

SECTION A, PAPER A3

Understanding the local market for older people's housing, care and support

This briefing paper forms part of Section A of the Strategic Housing for Older People Resource Pack. Section A discusses the wider policy context of housing for older people, and how we might better understand demand and supply in the market.

References are made to practical Tools and Resources provided at the end of the Section. These have been designed to support planners and developers in developing a strategic approach to meeting the housing needs and aspirations of older people.

Section B of the Pack looks in more detail at the effective delivery of extra care housing in particular, and contains further Tools and Resources. A comprehensive bibliography and weblibliography is provided in Section C.



Housing LIN



Introduction

The provision of specialised housing for older people dates back to the Middle Ages with the development of Almshouses³⁷. Since then provision has moved from trade-based continuing care communities through to the significant development of sheltered housing following the Second World War. Sheltered housing was seen as part of a continuum sitting between general needs housing and the higher care provided in residential care homes. Most recently there has been a shift towards services that enable people to remain within their own homes, ideally homes which have been designed to promote independence. This paper explores the approach needed to understand and develop this market to meet the changing needs and expectations of older people into the future.

KEY FACTS – SUPPLY

TYPES OF HOUSING: There are approximately 19.6 million units of general needs affordable housing in England, of which 5.8 million accommodate pensioners, and there are just under 730,000 units of specialised housing³⁸. Only a minority of older people live in sheltered housing, even amongst those aged over 85 years. More than half (476,000) of the specialised housing units are sheltered accommodation; less than 40,000 are extra care housing³⁹.

OWNER OCCUPATION: The majority of older people households are owner-occupied. The prevalence of owner occupation increases the younger the population gets, for example of those aged 85 and over, 61% own their property whereas for those aged 65 to 74 the proportion increases to 76%⁴⁰.

SOCIAL HOUSING: A fifth of older people households are in social housing whilst only one in 20 are in privately rented housing. The proportion of older people households that are in social rented accommodation increases with age. Among those households where the household reference person is aged 50 to 64, 16% are social renters. This increases to 22% for those aged 65 to 84 and to 32% for those aged 85 and over⁴¹.

PRIVATE SECTOR HOUSING: Most vulnerable older households are in the private sector. Around 40% of private sector vulnerable households currently in non-decent homes are outright owners but often have little disposable income to use to modernise or repair their homes⁴².

³⁷ The first recorded Almshouse was founded by King Athelstan in York in the 10th century AD. The oldest charity still in existence is thought to be the Hospital of St. Oswald in Worcester, founded circa 990.

³⁸ Homes and Communities Agency (2009). *Housing our Ageing Population: Panel for Innovation (HAPPI) report*.

³⁹ *Ibid*.

⁴⁰ Office for National Statistics (2010). *Focus on Older People: Housing*.

⁴¹ *Ibid*

⁴² Department for Communities and Local Government (2008). *Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society*.

CARE HOMES: As at July 2011, there were 4,608 care homes with nursing (providing 208,546 beds) and 13,475 care homes without nursing (providing 261,262 beds). An estimated 45% of care home places in England are occupied by people who are self-funding rather than being paid for by the state. The number of residential care home services fell by 10% between 2004 and 2010⁴³.

HOME CARE: There were 5,894 registered home care agencies in England as at July 2011, with the highest number in the South East, followed by the North West and London, and the lowest number in the North East. The majority of these (74%) provide services for older people. The number of agencies has increased by a third between 2004 and 2010⁴⁴.

ALARM CALL SYSTEMS: There are an estimated 1.5-1.6 million people using some form of social alarm in the UK, representing about 15% of those aged 65 years or older⁴⁵.

UNPAID CARE: The over 50s age group is the source of over half of unpaid care, the total value of which was estimated in 2007 to be £87 million⁴⁶. 12% of those aged 65 or over say they feel they are trapped in their own home⁴⁷.

COMMUNITY ALARM SERVICES: there were 1,715 community alarm services identified across England as at quarter 3, 2010⁴⁸.

