

# CIH submission to CLG Select Committee Inquiry into housing for older people



## **About CIH**

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: [www.cih.org](http://www.cih.org)

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## 1. Introduction

CIH welcomes the inquiry into the provision of housing appropriate for older people. We have long argued that robust planning for greater numbers of accessible and adaptable mainstream housing, and more specialist housing is necessary, as we experience a significant increase in the ageing of the population. Increasing the options of housing that is more suitable for people as they age, coupled with more information and advice that can help people to plan for ageing, could contribute to better use of housing stock and more effective local housing markets, releasing larger family homes as people 'right size'. Housing that is safe, affordable to heat, and easily adaptable to changing physical and sensory needs, would also support people to live more independently and reduce demand for costly health and social care interventions.

We need to recognise, however, that even with a significant increase in the development of new housing, many people will choose or need to remain in existing homes, so new development must be accompanied by ongoing investment in support to people to adapt the homes that they live in, as and when needs arise. For that reason we acknowledge and welcome government's ongoing investment in disabled facilities grants within the Better Care Fund, which should also be maintained.

## 2. Summary of main points

- We have an increasingly ageing population but a significant undersupply of housing options to support people who want to move in older age
- We are not yet experiencing an increase in healthy life expectancy to match increased longevity, which means more demand for health and care services, and huge financial pressures
- Decent homes and specialist housing have been shown to help people live well and reduce the pressures on health and social care
- Measures in the government's housing white paper and amendments to the Neighbourhood Planning Bill may help to support more specialist housing development
- However, the government's welfare agenda is introducing more risk for providers of specialist housing, notably in the changes to the funding framework, and has already led to stalled development.

Below we address the key areas of interest raised by the select committee

## 3. *The adequacy of provision of homes for older people, and challenges people face in accessing housing that meets their needs*

The UK's population is ageing; 17.8 per cent of people were over 65 in 2015 and this is set to increase to 24.6 per cent by 2045 (ONS [Overview of the UK population, March 2017](#)). However, healthy life expectancy has not kept pace with our increased longevity, so we are living with increased morbidity; at 65, 8.2 of the additional 18.8 years of life for men will not be in good health; for women, it is 9.7 of their additional 21.2 years (ONS, [Healthy life expectancy at birth and age 65 by upper tier authority and area deprivations, England, 2012-2014, March 2016](#)). Appropriate housing can play a major role in helping people to live safely as they age and may experience

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increasing issues with sensory and mobility issues. However, [Habinteg](#) have identified that whilst there are 11.6 million disabled people (of all ages) in England, only 6 per cent of homes have basic accessibility features. There are currently only approximately 462,565 specialist homes for older people (based on the [research](#) for government for its current review of funding for supported housing). So we have a significant under supply of homes compared to known and potential demand; Demos, in the report, [Top of the Ladder](#), estimated that one in four people over 60 - 3.5 million people - would be interested in buying a retirement property (C.Wood, 2013).

In respect of specialist housing models, Savills have estimated a requirement for 725,000 housing with care units by 2025 to meet the needs of our ageing population (across the UK); Jones Lang LaSalle estimated a minimum of 11,000 housing with care homes are necessary simply to keep pace with the projected annual increase on over 65s of 2 per cent per year (as quoted in APPG for housing and care for older people's report [HAPPI3: Making retirement living a positive choice, June 2016](#)).

So a fundamental challenge for people seeking to move to more appropriate and suitable housing is the lack of availability of that provision and housing options generally, in the areas where they want to live. Currently the under supply of specialist housing and smaller, more adaptable mainstream housing means that people often 'stay put' because there is nothing into which they want to move, or, if there is alternative housing, there are issues of affordability, either to purchase or to fund long term e.g. stable service charge costs. (The question of affordability is increasingly critical given the changes proposed by government to the long term funding system to help people pay their rent in supported housing schemes - see question 7 below. This will impact not only on individuals who need that help, but overall to the confidence of housing providers to continue to develop specialist housing.)

In addition, there is still a lack of awareness of the alternatives that do exist; and how housing may provide a more positive intervention to support people to maintain their health and independence. The Care Act 2014 called for integrated advice and information on support and care services; this should include housing options to provide people with wider positive choices that may help them to stay independent, manage any future conditions, and maintain their capacity to cope with tasks of daily living for longer. Providing an independent and comprehensive information and advice service will make it easier for older people and their families to explore all the options, and identify the best solutions available where they want to live. Many affordable housing providers offer incentives and, more importantly, help for tenants who will move from family sized housing into smaller or specialist homes and have a great deal of learning and experience to share in this area. Developing similar support services for older home owners would help them to move to more suitable homes, particularly those without support from family or friends.

