



# THE OTHER END OF THE HOUSING MARKET: HOUSING FOR OLDER PEOPLE

A report from law firm  
Winckworth Sherwood



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# Welcome

The future of care and supported housing for older people has been at the forefront of the minds of those operating in the housing sector for some time, but is increasingly the hot topic.

Starting with the Dilnot Report on Social Care Funding in 2011, the subsequent Francis Inquiry Report in 2013 and, more recently, with the Care Act 2014, significant emphasis has been given to extending housing options for this group of individuals. Coupled, however, with increasing austerity and demands on government funding, the ability to provide an effective and appropriate level of adult social care and support, at all levels, across England has become concerningly fraught.

The Government White Paper on Housing, published in February 2017, was something of an anti-climax for those hoping for further commitment to this market. Whilst it introduces a welcome change of emphasis from a sole focus on housing for sale, and by that note acknowledging the value of and role to play of rented housing, it was an opportunity missed to give real substance to this arena. Hopefully, however, we can capitalise on the express reference to older persons' housing as a policy area.



Being at the forefront of thought leadership in this arena, Winckworth Sherwood felt the time was right to draw together responses from all spheres of the sector, including housing associations, local authorities and lenders.

We sincerely hope the results of this work can assist in the informing of future provision. We live in an ageing society, and indeed one which should be best judged by the way it creates and supports those in most need. None of us, after all, are getting any younger!

Charlotte Cook  
Partner, Social Housing & Regeneration  
[www.wslaw.co.uk/extracare](http://www.wslaw.co.uk/extracare)

# The need for a longer term strategy



**Jeremy Porteus,**  
Managing Director,  
Housing Learning  
and Improvement  
Network (LIN)

In 2017 more British people will turn 70 than ever before. While increasing longevity is one factor, the statistic also reflects that 1947 saw the start of the baby boom.

The paucity of the response in terms of delivery of age-friendly housing is frustrating given that this is no longer a niche market.

People over 65 are involved in some 40% of all house moves. As the baby boomers continue to age, that figure will rise further. The question is, how can we build large numbers of homes that best meet their changing needs, aspirations and resources?

Yet, in this survey of Housing LIN members, 80% believe the Government does not focus sufficiently on those requiring housing with care. There is, therefore, a growing need to grapple with the issues that deter many comfortably off older people downsizing – or rightsizing. We need to build a truly inclusive housing market that offers diversity of tenure and service/care options.

The most recent HAPPI report by the All Party Parliamentary Group on Housing and Care for Older People highlights these and other issues – including the continuing wariness around service charges and other fees and costs. In this survey, our members also identified such charges as a particular deterrent in the leasehold market.

The Government and industry need to introduce measures that give older people confidence about the management and costs of a ‘care-ready’ home that meets their present and future needs. This includes providing clear and transparent information around fees and other costs that offer them greater choice and control.

With both the HAPPI report and this survey of Housing LIN members identifying an understandable reluctance amongst older people to move away from the neighbourhoods and communities where they have spent their lives, we need more ‘help to move’ levers to construct well-designed age-friendly housing in those very neighbourhoods and communities.

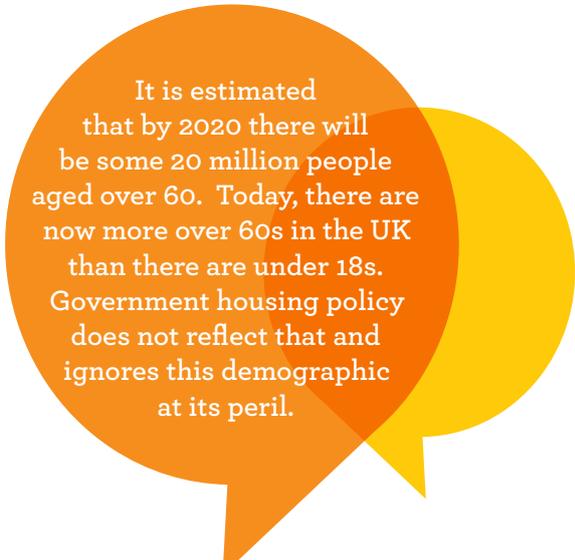
The Neighbourhood Planning Bill now making its way through Parliament will, if passed, require planning authorities to show in their local development documents how they are meeting the housing needs of older and disabled people. In its recent Housing White Paper, the Government also committed itself to “exploring” measures that would help older people move home. These measures are a welcome start.

