HDC's combined income from the development fees, management fees and sale of the project to PSL earned them over \$2million. In exchange, PSL received over 1,000 units of affordable homes for older people; their own management company and staff trained to sufficient level so they can continue their own work in affordable developments.

HDC is now exploring other similar tax credit opportunities for Continuing Care Retirement Communities (CCRC) where it will act as the developer and property manager. Many CCRCs own land which is suitable for development purposes; are willing to contribute financially and the State Housing Finance Agency approves of the model, making this a strong, viable option for affording housing for older people in the future.



Challenges for leadership

Managing Risk, Quality And Efficiency

As housing overall has risen up the political agenda, so have the issues of housing and services for an ageing population. One thing that is clear is that in order to provide aspirational, high quality housing for older people, leaders in housing also need to consider creatively how services can be better delivered to older people.

A common thread running through the debate is the notion that older people want services delivered to them in their own homes, irrespective of whether they are owner occupied, provided by a housing association or local authority, or private landlord owned.

The welfare reform driver

The first of the UK Government's welfare reforms came into effect in April 2013. To date the impact on older people has been relatively limited, particularly in relation to age-related welfare entitlements. The cost of entitlement to universal benefits for all over 65s at present equates to around three per cent of the total expenditure on pensioners in the UK. However, it is clear that the Coalition Government sees no political benefit in tackling those entitlements quickly, preferring instead to make longer-term changes to retirement ages shying away from the thorny political realities of reducing – for example – travel concessions and other benefits. It will be interesting to see how political parties across the spectrum address this challenge as the process of drafting manifestoes for the 2015 General Election progresses.

International welfare reform challenges

AUSTRALIA

As part of a recent initiative, Australia's Minister of Health and Ageing, Mark Butler MP, discussed ways in which Australian seniors could be encouraged to downsize and move into accommodation better suited for older people's lifestyles and needs, freeing up larger family sized homes .

Through working with the third sector and state level Governments, the Australian Government has developed a mechanism which encourages people to move up and down the vacancy chain, albeit not exclusively within the social sector. The challenge overall for housing providers is fitting tenants to existing stock, for which we can see a growing body of evidence and best practice on how providers are rising to this challenge.

USA

In the USA the introduction of Medicare (health insurance) and Medicaid (for low income families and individuals) which together cover health, social care and medication to older Americans, marked the largest welfare reform in the post-war period. Against a backdrop of a declining pool of economically active social security contributors and a fast growing ageing (and older) population living with the consequent ailments of old age, Medicaid as a means of providing for people age 65 and over faces insolvency. As the primary means of providing healthcare for older people, its reform is clearly imperative to ensuring the USA can provide other social assistance and investment in its ageing population.

As in other IHP member countries, planning and provision for an ageing population is dependent on long term fiscal stability in social care and capital spending. With 18 per cent of American spending going on health as against other public policy priorities, and the census clearly showing a growth of the number of Americans age 45 and over 'growing in place' at 18 times the rate of those under 45 , pressures on creating

local vacancy chains and developing sustainable economic bases on which to fund federal assistance in housing and healthcare are particularly acute. At the midpoint of the national electoral cycle the politics of reform in the USA may recalibrate to become more measured as older people, acting as beneficiaries and voters, examine in greater detail the benefits of reformed health and social care provision, to themselves and future generations.

Medicare is the single biggest driver of the long-run deficit problem facing the United States. According to the most recent projections from the Trustees for Medicare, our long-run obligations in terms of Medicare exceed the taxes we will collect to finance that program by \$42.7 trillion over the entire future path of the program

Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds 2012

CANADA

In Canada, where the Government is facing similar pressures on old age security (OAS) payments, the proposed claw-back from pensioners not in need of this automatic entitlement is in the region of five percent. The Government's proposed method, to raise the retirement age (and therefore entitlement age) from 65 to 67 is politically less charged and therefore faces more likelihood of implementation. As with reform in the UK, reforms are intended to move away from the principle of universal provision at the same time as focus activity on younger people in the future (who are in electoral terms, less engaged). With a similar contributory principle to US Medicaid, reducing entitlement to OAS and related benefits for middle-and low-income Canadian seniors will arguably have little or no impact for the foreseeable future. For providers and housing leaders looking at forward planning, implementation dates of reforms means that perversely their planning will take place almost certain in the knowledge that the fiscal and social policy environment will be one of austerity.