HOME IMPROVEMENT AGENCIES: there were 339 home improvement services recorded across England as at quarter 3, 2010⁴⁹. There are estimated to be 230 individual HIA agencies.

HANDYPERSON SERVICES: the availability of handyperson services has increased across the country, but they are not yet available in all areas. Some 180 HIA agencies report offering services or elements of services⁵⁰.

BENEFIT REALISATION (REVENUE): an estimate of the net financial benefit (revenue) from providing £32.4 million worth of housing related support to older people in very sheltered housing (extra care housing) is £123.4 million⁵¹. An estimate of the net financial benefit (revenue) from providing £198.2 million worth of housing related support to older people in sheltered housing is £646.9 million⁵².

BENEFIT REALISATION (CAPITAL): An estimate of the benefit realisation (capital) of the £1,178.9 million investment in specialist housing for older people in 2008/9 and 2009/10 (where on average 41% was funded by the HCA) is £219 million, equivalent to £444 net benefit per person per year⁵³.

⁴³ Care Quality Commission (2011). *The state of healthcare and adult social care in England: an overview of key themes in care in 2010/2011*.

⁴⁴ Care Quality Commission (2011). *The state of healthcare and adult social care in England: an overview of key themes in care in 2010/2011*.

⁴⁵ European Commission (2010). *ICT & Ageing: European Study on Users, Markets and Technologies*.

⁴⁶ Carers UK (2007). *Valuing carers – calculating the value of unpaid care*.

⁴⁷ *Help the Aged and Age Concern* (2009). *One Voice: Shaping our ageing society*.

⁴⁸ Department for Communities and Local Government (2011). *Supporting People Local System Data: Quarter 3 (Financial Year) 2010*.

⁴⁹ Department of Communities and Local Government (2009). *The future Home Improvement Agency: Handyperson services report*.

⁵⁰ Department of Communities and Local Government (2009). *The future Home Improvement Agency: Handyperson services report*.

⁵¹ Department for Communities and Local Government (2009). *Research into the financial benefits of the Supporting People programme*.

⁵² *Ibid.*

⁵³ Homes and Communities Agency (2010). *Financial benefits of investment in specialist housing for vulnerable and older people*.

A changing market

More recently, and particularly since the 1980s, the traditional model of sheltered housing has faced a series of challenges: increased expectations, for example around the acceptability of bedsits and shared facilities, a shift towards supporting people to remain in their own homes (including within sheltered housing) as their care and support needs increase, an emphasis on creating a 'home for life' and reducing admissions to care homes, and difficulty letting poorly designed or poorly located housing.

The response has been to develop new types of housing which are well designed, provide a range of care and support services, and can meet the needs of more frail residents. There are a bewildering array of names for such developments, eg, very sheltered, assisted living, retirement homes, retirement villages, extra care, housing with care, flexi care and close care. Despite these developments older people still face a choice which is limited in terms of tenure, affordability, location and service design.

The need for a local strategic approach

The need for a cross-agency strategic approach has been given a strong emphasis by a range of government and national bodies⁵⁴. The problem is that housing tends only to be seen in terms of a planning or housing department issue within many local authorities. Therefore, health commissioners may not see the gain to be had from new housing suitable for older people; social care may not understand the requirements and approaches of the planning authority.

"Older people's housing will only be a priority for investment if the need for it is identified in local and regional strategies; but commissioners have found it challenging to integrate the evidence base for health, housing, care and support at both local and regional levels."

National Housing Federation (2010). *In Your Lifetime: A vision of housing, care and support for an ageing society.*

Yet developing a range of housing suitable for older people with a variety of needs involves social care, health and supporting people both in terms of the resources it consumes and the financial and human benefits it might deliver. It also needs to straddle different forms of tenure and particularly owner occupation.

As stated elsewhere, without better owner-occupied housing in the community, the choice for older people who are home owners may often be between "getting by" in unsuitable accommodation, or up-rooting to some form of institutional care in unfamiliar surroundings.