But, as advocated by the Housing LIN, we need a longer term strategy for care and support that addresses the expectations and needs of all those involved: residents, operators, regulators, providers and investors. We are already in the midst of an historic demographic change. We need policies and approaches that reflect the scale of that change.

[www.housinglin.org.uk](http://www.housinglin.org.uk)

# The pinnacle of a housing journey

The current obsession with housing need is frequently focused on the apparent plight of the first time buyer. That serves to ignore a very important and growing section of the housing market – later life buyers.



It is estimated that by 2020 there will be some 20 million people aged over 60. Today, there are now more over 60s in the UK than there are under 18s. Government housing policy does not reflect that and ignores this demographic at its peril.

Older people play an important part in the housing market, and influence demand and sales. The grey pound carries much weight and influence, and taken in tandem with the cost of care and support, is an important fiscal barometer.

And whilst local authorities and housing providers are responding, much greater choice of housing and tenure is needed. An individual's

last home should be the pinnacle of their housing journey, and not one of compromise. Later life housing should focus less on care and more on hospitality and lifestyle.

A first step would be to recognise that later life housing cannot be categorised as one demographic. The housing needs of a fit and able-bodied 65-year old will be greatly different from a frailer 85-year old, much in the same way a home for a 25-year old will be very different from one aimed at a 45-year old. One size does not fit all.

When considering a home in later life, people look for very much the same things as when buying a first or family home – space, location, access to friends and family, amount of outdoor space, and transparency in relation to service charges and costs. One thing they certainly do not want is the feeling or appearance of an old peoples' or care home.

## The squeezed middle

It is interesting to note that whilst the industry caters well for those that are very wealthy and can choose their own care, and for those at the very bottom of the financial spectrum – who together account for some 20% of the market – it is the middle 80% who are not particularly well catered for. The squeezed middle once again.

And therein lies the first of many challenges for providers and developers. The buying decision, and indeed whether to buy or to rent, is far from straight forward. All too often, the decision is made by well-meaning family members with little input from the person actually making the move. And the decision to make the move is often triggered by a crisis – and event that leaves their current, and often long-term, home unsuitable. As ever, hindsight is a wonderful thing: there is little forward-planning.

As such, there is a real need for greater amounts of information from all parties that addresses the fears and concerns surrounding later life housing. This will need to come from

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local authorities, providers, lenders and developers. This needs to be matched with greater flexibility of tenures and product: why, for example, has the current fad for PRS schemes failed to address later life housing? A home that can be reconfigured to accommodate changing requirements would, for example, help keep residents in their later life homes for much longer.

### **Fear of finance – for the occupier and the developer**

Another challenge is finance. For the older person, the fear of selling the “family silver” or spending the anticipated inheritance of the younger generation, coupled with the loss of control over costs and charges when moving into a leasehold scheme or one where care and support costs are levied at the apparent whim of the provider, can result in people remaining in unsuitable properties.

Downsizing, and the release of equity, can lead to the pound signs flashing in the tax man’s eyes! The cost of moving is not to be ignored – as well as removal costs and solicitor’s fees – SDLT looms large. For those wanting to “try before they buy” tax charges on income generated should not be forgotten.

The cost of finance for those looking to develop housing for older people is often tainted by the value and cost of providing services matched to the “extras” offered. Event and exit fees and uncontrolled service charges are seen as risks for those looking to fund them, as well as the provider looking to rely on them.

And often there is the cost of the care package itself. The much heralded “cap on care costs” is being slowly eaten away, and with local authorities under ever straightened financial restraints, their ability to assist is under pressure from many angles.

