A New Lease for Life: Partnership Opportunities for Increasing Capacity in Extra Care Housing

This Viewpoint considers the scope in the current economic climate for partnerships between organisations of differing types for the delivery and operation of extra care housing schemes and related forms of specialist housing with care for older people.

It outlines the opportunities such partnerships can provide for capacity building and extending the range of specialist housing for older people, what benefits these partnerships can offer the participants and key considerations when forming partnerships for extra case housing projects.

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Introduction

The pre-recession period prior to 2008 saw an expansion of development activity in both the social sector and private sector models of specialist housing for older people, with the social provision being increasingly dominated by extra care type schemes and a diversification of private sector provision to include new types of both accommodation and services, alongside the conventional forms of retirement housing.

While most of this development activity had been undertaken by the social housing and private housing sectors acting entirely separately to each other, formal joint ventures and partnerships also emerged, involving developers and operators seeking to extend their specialist housing and care activities. These new working arrangements brought together combinations of Not for Profit and For Profit organisations with differing objectives and competencies, which included sharing the financial risks of developing and operating enterprising specialist housing schemes.

Subsequent social and private housing projects for older people delivered in the post 2008 period have been subject to very different funding and market conditions, which are particularly likely to expose any weaknesses in their conception and implementation. The challenges and pressures in developing new projects in current conditions have created a new opportunity for cross sector partnerships in order to continue development of new stock while working within existing organisational capabilities.

However, developers and operators across all sectors need to be conscious of how partnership arrangements introduce additional risk management requirements in the development process, which are additional to those required to achieve successful project outcomes in the current funding and market conditions.

This Viewpoint will consider;

- The current strategy and market context
- The current ‘direction of travel’ among policymakers and providers
- The opportunities offered by partnerships
- Key considerations when entering into partnerships
- Hurdles facing extra care partnerships in particular

This Viewpoint is not a case study or a toolkit. Rather, it is intended to highlight the specific opportunities that can arise from cross sector partnerships for the expansion and diversification of specialist housing for older people. It is one of a number of important papers that have been commissioned by the Housing LIN to explore ways in which to sustain specialist housing, including extra care housing, as a viable option and a real housing choice for older people.

Public sector strategy context

Extra care housing still offers a good fit with the ‘direction of travel’ in central and local government. Not only is extra care considered a more desirable form of provision than either sheltered housing or residential care homes, it has also proved very promising in combining better outcomes for older people with reduced overall costs for public commissioners, (Bäumker, 2011), it works well with individual social care budgets and increases the range and quality of accommodation suitable for older people. It is therefore not surprising that extra care has become the preferred form of new social housing for older people for Local Authorities with Adult Social Care Responsibilities (LAASCRs) and Not for Profit developers, leading to it being promoted through Housing Strategies for Older People as the expected form for new specialist housing stock and as the re-provision that could enable closures of residential care homes that cannot be updated to meet current standards and expectations.

To date, extra care housing schemes have been developed with combinations of capital subsidies including; affordable homes' funding programmes from the Homes and Communities Agency; the use of public land; and, the Department of Health Extra Care Housing Fund. This reliance on high levels of capital subsidy, combined with relatively high development and operating costs, is now threatening the future of the extra care model. In addition, mixed tenure schemes that rely wholly, or in part, on scheme specific cross subsidy from open market sales revenue have also become a feature of the Not for Profit sector, particularly within PFI projects. This has created new challenges and stresses in implementing the extra care housing model, as developers and operators expose themselves to the private housing market.

Despite the adverse changes in funding and market conditions, extra care housing remains the preferred model for social provision and LAASCRs continue to adopt strategies and commence procurement plans which are based on new extra care housing schemes coming forward, without any clear or guaranteed funding route for these schemes. This is partly due to a lack of acceptable alternatives to extra care housing, however, it is also due to the time required to draft, consult, refine and adopt local housing and care policies. The procurement stage is necessarily after the enabling policy work and this has resulted in LAASCRs undertaking formal procurement in a very different funding and market context to that envisaged when their initial policies were established.