"Providers have to have a good understanding and knowledge of this specialist market in order to succeed. These are necessary in all aspects of the business: land assembly and planning, design, specification, finance, marketing and sales, and in the setting up of the continuing client service and maintenance operation."

Ball M (2011). *Housing markets and independence in old age: expanding the opportunities.* Henley, University of Reading.

⁵⁴ See, for example: *All Party Parliamentary Group on Housing and Care for Older People (2011). Living Well At Home Inquiry.*

Therefore, bringing developers and funders into long term strategic partnerships with the health service and local authority, whether they are registered social landlords, voluntary organisations or independent sector providers, is important.

Reviewing the market

Whether from the point of view of a commissioner of services, a developer or a provider, there needs to be a good understanding of the market by all parties.

“Councils and their partners need to understand their local context regarding care and support needs, and the relative supply position, if they are to develop a diverse range of high quality provision that people want.”

ADASS et al (2010). Think Local, Act Personal: Next Steps for Transforming Adult Social Care.

Gaining such an understanding is likely to require answering questions such as:

- How is the local market structured, for example in terms of size, value, users?
- Who are the key players in the market place, and what products and services do they offer? What is the quality of services on offer? What is competition like in this area?
- What related services are provided which could impact on demand?
- What is the current capacity and capability in the marketplace?
- What are the drivers behind the market?
- What business opportunities are regarded as most desirable? What is the scope for innovation and expansion in the market? What price for different types of accommodation might the market bear?

“Councils have a role in stimulating, managing and shaping this market, supporting communities, voluntary organisations, social enterprises and mutuals to flourish and develop innovative and creative ways of addressing care needs.”

Department of Health (2010). A Vision for Adult Social Care.

There are a number of documents required at a local level which should encapsulate this information and make it publicly available. These include Strategic Housing Market Assessments, Local Investment Plans and Local Development Plans, Joint Strategic Needs Assessments, and increasingly local Market Position Statements.

“The Market Position Statement is the product of the Council's work so far to bring together a range of information about the market into one short and easily accessible document. It acts as a calling card to the market, by stating the Council's understanding of the local social care and support market as well as setting out how it intends to behave towards the market in the future. It represents the start of an ongoing dialogue between the Council, people with care and support needs and existing and prospective providers of care and support in the District. It summarises key messages about demographic trends and population needs and their projected impact on demand. It also includes information about the current range of supply; including cost, quality and recent expenditure.”

Bradford Metropolitan District Council.
www.bradford.gov.uk/bmdc/health_well-being_and_care/adult_care/related_information/market_development.

On the latter the suggestion is that the local authority takes the lead but moves away from lengthy and sometimes highly descriptive commissioning strategies. Instead the Joint Strategic Needs Assessment should reflect the housing needs of the older people population and in terms of supply then a succinct Market Position Statement, developed by the local authority but for the market, should help to provide the necessary overview.

A Market Position Statement should be a document which describes the local authorities intentions towards the market, taking into account its current size, shape and performance, and how new forms of accommodation suitable for older people can be driven forwards.

Other characteristics of a Market Position Statement are that it should:

- Cover the whole market, ie, not just the element that the local authority funds.
- It should be market facing, ie, contain information the authority believes, and can substantiate, would be of benefit to providers.
- Indicate how the local authority intends to behave towards the market in the future.
- Be a brief analytic rather than descriptive, document.
- Be knowledge based in that each statement it makes should have a rationale that underpins it, whether through population estimates, market surveys, research, etc.

USEFUL RESOURCE

See **Tool A2** for a range of useful data sources in understanding the market, and **Tool A6** for help for the development of a Market Position Statement.



Reviewing sheltered housing

Given that the current stock of sheltered housing is probably the highest value asset predominantly owned for older people in the public domain, then the quality of that stock and how that asset is used is critical. Once spent there is unlikely again to be an investment of equivalent value.

"476,000 of specialist housing units for older people are sheltered accommodation; less than 40,000 are extra care housing."