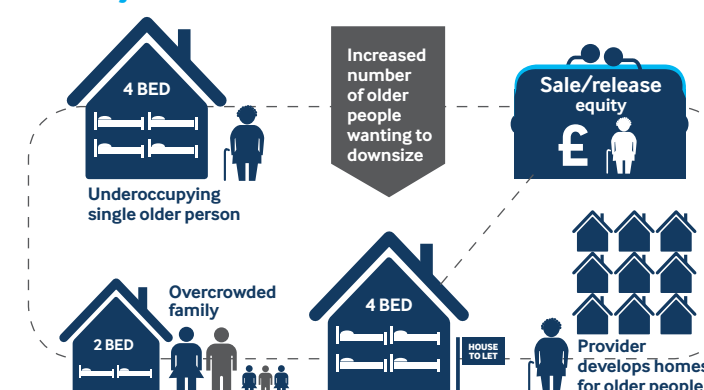
Releasing family housing

Nearly a third of private housing stock in the UK is occupied by people over retirement age and older people will account for nearly half of all household growth. Conversely only around five percent of the older population live in specialist accommodation: this figure goes up to ten percent when residential care is added. This clearly presents an issue: there is a clear stock mis-match whereby older people are often under-occupying property which would in many cases contribute to the solution of housing supply for families. This presents a pinch point which must be tackled if a larger crisis in housing supply is to be averted.

Housing LIN's paper, "Pretty Vacant: Vacancy Chains and Extra Care Housing", suggest that developers use vacancy chains as a methodological approach to deliver more specialist housing, creating greater choice by increasing vacancies along the housing chain, thereby freeing up more family sized homes.

Using the vacancy chain model presents an excellent way to monitor at local and subnational level the impact of additional specialist housing for older people on housing markets. For housing associations, it provides a useful tool to monitor how existing under-occupied housing stock can be freed up and reallocated to meet shortages and strategic needs elsewhere in the sector's business models.

Vacancy chain



Introduction of local enterprise partnerships (LEPs) in the UK encourages the development of spatial planning strategies which can (and should) mainstream provision for older people into general needs housing. This approach may encourage further movement along vacancy chains, and at the same time take into account movement in providers' own social housing stock.

As providers, one area for consideration is what our role is in encouraging older people to consider housing specifically designed for older people. A useful paper by the International Journal of Housing Policy which examined the relationship between building and mobility, focuses on vacancy chains states at the outset, "when someone rents or buys a dwelling, they purchase not only the physical unit but also a certain neighbourhood and with specific accessibility to services". Providers need to be live to the point raised by Housing LIN that, "elderly, well established households are less inclined to move and are thus less inclined to create vacancies in the local housing market."

The role of telecare and assistive technology

Telecare is a growing market and an area where housing providers have a key role to play. In increasing efficiency, telecare supports both older householders themselves and care providers in the future by preserving independence and alerting social care service agencies to issues with those whom they care for. Telecare also has an advantage in that older people themselves can take control of accessing information and advice, leaving more time for other pursuits while securing peace of mind. Derwentside Homes in the North of England provides an excellent example of the benefits of such a service through Silver Talk, a telephone befriending service.

For those who provide in home care, telecare can complement personalised care through appropriate use of assistive technology.