Regardless of the hurdles facing publicly promoted extra care programmes, there remains a combination of a short term need to extend the size and range of the housing provision for older people, as re-provision to replace unacceptable existing housing and care accommodation, with a medium and long term need to plan for increasing numbers of older people and longer life expectancies. The current Office for National Statistics projections for the number of people of 65 or more is a 48% increase from 8.76 million in 2011 to 12.94 million by 2030, with an 82% increase in those of 80 or more from 2.50 million in 2011 to 4.54 million by 2030, (POPPI, 2012).

The implications of these increases in the older population for public spending should be of great concern to us all; *the Department of Health estimates that the average cost of providing hospital and community health services for a person aged 85 years or more is around three times greater than for a person aged 65 to 74 years*, (Cracknell, 2010). How you perceive this demographic shift will largely depend on what sort of organisation you work within, among commissioners and Not for Profit organisations it is an expansion of need and a huge challenge, in the For Profit sector it is a larger market and a huge opportunity.

On the other hand, the UK is also forecast to have the fourth largest overall population growth in the EU for the periods to 2020 and 2035, (ONS, 2011), which will provide us with a younger and larger workforce than many of our neighbours. This could well provide us with the labour resource that is essential for the expansion of specialist housing and care services.

Market context

Owner occupied extra care or retirement housing is unavoidably connected with the wider mainstream housing market. Potential residents are most likely to own their current family homes outright and, for most people, any move to specialist housing will be reliant on selling their family home. Older people not only take longer between their initial enquiry and reserving a new property than the younger age groups, they are also less inclined to accept valuations of their current property which are below their expectations. This is understandable given that any perceived loss of equity in older age cannot be recovered through future earnings or property price inflation, however, in a slow market it protracts the process of selling the family home on, due to unrealistic asking prices and an unwillingness to consider offers unless changes in individual needs force a pragmatic decision on price.

The characteristics of the UK housing market are highly localised and there are areas which have good rates of sale combined with price resilience and even price increases. However, the majority of the UK stock is currently subject to continuing weakness, demonstrating high levels of availability with evidence of forced and distressed selling, undermining confidence in values for lenders and developers. This is often a particularly acute problem in PFI schemes due to their secondary locations. Even if owner occupied extra care and retirement stock is sold without a reliance on borrowing, the required associated disposal of a family home will still be dependent on mortgage offers and valuations which are more exposed to market weakness in a secondary area.

Provider responses to the strategy context and market

While the funding situation has caused a considerable reduction in development activity across both the Not for Profit and For Profit sectors, with some forced, or choosing, to withdraw from new development entirely, there is still strong interest in new forms of provision for older people within both of the sectors. For those still committed to the development of new schemes, the immediate decision is how best to adapt to the current funding and market conditions.

The Housing LIN is aware that extra care housing providers have been reconsidering their models, for example; questioning whether onsite dining and 24 hour staffing are fundamental to extra care; looking again at the scope of communal facilities and the size of individual units of accommodation.

For Profit specialist housing providers and mainstream housebuilders have adopted similar strategies in order to stabilise their businesses, including; rationalising their pipeline sites; prioritising site starts in locations with the most favourable local markets; and concentrating on well tested and well understood models of accommodation and services.

In mainstream private sector housing, the majority of projects that failed were either in secondary or tertiary locations, or in bubble markets such as city centre apartments. The return of housebuilders to developing lower density housing in primary locations, as a push for margins and price stability rather than volume, has proved largely successful and extensive write downs of land in recent years has dealt with most of their financial legacy of pre-recession land acquisition and development.

Among the specialist housing developers, it is the most ambitious pre-recession specialist schemes that failed, or at least remain incomplete and under-occupied, as warnings of the risks of trailblazing new models of provision and not fully understanding the market. While these schemes represent a short term problem in the market, they do provide valuable information regarding what forms of provision have current appeal to potential customers and how the pricing and catchment definition of schemes works in practice. Even where sites have failed, some developers have subsequently made them successful after acquiring them as distressed assets, usually by redefining their offer and remarketing them effectively at the right price point for the current market.