Homes and Communities Agency (2010). *Housing our Ageing Population: Panel for Innovation (HAPPI) report.*

Yet housing is vital to ensuring the independence and social inclusion of people who are vulnerable or disadvantaged as a result of their age, ill-health, disability or circumstances. Inaccessible or inappropriate housing can significantly reduce the ability of people who have ill-health or a disability to lead good quality lives, and in many cases is a direct contributor to unnecessary entry into institutional care. In seeking to provide accommodation for older people, sheltered housing should be appropriate to needs, promote independence, offer full accessibility and, as far as possible, provide a home for life for its residents. It should not be a stepping stone on the pathway to residential care.

Although many sheltered housing providers are reviewing their stock, few local authorities have the same level of information about their local market as a whole⁵⁵. In addition, current

⁵⁵ Department for Communities and Local Government (2010). *More than just a few kind words: Reshaping support in sheltered housing: A good practice guide for housing providers and local authorities.*

stock assessment methods may not go far beyond measuring volume and take up as a whole, including the wider leasehold retirement housing market.

"The majority of sheltered housing stock was built in the 1950s, 1960s and early 1970s when a philosophy prevailed that an older person would live in low-support housing for a limited period of time before moving to residential care as their support needs increased."

Local Government Group (2010). Good homes in which.

Whether the stock is in the private sector, held by Registered Social Landlords/housing associations, or by the local authority, there is, as a part of reviewing supply, a need to explore how this might meet future housing need. This could entail reviewing quality (projection of long term maintenance costs), accessibility (whether the whole scheme is wheelchair accessible), value (land and property), location (proximity to neighbourhood facilities) and tenure (is this for all sectors of the community?).

USEFUL RESOURCE

See **Tool A4** for a description of the key issues in assessing sheltered housing and potential sources of information to support appraising options and investment decisions.



Reviewing the pathways to care

For the local authority it will be important to have a good understanding about what proportion of the total housing with care market may act as an alternative to residential care, given that local authorities have been challenged to develop preventative measures that can defer or delay people needing longer term care⁵⁶. Clearly the long term role of sheltered housing and using that resource when modified to deliver quality housing, into which the full range of care, support and health services can be delivered, is likely to become the focus of a number of partnership arrangements⁵⁷.

However, the key task here is knowing what level of investment by the local authority and by the health service will deliver a return in terms of reduced hospital admission and/or in terms of reduced admission to care homes as part of their locally agreed Quality, Innovation,



⁵⁶ Department of Health (2009). *Use of Resources in Adult Social Care*.

⁵⁷ See also: Chartered Institute of Housing (2009). *Housing, Health and Care: A policy and practice report*.

Productivity and Prevention (QIPP) agenda⁵⁸. Only by making that estimate can local Health and Wellbeing Boards determine the level of investment they might wish to make in housing-based approaches. Some of this work can be done through reviewing past cases and determining which conditions may be diverted or alleviated through a housing-based response.

Housing with care and support is, in general, lower in cost to local authorities than residential care, although this may depend on the level of capital borrowing required to fund new schemes and on the criteria for admissions to schemes⁵⁹.

“When matched with a group of equivalent people moving into residential care, costs were the same or lower in extra care housing. Better outcomes and similar or lower costs indicate that extra care housing appears to be a cost-effective alternative for people with the same characteristics who currently move into residential care”

Personal Social Services Research Unit (July 2011).
Improving Housing with Care Choices for Older People: An Evaluation of Extra Care Housing.

“Most homes and communities have not been designed to meet people’s changing needs as they get older. Inclusive housing and wider environmental design is key to people’s health and well-being, and the suitability of the built environment plays a critical role in the provision of social care and health services. Planning homes and neighbourhoods to take this major demographic change into account is therefore central to all housing provision, mainstream and specialist alike.”

Homes and Communities Agency. http://old.homesandcommunities.co.uk/vulnerable_people

What these services cost and how they are configured will have a profound impact on people’s ability to remain within the community.