Showcasing best practice

Lessons from across the partnership

A number of thought leaders in the field of housing for older people have laid down challenges to housing providers. The Homes and Communities Agency on Housing for Older People completed an inquiry which built on the Housing our Ageing Population: Panel for Innovation (HAPPI) 2009 report's recommendations. The HAPPI report outlined aspirations and design principles for older people's housing based on international research and case studies. The UK's All Party Parliamentary Group's (APPG) follow up report, Housing our Ageing Population: Plan for Implementation (HAPPI 2), acknowledges our changed socioeconomic environment including changes under universal credit and financial viability of new schemes (be they private or public). Nevertheless there are recommendations IHP members and other sector leaders can and should incorporate into new and existing stock.

For existing stock we continue to see innovative research into retrofitting to ensure the longevity of existing buildings developed for a way of life very different to the one current and future generations of older people aspire to. Arup, an international design consultancy, has undertaken a yearlong longitudinal study into delivery models and funding mechanisms for community retrofit in housing. They found that:

- The public sector needs to act as first-mover in promoting and implementing housing retrofit schemes – a range of models were reviewed as part of the study. Key to the success of many of them was public sector involvement
- Stakeholder engagement for community models needs to be extensive and involve a wide range of partners including tenant groups, social housing and Government organisations.

Clearly there are different levels of funding and political will in each member country for long term investment to reduce the environmental impact of existing stock. In step with the use of stock condition surveys as part of providers' asset management approaches, it may be possible to raise awareness and increase support for retrofit as providers begin to demonstrate return on investment.

Helena Partnerships, UK – innovative design in retrofit of existing stock

UK housing association Helena Partnerships' development, Heald Farm Court, is an extra care retirement living development for over 55s in St Helens in Newton-le-Willows, St Helens in the North West of England. Part funded by the DoH in England, this development is an excellent example of an association making the best use of existing stock in the heart of the community through retrofit and redesign, offering older people affordable home ownership. A mixture of bungalows and apartments, each wheelchair adapted home

provides private outdoor space and incorporates bathrooms with level access showers, slip resistant flooring in kitchens and bathrooms, video entry and emergency call as integral to Heald Farm Court's design and retrofit.

The strategic needs assessment undertaken by Helena Partnerships and CIH, and which covered a ten-year period, identified 16.3 per cent of the local population as aged 65 and over. Helena Partnerships' tenant profile was 40 per cent aged 55 and over, and set to increase to 60 per cent by 2020. The higher concentration is a notable trend in housing associations given their traditional role in providing specialist housing and care for older people. As CIH consultancy stated, "this scheme has become a pioneer for housing for an older population as far afield as Australia".

Helena own and manage over 1400 properties designated for older residents as well as a range of self contained sheltered and extra care bungalows and flats. Helena Partnerships' £180million Decent Homes programme in 2009 included refurbishment of Heald Farm Court, an extra care facility which now provides mixed tenure living for older people. A HAPPI award winning older people's development, Heald Farm Court exemplifies best practice in providing flexible and sustainable accommodation with care-ready packages to adapt to residents' changing needs. With onsite 24 – hour care, Helena Partnerships' investment in Heald Farm Court also contributes to delivering local public health and social care outcomes, including clear pathways to care and support, access to aids and adaptations and housing options advice and support.

LINC Housing, USA – environmental best practice in development and retrofit

Compton in California is one of the poorest areas of Los Angeles County, with a stock of ageing housing. LINC Housing Corporation provides homes at 30 – 50 per cent of American Median Income (AMI). Seasons at Compton, which features 84

one and two bedroom apartments is competitively priced for the American market, with rents from \$406 (one bedroom) and \$483 (two bedrooms) .

The development is also in line with US Green Building standards, LEED (Leadership in Energy & Environmental Design). An internationally recognised third party verification programme, LEED provides a best practice template for new home development in; "incorporating strategies aimed at reducing waste, increasing energy and water efficiency"; encourages developers to consider locations with positive impact on reducing carbon emission (generally brownfield urban locations, in keeping with other best practice such as HAPPI2 on desirability of location); and design.