And, for the provider, the cost of wages will also impact: well-meaning employers raising salaries can see an influx of workers moving to take advantage, leaving those less able to fund

those costs struggling to staff their schemes. And that’s before we consider the impact of any reduction on the “free movement of workers” from overseas.

### **Planning failure**

One further challenge facing developers is planning. In London, for example, there are some 450 separate local plans, and just under 20% of them make reference to older people. The picture is not much better elsewhere. That makes it extremely difficult for developers who want to bring forward these schemes. Whilst the Housing White Paper published in February by the Government looks to resolve those issues in part, the speed of delivery is often concerning.

We must also note the current often blurred divisions between institutional and residential use class designations, and consider also how best to balance the demands/cost implications of communal and non-saleable space against the benefits such a community focus can give. Is there a simple solution? Perhaps one would be to create a dedicated use class for later life housing and require local plans to address the same. That would play a major role in bringing forward new and varied schemes.

And what do developers want to develop? Would a dedicated older persons development thrust be saleable, or should we continue to dedicate interest only to the “first time occupiers” market? Whilst for many remaining in the family home is important, the benefit of choice of product to allow for a range of provision for developing needs should not be ruled out.

If we as a community focus on the provision of later life housing on the individual – and view older people as individuals where there is no “one size fits all” - then we can start making headway on in delivering the homes individuals want at all stages of life and in locations where they are needed.

# Survey results

At the end of 2016, Winckworth Sherwood surveyed members of Housing LIN – the knowledge hub for housing, health and social care professionals in the UK – to explore opinions on later life housing.

The survey also sought views on what practical measures might be taken to improve later life housing.

It is a complex field with multiple stakeholders, and whilst this survey does not provide a road map for the future provision of later life housing, it provides valuable insight that may help inform future decision making.

## Government focus

> 80%

of those surveyed believe the Government does not provide enough focus on those requiring housing with care. Just 10% believe the Government has it about right.

This finding supports our own anecdotal evidence based on the discussions we have day-to-day with those working in this field, who believe that the government’s housing focus is skewed unfairly towards first time buyers.

Respondents to our survey told us that housing with care “**is barely on the Government’s radar**”, and that we are facing “**a time bomb in demand, needs and future affordability**”.

The LHA cap is a significant issue, with respondents believing that the Government doesn’t really understand its impact on housing with care.

But the responsibility does not lie just with Government.

Respondents also told us that the “**market should focus on providing flexible offers for older people, whether they need care or not**”, and that the “**mainstream housing market needs future proofing so care can be delivered in any setting, not just specialist housing**”.

## Private developers

70%

of those surveyed welcome the entrance of private developers and leisure industry providers into this market, with just 13% saying they are unwelcome.

“**There clearly needs to be as much choice as possible,**” says one respondent, with the caveat that there “**should be clear mechanisms in place to ensure quality and effectiveness**”.

This view is repeated across our sample, although with words of warning about creating a two-tier housing and care market with no choice for the very poorest.

Given the needs (present, anticipated or expected) of those being housed, some form of regulation of the standards of care and support would be welcomed.

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There is already a host of legislation and best practice covering the care home sector; lower levels of need should require a lighter touch – albeit with the needs of residents paramount.

### What influences choice

The drivers behind later life housing, unsurprisingly, broadly echo those buying their first or a family home:



**LOCATION**



**AVAILABILITY**



**AFFORDABILITY**

There is one key difference – the quality of care is paramount.

There are, however, other considerations. Of greatest concern to those surveyed working with those considering leasehold retirement schemes, for example, are service charges. The uncertainty surrounding costs is, understandably, high.