Partnership opportunities

Organisations with an appetite for new development are likely to find that partnerships allow them to access opportunities that they may otherwise be unable or unwilling to pursue. Partnerships are particularly effective for;

- Sharing risk
- Combining equity contributions
- Combining complementary capabilities
- Extending geographical coverage

- Diversifying tenure mix
- Accessing specialist markets
- Providing a delivery structure for large multi-site programmes
- Widening the range of funding options

Sharing risk

Regardless of the participants' experiences to date, the opportunity to share risk for the financial outcome will be a very attractive incentive to commit to new projects, particularly if the other partners have a strong influence on their likely success. A good example is land being contributed for extra care housing use by public bodies with LAASCRs, acute or primary health care responsibilities, where subsequent referrals by care or health professionals will be of considerable benefit in achieving the optimum rate of fill up and maintaining occupancy levels. 'Making creative use of NHS estate', (One Housing Group, 2012), makes the case for partnership working in planning the reuse of NHS land and buildings as new jointly developed resources, instead of simply treating them as redundant assets requiring early disposal to the highest bidder.

Combining equity contributions

The ability of organisations to commit equity to new projects, and limits on equity availability, both make the opportunity to pool equity an attractive feature of partnership projects. It also enables organisations to participate in new projects even if they are unable to do so as equity partners, using agreements that link financial returns to the individual equity contributions from participants and separate these from non equity based income in projects, for instance ongoing management fees.

Complementary capabilities

Very few organisations have all of the skills required to deliver successful extra care housing projects wholly in-house. For the majority, gaps in their development or operational capabilities can be covered by partnerships with organisations with complementary skill sets. This in turn allows experience to be gathered in these under-developed capabilities and builds in-house capacity for future projects. This is particularly relevant to extra care housing as it has been developed in the past by social and private housing or care organisations, both of which have been required to extend their capabilities into the other's domain. Particular examples of expertise that tend to be stronger within particular sectors include;

<u>For Profit sector</u>

- Obtaining sites 'off market' under deferred payment terms
- Promoting sites to obtain changes of use & allocations
- Assembling mixed use proposals
- Value engineering & managing costs
- Sales and marketing
- After sales customer service

<u>Not for Profit sector</u>

- Contracting with public bodies
- Multi-agency involvement, including health
- Community consultation and engagement

- Housing management
- Forming social enterprises

Extending geographical coverage

Whether organisations have grown organically or through acquisition, there are frequently gaps in their operating areas that can be difficult to fill without partnering with another organisation that has established relationships in those areas. Relationship building from scratch can be a very lengthy process, particularly if this has to be formalised before projects can be undertaken; for example, through framework agreements for construction, housing or care services.

Diversifying tenure mix

Although housing management is considered a strong point of Not for Profit housing providers, this tends to be based on conventional social tenures, (social rent and shared ownership / shared equity). The involvement of other partners, some of whom may have a long term financial commitment to the operational phase of extra care housing schemes, offers the opportunity to extend the tenure range to include not just outright sale but also market rent, (for accommodation with or without additional services, such as meals and housekeeping), and emerging tenures such as lifetime lease. The potential here is for schemes to have flexible tenure offers, with units that become vacant being 'recycled' from one tenure type to another as demand requires. Subject to local nomination arrangements and allocations policies this makes schemes less vulnerable to obsolescence as they can both evolve their tenure offer and bring individual units up to current standards before reletting or reselling them.

Accessing specialist markets

Extra care housing for older people is a specialist market in itself, combining both a housing and care offer in a single scheme, which is expected to provide accommodation to end of life for most of its residents and frequently also to support people with early stage dementia. Furthermore, it is frequently viewed by LAASCRs as potentially suitable for other user groups, including; people with chronic health conditions; people requiring intermediate care either prior to, or post, hospital treatment; adults with learning disabilities; adults with mental health needs; adults with physical disabilities; and, people with histories of substance abuse. While it is inappropriate to expect a wide range of users to be accommodated within any one extra care housing scheme, it is a model that can be adapted to suit a variety of needs and partnerships can enable one partner's specialist expertise to be combined with more general extra care development or operational capabilities in order to target schemes to very specific needs. This could include other user groups or specific forms of complementary provision to extra care housing, such as Intermediate and Respite Care, Day Care and Day Opportunities (see relevant Housing LIN factsheets).

