

## Anchor submission to Communities and Local Government Select Committee inquiry into housing for older people

1. Anchor is a not-for-profit organisation with charitable status. We are England's largest not-for-profit provider of sheltered housing for rent as well as England's largest not-for-profit care home provider.
2. The key points of our submission are:
  - a. With an aging population there is an increasing shortage of retirement housing
  - b. Retirement housing helps limit the call upon health and social care and should be seen as part of the solution to the escalating costs in these areas
  - c. Providing more housing choice, incentives and information for older people – will increase the incidence of 'right-sizing' which will help free up the housing market and stimulate the economy
  - d. Aspects of the planning system need reforming so as to provide greater clarity and incentives for developers to build more retirement, sheltered and independent living accommodation for older people.
  - e. The housing white paper makes positive statements but more is needed to give direction and impetus to action in this area – as such we are supportive of a national strategy on housing provision for older people
  - f. The current concern around the application of a local housing allowance cap to retirement housing is impeding development of retirement housing and needs to be resolved as soon as possible.

### ***The adequacy of provision of homes for older people and the challenges people face in accessing housing which meets their needs***

3. The population is aging. This is creating challenges with both the type and availability of accommodation for older people which are not yet being adequately addressed.
4. The table<sup>i</sup> below shows that the absolute numbers and proportion of the population aged 65 and over is set to increase from 17.8% - 24.6% between 2015 and 2045.

Year	Population of UK	Population aged 65 and over (%)
2015	65,110,000	17.8
2025	69,444,000	20.2
2035	73,044,000	23.6
2045	76,055,000	24.6

The greatest increase will be among the very old. By 2039 the number of people aged 75 and over is projected to rise by 89.3%, to 9.9 million and the number of people aged 85 and over is projected to more than double, to reach 3.6 million<sup>ii</sup>.

The ONS also report that though we living longer we are spending a smaller proportion of our overall lives in good health<sup>iii</sup>

5. It is therefore clear that the ageing population is increasing demand on health and social care services – a demand which it is finding hard to meet; it being stated by the International Longevity Centre, (ILC) that since 2008-9 the numbers of older people (aged over 65) accessing care services has fallen by 30%<sup>iv</sup>.

6. Good housing can help offset demand for such care services but there is currently not enough of the right type of housing – be it purpose built retirement housing or housing which has been suitably adapted for its occupants.
7. Sheltered housing delivers many benefits such as facilitating more timely and therefore less costly health and social care interventions, averting falls, reducing time spent as a hospital in-patient and combatting loneliness. Despite these benefits the ILC report, *'State of the Nation's Housing'*<sup>vi</sup> states there are just over half a million specialist retirement housing and extra care homes and this is only sufficient to accommodate 5% of the over-65 population. It also comments that the rate of construction of housing for older people has varied over the years and that there could be a gap by their calculations of 160,000 retirement housing homes by 2030 rising to a possible 376,000 by 2050.
8. Our own experience of renting sheltered housing properties, (12,000 applicants on our waiting list and an occupancy level of 99.2%) and selling independent living accommodation within our village complexes demonstrates the demand for the various models of older persons' accommodation we provide.
9. It is therefore evident to us both from the demographics and evidence of unmet demand that there is an urgent need to increase the supply of retirement housing. The housing white paper recognises and commits to the need to fund and develop sheltered and extra care housing but there is no mention of the level at which this will happen.
10. Increasing supply is however not the whole picture. There are many challenges to moving – both for those seeking to rent and even more so for those seeking to buy.
11. *'Generation Stuck'*<sup>vi</sup> highlights many of the barriers which prevent or inhibit older people from downsizing which we recognise from our own direct experience of renting and selling retirement and sheltered housing properties. There is a considerable emotional, financial and practical challenge in giving up a home.
12. To get those older people who are contemplating moving to actually take the necessary steps more needs to be done by all those involved. The government needs to;
  - a. increase the supply of retirement housing through additional public funding,
  - b. limit the costs and improve the planning process for retirement housing and delivering consistency in its application
  - c. incentivise older people to 'right size' or move into retirement housing, (not only to help them but to contribute to an alleviation of health and social care costs and to increase the opportunity for younger people to get onto the housing ladder).
13. Developers of retirement / older persons housing need to help take on board the burden of moving both by providing good up front advice and by easing and occasionally taking on board many of the practical challenges in undertaking a move. Not for profit housing associations are well placed to provide such support and help not least as a consequence of the trust we believe consumers place in them.