### What element would hinder a move to leasehold retirement schemes?

**SERVICE CHARGES: 43%**

**DON'T KNOW: 15%**

**RENTAL CHARGES: 12%**

**ADDITIONAL CARE CHARGES: 11%**

**REDUCE AMOUNT FOR**

**INHERITANCE: 10%**

**UNCERTAINTY OF FUTURE**

**PROPERTY VALUES: 6%**

**EVENT FEES: 4%**

Part of the problem is the lack of forward planning. Decisions are all too often taken at the last moment – a crunch point. That leaves individuals in a difficult and often expensive position that could easily be avoided by forward planning.

### Other reasons that would hinder a move to leasehold retirement schemes



*“The main barrier is a lack of affordable options which are more attractive and enticing than the person’s own homes.”*

*“Fear of losing independence and control.”*

*“Locations away from community they know and family.”*

*“Lack of support to make the psychological aspects of de-cluttering, and physical aspects of the move.”*

*“Uncertainty over ongoing financial commitments.”*



### Assessment and focus

Our survey asked: when thinking about extra care and supported housing schemes, where should the focus rest?

# 48%



believe we should be developing more extra care and supported housing schemes.

Almost half believe we should be developing more extra care and supported housing schemes. Surprisingly, just 14 per cent believe that technology can play a greater role. The answer lies perhaps in diversity of provision, rather than any one focus. The need to keep people in their own homes for as long as is possible is one recurring theme that unites respondents.

Asking who should assess housing need for the elderly, the majority of respondents believe this rests with local authority adult social care services, with multiple bodies working together and better coordinated.

**45%**



**think local authority adult social care services should be responsible for assessing the housing needs for older people.**

### Lack of information

One of the perhaps more easily solvable problems highlighted is the lack of independent and impartial advice available to individuals and their families that often make these critical decisions.

Our survey asked: who should be responsible for providing that support and advice? The answers are mixed, with 38 per cent believing it should be provided by local authority adult social care services, and 20 per cent suggesting it should be demand led.

**20%**



**think that support and advice provided should be demand led.**

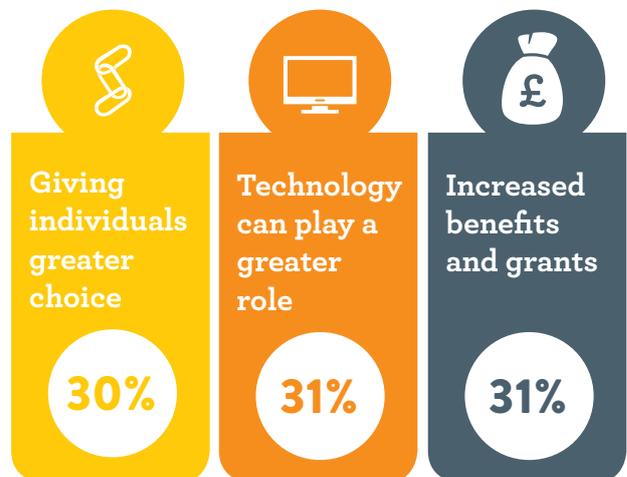
This question also elicited the largest number of suggestions and recommendations. Some believe that it should rest with local authorities who have a statutory duty to assess and pay for services. Others believe that the Citizen's Advice Bureau should play a greater role.

One common theme that emerges, however, is that no single body should fulfil this role, with a multi-agency, provider and charity approach needed.

### Cost of care

The cost of care is spiralling, with local authority budgets under increasing pressure. Yet reducing the cost of care is, according to our survey, an unachievable aim.

### What would be most effective at bringing down the cost of a care?



Our sample was split three ways with 30 per cent believing the answer lies in giving individuals greater choice, 31 per cent believing technology can play a greater role, and 31 per cent calling for increased benefits and grants. Solutions suggested by our respondents vary from an outright ban on profit-making, greater numbers of care-ready housing, and greater innovation with light-touch regulation.

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We agree that there is a pressing need to expand current provision, with the sector crying out for a longer term strategy for care and support to cover the expectations of all those concerning, including residents, operators, regulators, providers and, indeed, investors.