The benefits to older residents are manifold. With the majority of older households living on fixed incomes and little prospect of supplementing them, homes that are efficient in energy terms are particularly attractive to prospective tenants and owners. Manageable outgoings mean higher disposable incomes, allowing older people to live independently and engage in a wider range of social activity. There are also health benefits to energy efficient homes, with positive impacts on reducing avoidable illness and death from cold or heat exposure, benefitting public health providers and society as a whole.

Bethanie Housing, Australia – interconnected services delivered and affordable housing

Bethanie Group, Western Australia's largest not-for-profit aged care provider, operates 1100 aged care beds and 1000 independent living units. In 2007 they were invited by the Department of Housing and Works to become a Growth Provider, through a new subsidiary Bethanie Housing. As a result Bethanie Peel Community Housing was created through a partnership between Bethanie Group and the Department of Housing and Works.

Under the growth provider scheme, 85 per cent of the build costs are met by the Government, with the subsidiary providing the outstanding 15 percent build costs; land and taking responsibility for housing management services on completion. With nominations to new homes remaining with the Department for Housing and Works, this model provides an excellent example of strategic (and financial) support for development of housing for older people. This integrated approach to housing development and care provision within the context of a national strategy for older people, demonstrates an innovative approach to addressing a public policy priority.

The 2011 award winning development [excellence in senior housing] by Bethanie consists of 96 apartments constructed in two, two-storey blocks in Mandurah, Western Australia. Ultimately the development will be expanded to include further 98 social and affordable apartments for seniors along with the existing residential aged care facility. Bethanie aims to provide a continuum for the delivery of care, allowing residents to transition through various levels of supported accommodation as their needs change. Their aim is to create liveable, sustainable communities with excellent links to local services and support providers.

Bethanie Peel, and a project at Dalyellup in Western Australia, were funded A\$40 million from the Commonwealth Government's National Building Economic Stimulus Package (NBESP) funds. With most apartments completed by December 2010, the development's first residents moved in 2011. The total cost of the apartments, including land, was around 35 per cent less than the stimulus package's per unit cost of A\$300,000. Bethanie's approach means health and homecare packages can be delivered efficiently to residents. Apartments are designed with affordability in mind, with rents set at 25 per cent of an average pension. Coupled with high energy ratings, residents can keep costs such as utilities and ongoing maintenance to a minimum.



With the benefit of being able to deliver health and home care packages to eligible residents, Bethanie aims to replace residential low-care facilities with this innovative type of affordable accommodation. This gives greater independence to residents and reduces costs to Government.

National Church Residences, USA – short term expenditure, long term savings

The National Church Residences (NCR) is a leading provider of integrated housing, person centred healthcare and support services, to seniors and their families across 28 states NCR has developed an innovative model that reduces Medicaid spending in Ohio by over 50 per cent, from an average of \$149.44 per bed excluding other medical costs, to £76.37 in an assisted living context. The model outlined in their 2012 study, part funded by the Kresge Foundation and US Department of Housing (HUD) compares the costs of a traditional nursing home approach to the integrated approach taken by NCR.

Funding from HUD has allowed NCR to access Medicaid funding for affordable housing development, through low-income tax credit and a federal 1115 waiver. This funded capital expenditure on three assisted living developments with onsite health and services to encourage independent living. The model applied has been developed by the National Affordable Home Trust, the HUD's affordable housing programme, designed to complement federal, state and local initiatives. The second approach detailed in the study, social impact bonds, are explored in greater detail by the IHP capital finance working group in a separate report.

Shelford House and St. Mary's Cottages, UK – a mixed tenure approach in supported housing

Shelford House and St Mary's Cottages are alms houses that have provided homes for Southend-on-Sea residents for many years, a region in the east of England that people have traditionally retired to. The local authority sold the land to Genesis for a nominal amount, and donated £700,000 towards the scheme. Shelford House provides long-term shared accommodation and a respite house for short-term, temporary relief to family carers. Genesis has remodelled existing units to create 13 independent living homes, incorporated three one-bedroom cottages for over 55s and a respite home to lifetime standard, so that as residents get older they are able to adapt their homes to their needs and maintain their independence. Working in partnership with the local authority, work started in November 2012 and is due to complete March 2014.