***The adequacy of current planning policy and Government initiatives in England in meeting the housing needs of older people***

14. As part of our grey pride campaign we promoted the idea of a national task force of developers, ministers and local government to produce a national strategy for increasing the supply of retirement housing.
15. Though the recent white paper has not gone this far it is welcome that it states that the Government will, via the Neighbourhood Planning Bill, be introducing guidance for local planning authorities on how their local development documents should meet the needs of older and disabled people.
16. It waits to be seen how the guidance will deliver additional housing for older people however it is clear to us that in many areas the current planning system and the strategic housing needs assessments are failing to deliver the levels of housing for older people sufficient to meet the local population's needs. The inter-relationship between the provision of more retirement housing and its effect in stimulating movement within the local housing market, through downsizing, is also not always sufficiently addressed.
17. Retirement and independent living village complexes for older people are inherently more expensive to develop as a result of the land required for the provision of all level access properties and the additional communal facilities which typify most schemes, (alarm systems, lounges, lifts, kitchens). Facilities which are inherent in helping to deliver many of the preventative health and social care benefits associated with this type of housing.
18. A key challenge is in the application of classifications that are used in the planning system for retirement housing. These are applied inconsistently by local authorities and often act against the development of retirement housing. For a property type to be classified as C2, (residential care homes, nursing homes) will relieve developers of the need to provide any affordable housing, provide relief on some S106 charges and may result in more favourable treatment in the application of the Community Infrastructure Levy, (CIL).
19. To be awarded a C3 planning use classification, (dwelling houses) for their retirement housing will not exempt a developer from these additional costs.
20. Retirement and extra care housing sits uneasily between these two planning classifications, (hence the inconsistent application). As such its planning use status needs to be clarified, and if the number of retirement housing units is to be encouraged to grow to the levels needed by the country, it needs more favourable treatment.
21. Options for change would involve an extension and additional clarity being given on the C2 classification so as it clearly captures more retirement housing (specifically extra care and independent living schemes/ retirement villages). This would ensure relief or waivers on the provision of affordable housing, S106 charges and the CIL provided certain criteria are met. However the ideal would be a new planning use category for retirement housing ensuring no uncertainty – a classification that would bring with it no requirement for the provision of affordable housing, S106 charges and the CIL.
22. Because retirement housing requires more land, is more expensive to build and because it is not always supported by the planning system there is often an inherent bias to develop general needs housing. The bias could be combatted in part through the application of a specific land use category for housing for older people. The value

of the land would then reflect the intended use. The level of land allocated would be tied into the local authority's needs assessments and where these identified high levels of need for housing for older people, sufficient land could then be allocated to achieve their target.

***Whether more housing designed specifically for older people could help address England's wider housing needs***

23. The increasing number of older people, the existing shortage of retirement housing and a failure to develop enough new properties, along with a disincentive to develop being caused by the proposal for capping housing benefit are all detrimentally affecting movement in the social and owner-occupied housing sectors.
24. Much of the focus on supporting the housing market has been about getting younger people onto the housing ladder through the starter homes initiative and such schemes as 'help to buy'; however efforts are hampered as the lack of choice for older people wishing to move to secure a suitable home causes an unnecessary and avoidable stagnation in the market. It needs to be appreciated that providing more choice for older people to move into a smaller, and more accessible home in a supported environment, will cause a helpful ripple down the chain.
25. The Demos report, '*Top of the Ladder*' states that 58% of people over 60 were interested in moving and that 1 in 4, (equivalent to 3.5 million) would be interested in buying a retirement property. Of those wanting to move 57% wanted to downsize, rising to 76% among those older people living in a 3, 4 or 5 bed roomed property<sup>vii</sup>.
26. If these households had more options to move their larger accommodation then potentially becomes available to a younger and larger family who may themselves then free up housing for others struggling to get out of rented accommodation or their parents' home, (between 1999 and 2014 number of young adults living with their parents has risen by 1 million<sup>viii</sup>)
27. Anything which frees up the market also increases the opportunity for economic stimulation as moves prompt investment in furnishings and other home consumables.