Certainly, maintaining people in their traditional family home does not always mean low cost. For any one individual, services may include: home care, meals services, care and repair, community alarm, installation of aids, handy person services, housing adaptations, district nursing, floating warden support, psychiatric nursing, physiotherapy, occupational therapy, podiatry and community bathing services. Such services may be supplied by a range of agencies across the independent, state and voluntary sectors, and some may be charged for whilst others are not. It is therefore of little surprise that many older people get confused by their care and support arrangements.

Given the range of provision there also tends to be little monitoring of the impact of any single approach or configuration of services where

Reviewing community based services

Whether people live in traditional family housing or have made a move to housing more appropriate to their needs, many will access the range of community based services.

⁵⁸ The NHS have adopted a Quality, Innovation, Productivity and Prevention (QIPP) approach to improving efficiency and quality through the transformation of services. Further information is available at: www.dh.gov.uk/en/Healthcare/Qualityandproductivity/QIPP/index.htm

⁵⁹ Joseph Rowntree Foundation (2008). *Costs and outcomes of an extra care housing scheme in Bradford.*



there is an attempt to relate activity to cost to outcome. For example, few local authorities seem to effectively monitor the impact of delays in delivering equipment or undertaking adaptations on outcomes for service users. One regional study found that local housing authorities set their budgets for Disabled Facilities Grants on the basis of demand in previous years rather than on assessing need and the cost benefits the grant delivers⁶⁰.

Similarly, the provision of home improvement services more broadly can impact on public expenditure elsewhere: a report on the role housing can play in addressing health inequalities cites an example of a reduction from £29,000 to £21,000 a year in home care costs through the provision of housing adaptations⁶¹.

Commissioners of services and those that seek to facilitate their local social care and housing market need to look at how they can introduce efficiencies through combining services; delivering integration at the point of service

delivery rather than just in management structures. It may also call for a far more rigorous understanding of cost benefit in order to determine the relationship between cost, activity and outcome.

Reviewing neighbourhoods

If health and care cannot deliver their objectives of maintaining more people in the community without suitable and appropriate housing being in place then equally housing cannot deliver that outcome without people feeling comfortable and safe within their communities and neighbourhoods. People wanting to stay in the community means health and care services that help to deliver independence, housing suitable for needs and which promotes well being and communities where people feel safe and secure and from which their needs can be met.

⁶⁰ Joint Improvement Partnership South East (2011). *Think Local, Act Personal and Housing – Making the connection: Providing disabled facilities in the home.*

⁶¹ National Housing Federation (2010). *Invest in housing, invest in health.*

"From a local authority viewpoint, a community-orientation begins to address a broad range of policy requirements. These include providing support for older and vulnerable households living in their own homes, enhancing neighbourhood sustainability and promoting community cohesion."

Keepmoat et al (2011). *Housing an Ageing Population: The Extra Care Solution.*

Good neighbourhood design for older people⁶² can mean a variety of things, such as:

- Are health and care services grouped in the areas of highest density?
- Are there nearby shops and banks and are shops and banks accessible to older people, particularly those with mobility scooters?
- Are neighbourhoods considered safe, eg, what are the reaction times on street lighting failure, is access to property safe and secure?
- Are transport systems accessible?
- Is there a structured plan for the installation of drop curbs.
- Are there verified and police-checked local care and repair services?
- Is there easy access to a range of social activities and facilities?

Development of neighbourhoods that 'work' for older people clearly involves far more than just housing, health and care. Planning, leisure services, libraries, and a plethora of voluntary agencies and endeavours all have a part to play in creating and supporting communities that older people might wish to remain within.



⁶² Of interest is the Dutch model of 'Woonzorgzones'. These are now being planned in about 30 neighbourhoods and villages all over the Netherlands. The Woonzorgzones are geographical areas that offer round-the-clock care and a certain percentage of adapted housing within 200 meters walking distance of integrated service.