Providing a delivery structure for large multi-site programmes

This is another aspect of partnerships where combining capabilities can achieve an end result which none of the individual participants could do separately. This could be in initially securing a public procurement appointment, within which a wide range of capabilities and experience are being evaluated, or in creating a partnership that has extensive capacity to deliver due to the diverse capabilities, and number, of partners involved. Larger partnerships comprising multiple partners can become flexible management structures for the delivery of extra care housing projects which are distributed over large geographical areas or vary in their specific characteristics, for example differing sizes of schemes or provision for dementia (see Housing LIN website for further information on extra care housing and dementia).

Widening the range of funding options

Regardless of whether organisations have formally concentrated on subsidised or market funded projects, engaging with partners with differing funding histories can be very useful. Not only does their funding experience provide an alternative view on whether new projects can be delivered, it also offers the opportunity for mixed and unconventional funding solutions for both individual projects or whole development programmes. There is a tendency for differing sectors to believe that there is a funding 'holy grail' beyond their current experience, while this is rarely the case, jointly appraised schemes have the potential to be far more robust under funding due diligence than those promoted solely by Not for Profit or For Profit organisations.

In addition, the involvement of multiple partners can enable the development and operational phases of projects to be treated separately for ownership and funding purposes. Examples would include Contractors funding the build phase, Developers funding the fill up period and Operators funding the ongoing operation of the scheme.

Key considerations when entering into partnerships

In the process of identifying a suitable partner, there are a number of questions that all of the participants should ask themselves, including;

- Why do you need each other?
- Is this a marriage of convenience or a long term commitment?
- Is a JV just business to you or something more complicated?
- Will this be an exclusive relationship or just one of many partnerships?
- What does each partner expect to gain, both from the relationship & from each project?
- Is there a balance of inputs and outcomes for each partner?
- Will there be equitable risk sharing?
- Can you work closely with others who have differing priorities?
- Will the partnership affect current working arrangements?
- What legal and financial structures would best suit all those involved?
- How and when does each partner expect to exit from the relationship?
- Do customers' perceptions of each organisation and their services fit with their potential partners' aspirations?

The acute pressures on partnerships when projects do not progress according to original expectations will inevitably reveal any flaws in the relationships. This has been evident in numerous partnerships formed prior to the recession, when the potential downside for projects was much less apparent. In current conditions, the downside has to be recognised, openly discussed as 'what if' scenarios and planned for within partnership agreements. As preparation for drafting agreements, selecting partners should involve both informal and formal types of risk management.

Informal assessment should involve an objective evaluation of whether the working relationships between the individuals involved are likely to maintain honest exchanges of information and ideas if the project encounters problems, for example would those involved even be allowed by their organisational culture to be open about changes in priorities or commitment? It is the character and capabilities of the specific individuals involved that will ultimately carry a project through all of the trials of the development process and it is essential that partnerships are formed at both a personal and organisational level. This kind of informal evaluation can frequently identify individuals who have a disproportionate affect on the relationship, depending on their position it may well be appropriate to request an alternative candidate to fulfill the same role rather than compromise in accepting the first person put forward by a potential partner.

Similarly, no one individual should carry responsibility for their organisation's relationship in the partnership. Rather, it is preferable to have multiple connections between people in differing disciplines and at varying levels of seniority.

Depending on the type of organisations involved and their desired outcomes, achieving a good 'cultural fit' may not be considered that high a priority. Indeed, for very different organisations seeking partners with quite different capabilities, it may be especially difficult to find common ground other than in a shared interest in the same form of provision. Partnerships based solely on a 'business fit' are certainly workable but also more exposed to the risks of non equitable outcomes and disputes. In these cases, the formal processes of risk management will be relied upon much more heavily, although these are essential in all cases, no matter how good the relationship between individuals.