***The extent to which improving specialist housing provision in England could improve people's health and wellbeing, and deliver savings in public expenditure***

28. A recent briefing paper by Demos<sup>ix</sup> produced following a review it conducted of 52 academic papers and policy reports specifically aims to identify and then quantify the health and social care benefits derived from sheltered housing. It concludes from the studies reviewed that there is a strong evidence base linking housing and health. Poor housing being seen, particularly amongst older people, to be a cause of increased falls, excess winter deaths, cardiovascular diseases and mental health.
29. Putting aside the alleviation of human discomfort and suffering the briefing paper identifies savings to the public purse in a number of areas;
  - a. **Reduction in general in-patient stays** – though sheltered housing residents are more likely to have a disability or to have a persistent health issue they on average have fewer nights as an in-patient following admission to hospital (7.4 nights compared to 17 nights for the older general population)

- b. **Emergency in-patient stays** - a similar story with a sheltered housing resident having an average stay of 8.2 nights compared to 12.9<sup>x</sup> days for older person in the general population
  - c. **Number of falls** – because of the accessibility and the features, such as handrails, inherent within sheltered housing it is estimated that this accommodation reduces the probability of a fall by between 1.5 and 2.8<sup>xi</sup> times, (equivalent to 57,000 to 110,000 falls per annum). Taking a mid-point of 91,940 falls averted the briefing paper report then calculates;
    - i. A reduction of 15,629 A&E attendances and 5,209 emergency admissions
    - ii. A reduction in hip fractures consequent upon a fall (equivalent to 8.5% of the 91,940 averted falls) and the subsequent time spent in an acute ward
  - d. **Loneliness** – residents of retirement housing are half as likely to report feeling lonely as residents of the same age in the general population. Loneliness results in greater use of health services partly through increased use of GP, A&E and hospital admissions but also because of the increased risk of angina/heart attack, stroke and dementia.
  - e. **Emergency call outs** – alarm lifeline services often provided as part of a sheltered housing service filter calls so that many unnecessary or inappropriate calls which would otherwise have resulted in attendance by the emergency services are avoided. Based on a study of Anchor’s own lifeline service over a year it is estimated that preventing false smoke alarms reaching the fire service could alone have saved £300k
30. Ignoring the savings on avoidable emergency call outs the briefing paper estimates the social value saving of the above at £486m per annum. It however also states that its estimations are likely to be underestimates of the true financial value of this type of housing.
31. At a time of increasing social and health care need it seems therefore clear that investment in retirement housing will deliver real personal and monetary benefits.

***The availability of finance to help older people 'right size' in retirement, and the impact of the cap on Housing Benefit from April 2017 on the development of specialist housing***

32. There will only ever be a proportion of older people who will wish to leave their family home and 'right size'. The emotional pull, desire to leave a legacy and the hassle in arranging a move will always limit the numbers. However the numbers who do are still very significant. These older people need to be supported to do so because of the beneficial knock-on effects to them and the wider housing market and economy.
33. 'Right sizing' can for many home owners lead to a release of equity, lower bills and lower home maintenance costs. The benefits of such moves especially to specialist retirement housing, (and its ability to offset / prevent ill health and social isolation) should therefore be more effectively publicised, encouraged and incentivised. Initiatives such as a reduction or removal of stamp duty are to be encouraged.
34. Finding a property and overcoming the hassle and cost of moving will put off many, particularly for those in their late seventies and eighties. Initiatives to support older people to help alleviate or eliminate such problems are to be encouraged. The more practical help and support from specialist services and agencies, (such as estate

agents, developers, housing associations and local authorities) in organising and facilitating moves the more likely it is that there will be a rise in the level of 'right sizing'. The best of these initiatives should be supported by government.