The vision for this exciting project is to provide a sensitively designed affordable housing facility that complements the historical ethos of the area. St Mary's Cottages will provide purpose built supported housing for people with learning disabilities as well as older people. Genesis' proposal is to provide affordable housing, retaining the character of St Mary's Cottages to enable them to live independently and enjoy the benefits of the local community.



Key recommendations

Intelligence, involvement, innovation and information

1. Austerity requires innovative solutions now: don't wait for better times

I think we have a particular house building model that finds it hard to move beyond its current stock of products. Most house builders have five standard products and they are very reluctant to move beyond this. Somehow or other we have to create critical mass.

Sir Bob Kerslake
Head of the UK Civil Service

A fundamental challenge for housing associations remains if we are to meet current and future need at scale: how can we go beyond our traditional products and provide the critical mass that is so sorely needed? At a time when housing finance is severely restricted, even with active encouragement of institutional finance into the sector, it is clear that housing providers need to identify solutions to deliver quality services in a time of austerity. At the same time providers need to develop strategies that encourage innovation and operational efficiency to meet what is inevitable rising demand.

Hanover Housing Association, one of the UK's leading specialist provider of retirement homes and related services, commissioned a series of think pieces from leading think tanks as part of its 50th anniversary debate series. In, "Downsizing in Later Life and Appropriate Housing Size Across Our Lifetime" Dylan et al state, "... housing, health and social care policies have done little to avert a culture of crisis movements into retirement housing, and have not fostered a culture whereby older people prepare for their retirement housing futures in the same way they prepare their retirement income."

In comparison to older people, working age people are taking the strain of various Governments' attempts to reduce welfare and public spending overall. At the same time, there is a general trend towards a (slow) convergence between working age and older people welfare and retirement entitlements. For providers of housing and related services, this has huge implications when considering strategies to address increasing provision now and in the future.

Although much of the evidence in this report is drawn from the UK, recommendations for policy makers and housing providers also extend internationally to sector leaders.

2. Develop future-proofed solutions that are scalable

As housing providers outline their growth strategies for the future, what is clear is that providing for an ageing population has moved on from being a niche activity to a key theme central to the success of any housing association.

From understanding and developing partner arrangements, to reviewing and age-proofing existing general needs accommodation, to commissioning or building homes and delivering high quality personalised care, as leaders we need to ensure we future proof our organisations to deal with fast changing populations. This requires a different approach to strategic planning, managing future stock requirements and financing. The key is to provide care and housing management services to people as they get older in an integrated way, making real the idea of sustainable, mixed communities.

3. Engage and involve older people in scoping future services and provision

As society ages faster than ever before, it is even more crucial that housing providers remain open minded in their approach to delivering homes for society, and in particular, for older people.

Age UK, a leading charity that successfully advocates on behalf of the country's 14million older people, published a series of policy papers and examples of best practice that focused on design and commissioning processes. Their report recommended direct engagement with older people in shaping places.

Providers need to put in place mechanisms and vehicles to enable and empower older people to play an active part in developing communities and provision at the development stage, rather than after buildings and communities are commissioned and bricks and mortar laid.

This approach will aid better understanding of the sorts of neighbourhoods and homes older people want. It will address older people's varied design and care requirements in and around their immediate environment and homes; from the location of new communities to the availability of transport, local amenities and health-care services.

4. Deliver innovation in financing new supply

Internationally, housing providers have begun to rise to the challenge raised by an ageing population, acting as both developer, and care and support provider. Where there is public (or indeed private) financial support, political will from policy makers and vision from housing associations, strategies are being designed with older people's needs at their centre.

Despite funding challenges at all levels, there are numerous examples of best practice. Providers and Governments alike are tapping into alternative sources of funding as direct housing subsidy declines. In attempting to diversify away from traditional housing subsidy, alternative models developed across the partnership include tax credit and asset transfer, bond financing and institutional investment.