Formal risk management would include due diligence regarding each organisation, for instance; financial standing; health and safety records; environmental and equality policies; and their history of contract or employment disputes. In the case of Registered Providers, their performance as landlords would also be relevant and this is available through the Tenants Services Authority (TSA). Subject to these enquiries being satisfactory, due diligence should follow for the land assets being used for projects. This due diligence should highlight any anomalies that need to be discussed between the potential partners, as they could jeopardise the ability of the partnership to pursue opportunities, for instance a partnership with a small construction contractor or care provider might limit the size of projects that the partnership would be considered for in any formal procurement selection process.

So called strategic partnerships intended to deliver multiple projects offer the possibility of a pipeline of new development for all involved but tend to be very vulnerable to the financial outcome of the first project. Again, pre-commitment discussions of 'what if' scenarios will be useful in managing risk and expectations in all of the organisations involved. The strategic partnership is also more prone to changes within each of the participants, most recently apparent in staff losses among LAASCRs due to the pursuit of cost savings but often due to mergers or reorganisation. There are simply too many combinations of these to consider the potential effects of every single change, which suggests that the more useful approach is to re-evaluate the pre-agreed objectives of the partnership against changes as they become apparent and for the participants to have the facility within agreements to either; redefine the objectives; seek additional partners; or, instigate a managed withdrawal from the partnership.

The most appropriate legal structure for each partnership will be determined based on the;

- Purpose of the partnership – development, operation, or both
- Legal constitutions & governance requirements of the participants
- Tax implications for the participants
- Duration and extent of the relationship - single project or multi-site?
- Initial and eventual ownership of assets
- How risk & reward will be allocated
- Resourcing choices – secondment / dedicated recruitment / outsourcing?
- Exit triggers – occupancy / profit / valuation / onward sale
- Involvement of third parties, (which might include as yet unidentified investors).

Limited Liability Partnerships, (LLP), have become popular as they are a ‘pass through’ entity that allows partners with differing structures to deal with tax obligations as appropriate to them after taking their share of gross income from the LLP. The partners in an LLP can be Limited Companies or other legal entities. There can also be subsidiary Limited Companies and LLPs, each with their own specific responsibilities and assets, within an overarching LLP. This is typically used for the separation of property (PropCo) and operating (OpCo) interests into separate legal entities in preparation for eventual transfer of the property assets to one of the participating organisations or onward sale to third parties, for instance an institutional property investor.

Special Purpose Vehicles (SPV) can adopt whatever legal form is most appropriate for the partnership and have the advantage of ring fencing expenditure and revenue within a freestanding entity. This should in theory provide a high level of transparency in reporting progress but access to, and interpretation of, financial information is often led by one of the participants for practical reasons so regular independent reviews may be a prudent inclusion in partnership arrangements to ensure that reporting is comprehensive, timely and accurate.

The management of risk in SPVs will depend on what the entity is seeking to achieve. Parent company guarantees will often be required by those entering into agreements with an SPV or subsidiary, in order that the SPV's liabilities cannot be avoided by its owners.

Hurdles facing extra care housing partnerships

Quite separately to the challenge of identifying partners that are suitable in either cultural or business terms, the development of extra care through partnerships introduces some very particular additional hurdles that need to be considered and overcome in order to deliver successful projects. These include;

- Terminology
- Market depth
- Commissioning priorities
- Procurement rules
- Funding requirements
- Registration risks
- Investor considerations

Terminology

Extra care housing is very much a part of the language used within LAASCRs and Registered Providers (housing associations), it includes various combinations of accommodation and services but always includes an element of social tenures. Beyond this, partnerships have to reach a common understanding of the terminology they intend to adopt and relate this to the language of the external bodies they interact with. It is to be hoped that the UK will, in time, find a common language for policymakers, providers and the public to readily understand the main variants of housing and care for older people, as they have in other English speaking countries, but for now, the continuing early stage evolution of models of accommodation and services requires constant effort to explain the terms being used.

Terminology is also likely to be situation specific. A scheme may be discussed as extra care with Social Care, Housing, Planning and Health authorities, then promoted as assisted or supported living through community consultation, the planning application and marketing. Owner-occupiers are especially sensitive to the use of labels and we all tend to react adversely to categorisation, so terms such as ‘care’ and ‘retirement’ can alienate a large proportion of the potential market for a scheme. Instead, the housing offer of the scheme has to be competitive in its local market and the care element of the offer has to be discreet and additional to the housing characteristics of the scheme, such as location, price, design, costs of occupancy and specification.