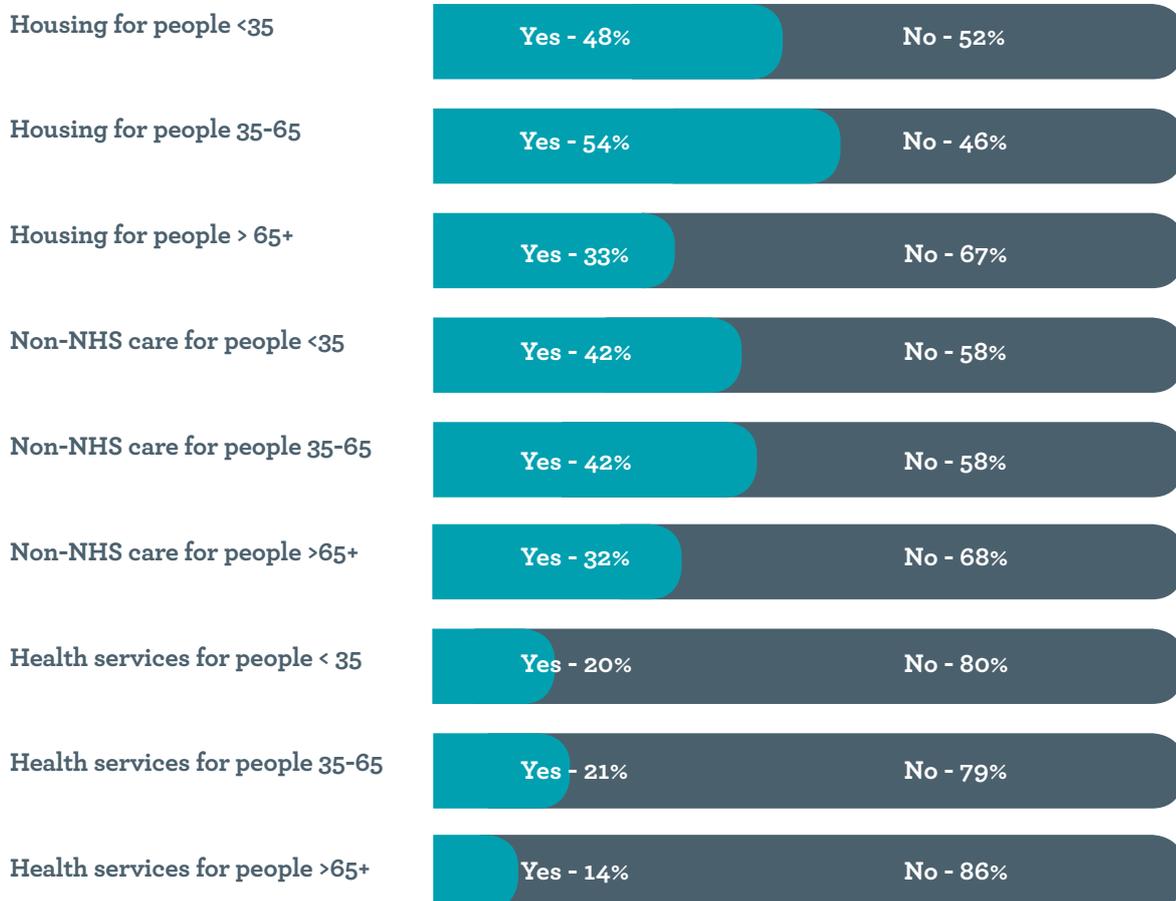
Profit per se should not be excluded, provided this is properly evidenced with all fees and costs appropriately highlighted at the outset, during and at the end of any term of occupation.

There is no one size fits all to the market and there should be room at all ends of it for different types of provider.

**Should the Government cap the amount it contributes towards the cost of:**

We also asked where the Government should cap its contributions? The message is quite clear (see below chart): the focus for government spending should not be on first time buyers or those aged between 35 and 65, but on health services for people of all ages.