35. In the social housing sector the uncertainty caused by the recent policy announcement of limiting automatic entitlement to benefit to the local housing allowance, (LHA) will be impacting on the development of new stock. A recent article in *'Inside Housing'*<sup>xii</sup> quotes one Housing Association Chief Executive stating that from a straw poll they conducted of just 12 associations approximately 2,000 supported housing units were stalled.
36. Potential tenants in determining if they can afford the charges without causing themselves hardship longer term would need to hope and predict that their support charge, (already lost in many areas) and the 'top-up' payments from the local authority above the LHA level would be met.
37. It is therefore imperative that some medium term certainty on the future of benefit funding on housing costs is re-established and that a commitment made that there will be a rethink of the proposed benefit funding model for sheltered housing.
38. The case for a delay in the application of the benefit funding model has been made stronger following the announcement in the Spring Budget, of the Government's intention to publish a green paper this autumn on the future funding of adult social care. A delay would allow the government an opportunity in developing its plans for supported housing to align those proposals with what is likely to be significant reform to the funding arrangements for adult social care. The timescales might then allow for an integrated approach to the two reform strands as well as matching the expected timelines for the roll-out of Universal Credit.

***Whether a national strategy for the support of housing provision specifically for older people is needed***

39. There is a strong and growing body of evidence that the provision of more retirement housing will help in combatting the rising health and social care costs as well as in helping get the housing market moving.
40. Outside of the retirement housing sector there is a need to look at the incidence of adaptations people make to their own homes – the ILC report that 54% of the over 50s with limitations in an activity of daily living do not have any health related adaptations to their home<sup>xiii</sup>.
41. Government policy has focused heavily on getting people onto the housing ladder and in helping local authorities support 'right sizing' within their own social rented stock. However there is a lack of central direction on helping older people to 'right size'. Increasing supply, and increasing the incentives for those older people who want to move to do so would bring benefits not only for the individuals concerned but for the country as a whole.
42. As such the development of a national strategy to give direction and to bring together all those able to promote and deliver on the development of more retirement and accessible housing for the older general population would seem a beneficial step. The extent of the national challenge and the solutions extend beyond the remit of individual local authorities. Tied into all this would also be the development of an appropriate funding model for rented social housing.

## Contact:

Kevin Lorimer  
Quality and Policy Manager  
Anchor  
[Kevin.lorimer@anchor.org.uk](mailto:Kevin.lorimer@anchor.org.uk)

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<sup>i</sup> ONS - Overview of the UK population: March 2017

<sup>ii</sup> National Population Projections: 2014-based Statistical Bulletin

<sup>iii</sup> ONS - Health state life expectancies, UK: 2013 to 2015

<sup>iv</sup> The end of formal adult social care - A provocation by the ILC-UK. Franklin, B. (2015)

<sup>v</sup> International Longevity Centre (2016) *The state of the nation's housing*, an ILC-UK fact file

<sup>vi</sup> 'Generation Stuck – Exploring the reality of downsizing in later life'. Beach, B. (Jan 2016) - ILS'

<sup>vii</sup> Wood, C. (2013) *The top of the Ladder*. London, Demos. [www.demos.co.uk](http://www.demos.co.uk)

<sup>viii</sup> International Longevity Centre (2016) *The state of the nation's housing*, an ILC-UK fact file.

<sup>ix</sup> *The Social Value of Sheltered Housing*, briefing paper – Wood, C. (March 2017). Demos

<sup>x</sup> <https://www.nao.org.uk/wp-content/uploads/2015/12/Discharging-older-patients-from-hospital-Summary.pdf>

<sup>xi</sup> Snell et al (2012) Building a business case for investing in adaptive technologies in England. PSSRU

<sup>xii</sup> Inside Housing, 12 March 2017 – 'A dozen associations have 2,000 supported housing units on hold'

<sup>xiii</sup> International Longevity Centre (2016) *The state of the nation's housing*, an ILC-UK fact file