Market depth

The above mentioned early stage evolution of models of housing for older people is a barrier to widespread understanding and adoption amongst both commissioners and the public in the UK. For whatever reason, we have experienced relatively polarised development of separate models for social tenures and owner occupation, neither of which suits everyone. This makes the assessment of likely demand in the current UK market much more difficult than in other markets that have stable and well established models of provision with more universal appeal across multiple sets of personal circumstances.

As set out in the Housing LIN/ADASS Strategic Housing for Older People Resource Pack (IPC, 2011), an essential part of risk management for new projects is a sensitivity analysis of demand and capacity in the target locations, to inform the siting, tenure mix, pricing, design and marketing of schemes, followed by post completion analysis of actual patterns of occupation. This process, and the Market Position Statements, add to the evidence base for local planning and enables increasingly sophisticated analysis of potential demand for any given combination of accommodation and services, but many schemes remain under-researched due to a misunderstanding of risk. Owner-occupied extra care housing and retirement projects are particularly prone to inappropriate demand assessments due to a focus on large demographic numbers without appropriate recognition of how individual choice is expressed through the actual take up of new schemes. All participants should therefore recognise the value of a structured market assessment process that relates their proposed schemes to the local housing and care markets, as recommended in the Department of Health Social Care White Paper (2012).

Commissioning priorities

As mentioned previously, commissioners can be tempted, often due to the scarcity of new provision, to treat new extra care housing schemes as a potential catch all for a wide range of needs rather than occupancy based solely on age criteria, for instance suggesting mixing frail older people with care needs with adults with learning disabilities or people with histories of substance abuse. All of the participants in partnerships need to be prepared for open discussions regarding how the planned extra care housing provision is to be used, often repeatedly as the scheme passes through various stages or as previous discussions are reviewed due to staff or priority changes within commissioning or regulatory bodies.

Procurement legislation

Partnerships of public authorities, Not for Profit and For Profit organisations can very quickly encounter problems due to differing governance requirements, specifically in terms of procurement legislation. The establishing of the partnership itself will have to comply with this legislation and then the subsequent activities of the partnership have to be assessed & planned to ensure ongoing compliance. The precise nature of the procurement rules adopted will vary between the participants so a common working practices policy for the partnership should be prepared as part of the agreement.

Funding requirements

The expectations of grant giving bodies and private market funders for the due diligence and supporting business cases for new schemes vary considerably. This is not only in content but also in the actual financial outcomes of projects. Procurement processes that evaluate bids based on profit margins can unintentionally introduce systemic bias towards either Not for Profit or For Profit development models. Extra care housing is unusual in that combines different financial characteristics in the development stage, (which is similar to those of housing schemes), and the operating stage (which is a hybrid of care, hotel & housing management services). This can confuse market funders and lead to them setting loan to value ratios, internal rates of return or security requirements that are overly cautious.

In addition, the reduced availability of both capital subsidy and mainstream market funding has led to more interest in alternative sources of funding; institutional investment, (considered further below); high net worth individuals; and consortiums of individual pension funds. The number of high net worth individuals willing to fund extra care housing schemes is unlikely to be large enough to deliver a significant number of projects and they can be demanding in terms of the control and investment return they require. Consortiums of individual pension funds, (comprising multiple Self Invested Personal Pension holders brought together and managed by an agent, who is usually a Financial Advisor), have recently been involved in funding hotels and care homes. These consortiums are often promoted to the individual pension holders as safe but high return investments, which make them a costly source of development funding even before their agent's introductory and management fees are met.

Registration risks

As extra care housing combines housing with domiciliary care at differing levels, there is a risk that schemes fall within the registration guidelines of the Care Quality Commission, (CQC), either at initial opening, or at some later time when the operation of the scheme or the CQC guidelines change. The registration of an extra care housing scheme as a Residential Care Home would seriously affect how it is staffed, operated and the funding of its residents. This is a particular area of concern when referrals of people with higher needs occurs increasingly frequently from LAASCRs (see Housing LIN Technical Brief No.1 for more details). While referrals are essential to maintaining high occupancy levels, the needs range and mix of the scheme must be monitored through a formal allocations process involving scheme operators with housing, care & health commissioners, to avoid a 'drift' towards registration.