In our final question we asked whether a decent home should be an enforceable human right:



# An individual's last home should be their best home



**Kevin Beirne,**  
Group Director of  
Housing Care &  
Support,  
One Housing

One Housing provides high quality homes and care across London and the south east. The group today aims to build around 1,000 homes a year and manages over 15,000 homes, as well as providing care for a further 11,500 people helping them live independently.

Its senior living offer operates under two similar yet distinct brands aimed at different price points – Season Homes and Baycroft Homes. What they have in common, says Kevin Beirne, One Housing's Group Director of Housing Care & Support, is that an individual's last home should be their best.

“Our aim at One Housing is to provide an aspirational home that people are proud to live in. It should be the pinnacle of the housing ladder – a reward for working hard.”

One Housing's Season Homes provides affordable homes for what Kevin calls the “OJAMS” – the older, just about managing – and operates on a not-for-profit basis. Its Baycroft Homes brand provides a more luxurious later life home and is profit making. What both have in common is that care is provided where it is needed.

“A mixed offer, with some funding their own retirement and care, others funded by local authorities and topped up, is important to our business model,” says Kevin. “This blended approach provides some degree of insulation against funding challenges, allowing us to

support all parts of the market.” And whilst care is an essential part of the One Housing offer, it is not the driving focus.

“First and foremost, people want a home,” explains Kevin. “You will not find the care office at the front of our buildings – our tenants do not want or need to be reminded that they may need care. What you will find is great housing for senior living, creating communities with hospitality offers. We work hard to provide a social life for those tenants that want one and to battle the very real threat of loneliness that older people can often experience.”

Clinical staff are either employed by One Housing, or contracted via the NHS and managed by the Group. “This approach is important to us,” says Kevin. “It provides the assurance that there is one care operator on site, providing all the support that might be needed, and that our tenants know from the outset what they are paying for and what they can expect to receive.”

The senior living market is complex, and is likely to remain so. Any system and approach government builds must address the needs of the many. “There needs,” says Kevin, “to be a mixed market that embraces local authority nominations, self-payers and those that receive part-funding. Our aim at One Housing is to set the bar in the market that much higher, providing homes that we would all be proud to live in.”

## Local authorities need to be creative and innovative



**Jeremy Moyse,  
Commissioning  
Projects Manager -  
Adult Social Care,  
Swindon Borough  
Council**

Swindon Borough Council provides a range of public sector housing specifically for older people. The Council has a number of sheltered units providing both rent and lease options, together with dedicated residential and extra care schemes. The Council is actively looking to develop more extra care in Swindon.

Jeremy Moyse is the Commissioning Projects Manager for Adult Social Care at Swindon Borough Council. He believes local authorities need to be more creative and innovative in finding new ways to deliver and support those in need.

“Our focus in Swindon is to integrate housing and adult social care with dynamic and upfront support that increases independence,” says Jeremy. “We are currently reviewing funding models and considering a number of options that will allow us to protect services to vulnerable people. At the same time, we are proactive in our approach to reduce future demand on high cost specialist housing. In short, we want people to need us as little as possible – and for the right reasons.”

Demand for services from local authorities, and not just Swindon, is growing at a time when budgets are constrained. But more money isn’t necessarily the answer. Take, for example, recruitment. “There is a finite pool of people we can turn to when recruiting,” says Jeremy. “And even if we had the funds I am not so sure

we could still find the staff needed. There needs to be a cultural shift, both in what can be delivered and what is expected of a local authority.”

Swindon Borough Council has a sustainable financial plan that is looking to develop innovative approaches to help much-needed services stay sustainable and avoid closing. The Council is also working with providers on how to manage future demand within the financial constraints and pressures being faced by moving to more independence focussed approaches.

“We are having to be clever and innovative in the way we think and operate,” explains Jeremy. “Technology and design can both play a role in enhancing new approaches.”

“My colleagues in Swindon Borough Council are pioneering the development of low-cost, flexible housing schemes, designed for people with a wide range of needs – whether learning disabilities, dementia, physical or even mental health needs.”