As a tactical response for UK providers, a more targeted, strategic approach across the board may be to learn the lessons of Australian and US public housing finance policy. This will aid development of public policy responses specifically adapted to funding older people's housing. Implicit in developing these strategies around taxation, housing, health and so on, is the acknowledgement of the impact of an ageing society on infrastructure and public finance. As housing

providers we will need to adjust our practice; for Governments the challenge is to do the same in response to their respective countries' changing demographics.

5. Health and social care

Across the four member countries there are clear moves towards integrated care provision for older people, albeit at different speeds. Although there are some differences in areas such as funding mechanisms, contributory principles (as in the case of pensions/OAS) and commissioning of housing, these subtleties go to the heart of what are common issues driving health and social care reform; welfare and social care provision have in the post war period grown up in different social and political contexts.

Each country's response to its growing ageing population is in response to projected growth in health and social care spending on older people, which in turn threatens other public expenditure. It is incumbent on us as sector leaders to ensure housing costs are factored into the cost of care commissioning. With an eye to future and existing residents, clear strategies need to be put in place to ensure housing, health and social care work effectively in partnership to deliver sustainable home based care.

6. Stock condition surveys and asset management

Stock condition surveys are a process used in asset management, helping establish longevity of stock for its existing social housing purpose, how much investment it will require and the cost of rolling refurbishment, regeneration, or the value of divestment.

Surveys are also key in highlighting stock that has reached the end of its economic life and should be disposed of. In situations where the value of a building is less than the cost of

capital works required, providers will need to decide on either regenerating or repurposing sites to maintain the asset value.

Building for Life, a UK Government standard now applied to all new developments, provides an excellent toolkit with criteria to be applied at design stage for local authorities and housing associations to evaluate the quality of new housing developments. Although not specifically focusing on older people's housing, Government guidance on access and use of buildings provides a clear steer in future-proofing general needs housing from planning and design stage, as well as clear guidance on alterations to both structure and fittings in existing stock.

The Building for Life standard means that - in principle - any new buildings can in future be repurposed or adapted easily for an older person. For existing developments, be they extra care or assisted living developments, the stock condition survey is a useful mechanism through which the scale and nature of adaptation requirements can be identified, for example minor alterations to facilitate independent living.



Conclusions

Developing a strategic approach

Providing a range of services to care and cater for the burgeoning elderly population is clearly a growing market for housing associations. But it is seen as a highly specialist arena and one that difficult to make work financially, and as a result there are few new entrants.

The Smith Institute, April 2013

Ageing populations present many challenges – but also significant opportunities. As leaders, it is imperative that we are able to sustain and adapt our business models to adjust to an ageing population. This requires a strategic approach.

The growth in an ageing population goes hand in hand with organisations' need to grow in order to continue to deliver on their core purpose: adding value through place shaping, regeneration, service delivery and new home development.

This strategic approach underpins the sector's vision for the provision of homes for an increasingly older – and in some cases less well – population. A clear commitment to increasing the proportion of homes for older people in any growth strategy is key if we are to turn excellent ideas and best practice demonstrated by IHP members into action which delivers for decades to come.

Elements of a strategic approach

The first key strategic requirement is for housing providers to accept that current definitions of 'old' do not – any longer – work. A 55 year old is no longer 'old': accepting that reality is something housing providers need to do so that appropriate asset management planning can take place. The 'granny flat' notion is also out of date. It is simplistic to assume there is 'normal' or conventional family general needs housing followed by a direct jump to accommodation styled for people 55 and over. Housing providers need to give serious thought to the links between generational-compliant housing in terms of the wider stock and their asset management approaches. Similarly, housing providers will need to adapt to increased longevity, often marked by ill-health or frailty.

Financial planning

Housing providers will need to be smarter at dealing with diverse income streams. Older people should not be viewed as a burden requiring specialist accommodation. They are a commercially savvy customer group that have diverse and complex needs.