Reviewing planning guidance

The use of the planning system is a key component in ensuring the quality and supply of an effective older person's housing market, and extra care housing in particular. Anecdotally, many social care and health Leads have confessed that a lack of links with, and understanding of, planning in the past has meant that older people's needs have not been considered or prioritised when planning applications or new housing developments are considered.

"Planners are often missing from the table in discussions about joined up planning and provision of services for older people ... more needs to be done to help planners understand the need for diversity and choice in housing options for older people."

Local Government Group (2010).
Good homes in which to grow old?

More recently a number of policy documents have specifically required that authorities ensure planning policy takes into account the impact of an ageing population. As the draft National Planning Policy Framework sets out, local planning authorities need to "plan for a mix of housing based on current and future demographic trends, market trends, and the needs of different groups in the community (such as ... the elderly and people with disabilities)"⁶³. The government's emphasis on decentralised and local decision-making will make it particularly important that

commissioners develop an ongoing working relationship with planners and local citizens.

There are a number of ways strategic commissioners need to work towards ensuring that the planning arrangements in their local authority support the delivery of the agreed local vision for housing suitable for older people⁶⁴:

- Ensuring robust and up-to-date evidence reflecting older people's needs is available to support planning decisions.
- Responding to consultation planning documents to ensure older people's needs and preferences are reflected within them, and that they will support the delivery of local policy.
- Regularly consulting with and updating planners about local policy direction. There are three areas in particular where this is likely to prove helpful:
 - Responses to planning applications for new care homes and how to ensure they fit with the local policy direction as far as possible.
 - Supporting the development of new extra care housing schemes.
 - Supporting the development of other forms of housing for older people as part of local regeneration mixed use developments.
- Ensuring there is a clear strategic approach setting out local preferences in terms of whether a predominantly housing model or residential care model is preferred⁶⁵.
- Developing a clear approach to Section 106 (or similar) applications in support of older people's housing.
- Development of pre-planning guidance for independent and voluntary sector developers which outlines the local authority's vision for extra care housing and older people's

⁶³ Department for Communities and Local Government (2011). Draft National Planning Policy Framework Consultation.

⁶⁴ Royal Town Planning Institute (2006). Good Practice Note 8: Extra Care Housing: Development, planning, control and management.

⁶⁵ See: Discussion re planning classes and their implications for planners and developers in Housing LIN (2011). Viewpoint: Planning use classes and extra care housing.

housing and any minimum requirements would assist in ensuring that any potential developers had an understanding of expectations prior to application. This may form part of the Market Position Statement, Strategic Housing Market Assessment, or an existing Local Development Framework.

"More Londoners are living longer and more older people are choosing to remain in their own homes rather than go into residential institutions. To address these and future needs, all London's future housing should be built to 'Lifetime Homes' standards and 10 per cent should be designed to be wheelchair accessible or easily adaptable for wheelchair users."

Greater London Authority (2011). The London Plan: Spatial Development Strategy for Greater London.

Deciding on a local approach

This paper has explored the issues which need consideration if an understanding of the local market is to be developed.

Looking at this alongside the understanding of local demand (*described in paper 2*) will enable commissioners and providers to identify the types of housing, care and support services

that are needed to deliver local strategic outcomes for the older population, including the role extra care housing could play in this. The remaining papers in this resource pack consider the planning, design and delivery of extra care housing in this context.

Key messages

Good housing suitable for older people will only be developed if public care agencies and the local authority work together and that they work in partnership with Registered Social Landlords, the voluntary and private sectors. This needs to be across all forms of tenure.

Local authorities can help the sector by developing, providing and discussing with all interested parties the shape of local housing markets for older people now and how they might be changed in the future.

Local reviews of sheltered housing stock are vital if the asset of sheltered housing is not to be lost.

Planning departments in local authorities need to recognise the future demographic make-up of their communities and develop Local Development Plans that will help to create a wider choice of housing suitable for older people, and assist in the development of rural and urban environments that work for older people.