Investor considerations

Institutional investment has previously been heralded as a potentially radical shift in how the UK's housing stock is funded, owned, occupied and managed. The government have already made changes to stamp duty land tax in order to foster the involvement of large scale investment in private rented housing stock, targeting Real Estate Investment Trusts, (REITs), and the large scale institutional pension funds.

Despite these changes, institutional commitment remains patchy and we have yet to see a comprehensive set of tax and tenancy reforms that would provide landlords and tenants with an incentive to enter into long term private letting arrangements. This is of more interest to the extra care housing partnerships, as experience in other countries has shown the potential benefits of long term management organisations for older people's housing and care schemes. The presence of such organisations not only provides a proven structure for receiving new schemes on completion but also maintains the quality of stock in the schemes over the long term through regular updating, under buy back and reversion arrangements between residents and the operators.

Summary

This Viewpoint has sought to highlight the continuing potential for partnerships to expand and diversify specialist housing for older people, both in its extra care housing form and in the related types of provision that are still emerging in the UK. Not only does extra care-type combination of accommodation and services remain the preferred model for new provision to replace outdated and inappropriate existing stock, the impending changes in the UK population age distribution will generate new demand for provision across all levels of need.

This expansion of demand is both a challenge and an opportunity. The challenge is both in developing proposals during a continuing recessionary period and in gearing up for the scale of the demographic shift. The opportunity is to access a very large group of potential customers through a range of specialist housing offers, including the HAPPI build types (HCA 2009), as a larger market will not only allow the continuing evolution of scalable core services that become clearly understood among policymakers, commissioners, providers and the public, but it will also provide a market for niche products and services.

The UK has a promising combination of characteristics for this opportunity to be translated into a mature specialist housing multi-tenure sector within the next 25 years. Large numbers of the people moving into the older age bands will have considerable amounts of equity available to them, due to the high proportion of home ownership amongst those age bands. The UK is also forecast to have a younger and larger workforce over the next 25 years than many of our neighbours.

Our property development and housing sectors have very strong skill sets in mainstream projects which can now be supplemented with experience from the diverse range of 'prototype' provision planned pre-recession. Finally, we have the continuing ability to draw on experience in the mature specialist housing and care sectors of both other English speaking countries and our near neighbours in the EU.

Extra care housing and its related forms of provision have a promising future as part of this emerging industry, within which partnerships offer the opportunity to manage risk and extend both capacity and capabilities for organisations of all types. It is also a particular opportunity to create new models of specialist housing and care that individual organisations could not do alone. The Department of Health's Social Care White Paper provides a new lease of life.

Additional useful reading from the Housing LIN

'Strategic Housing for Older People (SHOP) Resource Pack'

Factsheet No. 1: 'Extra Care Housing: What is it?

'CSCI registration of Extra Care housing for respite or intermediate care' (Housing LIN Q&A)

Factsheet No. 7: 'Private sector provision of Extra care housing'

Factsheet No. 14: 'Supporting people with dementia in extra care housing: an introduction to the issues'

Viewpoint No. 16: 'Can Extra Care Housing funding needs be met with funding from Institutional Investors?'

Viewpoint No. 17: 'Downsizing for older people into general housing'

Viewpoint No. 19: 'Downsizing for older people into specialist housing'

Factsheet No. 31: 'Short Stay Intermediate Care Services in a range of Housing and Care Settings'

Factsheet No. 28: 'Day Care and Outreach in Extra Care housing'

Factsheet No. 32: 'Private rented Extra Care: a new market?'

Technical Brief No. 1: 'Care and Support in Extra Care Housing'

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For further information about the Housing LIN and to access its comprehensive list of online resources, visit www.housinglin.org.uk

The Housing LIN welcomes contributions on a range of issues pertinent to Extra Care housing. If there is a subject that you feel should be addressed, please contact us.

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