That diversity is a commercial strength which again requires providers to be more fleet of foot in terms of the stock under management or development. That also presents a challenge to marketing: housing association staff are not always as well geared up to sales and marketing approaches for older people. The focus has tended to be on general needs or family housing. This is an area that quickly needs to change.

Service planning and delivery

In order to maintain effective service delivery, business planning processes need to become more aligned with the changing needs and profile of prospective customers and existing residents. Detailed customer segmentation will become essential in ensuring high quality services are consistently and appropriately delivered, be they housing and property management, or care and support.

Atira Women's Resource Society's recently completed a three year study on provision of housing for older women who have experienced violence or abuse, the results of which will inform principles and practice in providing homes and services that meet the needs of a specific client group with diverse need. Lessons can be applied to members' current and prospective customers: understanding the needs, background and aspiration of clients will be essential in ensuring providers are able to provide sustainable services and homes that continue to support independent living and positive life choices for older people.

In setting strategy providers will be able to then build in capacity to adapt to the changing circumstances of their core customer base. Evaluation and measurement tools such as performance indicators will be essential as the needs of an ageing population are mainstreamed into all aspects of delivery.

Asset management

Astute asset management is a vital ingredient of a future strategy that allows providers to deliver on their social purpose. Knowing and understanding the current and future value of existing assets; how investment and divestment decisions can support asset growth; take greater importance as an underpinning principle of any strategy that has at its core a commitment to investing in and developing new homes and services for older people.

Across the world as Government funding becomes more scarce, financial independence and diversification away from grant funding become a key consideration. As leaders our strategies for future residents need to be more than a statement of intent: they need to reflect the need for commercial investment decisions; sweating our assets to replace public funding; for new homes to be desirable and appropriate to changing needs and aspirations, adding value to both neighbourhoods and individuals' lives, and being fit for the future.

Partnership working

As demonstrated by IHP members, by leveraging influence as leaders in service delivery, development and property management, housing providers are able to build and take advantage of strategic partnerships. We remain key players in the delivery of public policy priorities, be they local or national, in public health or housing. As an international partnership IHP members recognise the value of partnership working across the sector.

At a local or federal level it is essential that providers are smarter, use market intelligence, build and maintain strategic relationships with commissioners of housing and healthcare to deliver cost effective, attractive housing options for older people. In principle aligning organisations' strategic objectives and developing shared protocols with commissioners and other funders allows us to share risks to ensure effective and efficient delivery on major projects.

Knowing our market

This is an area where providers may well need to start from first principles, to begin to understand what are the aspirations of older people in their local and national contexts. This strengthens the basis on which the sector can lead in developing an agile portfolio of housing management services, which include specialist support for older people. For existing stock, a financial health check is important to address viability, improve margins and inform decisions on growth, investment and divestment, based on accurate customer data.

The principles of co-creation and co-production are important ones as we look to the future. Staff, providers and customers will need to work together to design, shape and deliver solutions in order to identify and address needs in housing, training and care. A better understanding of the customer base will mean tailored solutions can be delivered, giving people what they want. The psychosocial dimensions of ageing – loneliness – are more evident in older people's housing than in the general population. Through knowing our markets, identifying and addressing the needs and aspirations of older people, we can through well designed housing and services, begin to tackle social isolation.

Throughout this report we have made reference to the good practice, guidance and advice that already exists. On the following page, we provide details of those references

and hope they will be a useful resource to providers as they develop their strategic responses to the issues presented by our ageing population.

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English – to – English translations

- Seniors (USA: Canada: Australia), Older People (UK)
- Pension (UK: Australia), OAS (Canada)
- Department for Communities and Local Government (UK)
- Decent Homes Standard (UK) – a Government standard that applies to all social housing (except leasehold and shared ownership), as defined by DCLG. It stipulates: all homes should be free from all category 1 Housing Health and Safety Rating risks (HHSR); be in a reasonable state of repair and be sustainable in the long term; have acceptable and modern facilities and; provide an acceptable level of thermal comfort
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