“These are typically small bungalow-type schemes” says Jeremy. “They can quickly and easily be developed on in-fill sites, and allow individuals to stay in their local community. These will be supplemented by a unique development with adult social care of 20 units, to help people transition to greater independence or for a more complete assessment of their strengths and needs. This will include on-site backup support, access to therapy and specialist support as well as assistive technology.”

Well designed homes can, argues Jeremy, have a significant impact on the cost of delivering care. “A lot of local authority stock is dated and not suited to modern approaches to meeting care needs. Local authorities will increasingly need to be creative and innovative, whilst balancing risk, to meet the growing demand.”

And with varying attitudes to risk across local authorities it is likely to be a case of “innovate with evidence”.

## New thinking needed



**Jane Endersby,  
Head of Specialist  
and Sheltered  
Housing,  
Catalyst Housing**

Catalyst Housing provides more than 21,000 homes across London and the South East with a wide variety of rental and home-ownership opportunities. The mix includes 16 sheltered and extra care schemes.

Jane Endersby leads the team responsible for all of Catalyst's non-generic housing. It is, she says, a challenging period of time that calls for different thinking.

"The changes to funding with the introduction of a cap for housing benefit eligible rent and service charge costs for anything over the LHA cap in 2019 will create tough challenges across the sector. That is being felt keenly in outer London areas that have lower LHA levels," says Jane.

"Extra care, by definition, has higher service charges due to the nature of the building and is, unfortunately, one of the hardest hit areas."

Jane continues, "There is a proposal from the DCLG out for consultation on government funding for supported housing. It is proposed that a ring fenced amount of funding will be made available to local authorities, which can be used to meet the gap left by the LHA cap.

"It is not clear at the moment what criteria will be applied by commissioning bodies in local authorities for this funding, and it has been compared to the Supporting People Funding regime. Unlike SP funding, though, the LHA cap is applied to all costs, not just support costs. This means that maintenance and running costs to a property will take priority, with support costs suffering the worst effects of the cuts."

"A good example of this is how different local authorities view sheltered housing schemes," explains Jane. "Whilst it is very popular with current service users due to the on-site support, many local authorities have tended to prefer a cheaper 'floating' support option. These changes will have a direct impact on future development and service provision for our most vulnerable, older residents."

"Tenancy support needs to change," says Jane.

"We want our residents to remain living independently in their own homes as long as possible without the need to relocate to residential or nursing care, and this will mean having to extend the support service to residents in general needs as well as in sheltered and extra care."

"The next few years are going to be very important if we are going to be able to meet the growing needs of an ageing population."

# About the Housing LIN

The Housing LIN is a sophisticated network bringing together over 40,000 housing, health and social care professionals in England and Wales to exemplify innovative housing solutions for an ageing population.

Recognised by government and industry as a leading 'knowledge hub' on specialist housing, our online and regional networked activities:

- Connect people, ideas and resources to inform and improve the range of housing choices that enable older and disabled people to live independently;
- Provide intelligence on latest funding, research, policy and practice developments; and
- Raise the profile of specialist housing with developers, commissioners and providers to plan, design and deliver aspirational housing for an ageing population.

To access further information and resources, visit [www.housinglin.org.uk](http://www.housinglin.org.uk) and follow us on Twitter at [@HousingLIN](https://twitter.com/HousingLIN).

# About Winckworth Sherwood

Winckworth Sherwood works extensively on the provision of care and supported housing, from both the development and provider perspectives as well as on the management and support of those schemes. Our clients include RPs, local authorities, charities, lenders, private providers and agencies, and management bodies.

We know the housing, care and support sectors from all angles. This gives us a unique perspective on the competing issues and ensures we provide strategic advice.

We have decades of experience advising housing sector stakeholders and we have pro-actively influenced the development of the social housing sector. We work closely with key trade bodies in developing policy and best practice to help our clients tackle the challenges they face.

To find out more visit [www.wslaw.co.uk/extracare](http://www.wslaw.co.uk/extracare) and follow us on Twitter at [@WS\\_Housing](https://twitter.com/WS_Housing).



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