#### 4. *The adequacy of current planning policy and government initiatives in England in meeting the housing needs of older people*

Currently the National Planning Policy Framework (NPPF) has limited requirements on local planning authorities, other than planning 'for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the

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community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes)', whilst the guidance enables councils to identify sites for this housing if appropriate.

Recent measures that are likely to strengthen the requirements for councils to address this issue are therefore welcome. That includes the statutory duty, to be introduced in the Neighbourhood Planning Bill, for the Secretary of State to set guidance on how local planning authorities should meet the housing needs of older and disabled people in their local plans, and policies to use Optional Building Regulations to increase the supply of accessible homes. The proposal to develop a shared and consistent methodology to assess housing need contained in the recent housing white paper provides another opportunity to strengthen the requirement to identify and meet needs for accessible and specialist housing need and reduce challenges to such requirements in local plans.

Councils should also look at how use of their own land or public sector partners' land could support provision of new specialist homes, in particular where there are viability problems on other sites (through taking equity shares or deferred payments, as specialist housing development costs are front loaded, and work is not easily undertaken in phases). A stronger steer to identify other suitable sites would be helpful, perhaps small infill or brownfield sites well located within existing settlements and well connected to transport and with local facilities.

Government programmes to stimulate development, and increase numbers of small and medium builders could usefully be directed at companies that are interested in specialist housing provision, as often it is the difficulty of accessing finance, and competing for land that are barriers.

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

We face a significant housing shortage and need to build at least 250,000 new homes a year over a sustained period of time. In the year to September 2016, 141,690 new homes were completed, still significantly below the peak achieved in March 2007 (ONS, [Housebuilding release, September 2016](#) ).

Many of the government's interventions to date have focused on supporting people to access home ownership, particularly younger households. Between 1991 and 2014, home owners aged 25-34 declined from 67 per cent to 36 per cent, whilst in households aged 35-44 it decreased from 78 per cent to 59 per cent (ONS, [UK perspectives 2016: housing and home ownership in the UK](#) ). That led, for example, to proposals for Starter Homes, originally aimed at people aged between 23 and 40 and setting an initial target of 200,000 to be developed. While these proposals have since been scaled back, CIH continues to make the case for new supply which offers a range of housing options and a range of price points to all who need a suitable home.

In comparison, with home ownership rates amongst older households still around 76 per cent, addressing their housing options may seem less urgent. However, the population in general is ageing, and by 2033 13 million households will be headed by

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someone over 65; an increase of 40 per cent from 2008. There will also be a significant increase in the number of single person households; from 14 per cent in 2008 to 19 per cent by 2033 (Age UK [Housing in Later Life 2014](#)). It is therefore a strategic imperative to include housing that is suitable for those ageing households in the overall development of new homes. More suitable and attractive alternatives are needed to encourage people to consider moving, and thereby make existing family housing available for younger households. CIH would argue that it is not either/ or housing for different age groups, but planning for an appropriate mix to maximise choice and opportunities, and to address the needs of current and future households. Housing strategies and Local Plans should bring together the housing needs requirements with other needs assessments such as joint strategic needs assessments and strategies, so that planning for housing contributes to the health and wellbeing of those communities with suitable housing developments – providing a range of size, type, tenure and price of homes, including more with higher accessibility standards.

We acknowledge that there has been a shift in tone and focus in the government's housing white paper, *Fixing our broken housing market*, moving to a stronger emphasis on how to increase supply, and the provision of appropriate housing for older and disabled people within that. However, a positive planning framework needs to be accompanied by investment and a long term funding system that gives providers confidence to develop specialist housing (see question 7).

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

Decent housing that is safe, affordable, warm and adaptable to needs, contributes significantly to the health and wellbeing of people who live there; conversely, poor housing has high costs for individuals and also for the public services they may need as a consequence. The costs to the NHS of older people living in poor housing has been estimated by the Building Research Establishment (BRE) at £624 million (in first year of treatment), with the majority of costs arising from the effects of cold and falls (BRE, [Homes and ageing in England](#) ).

In addition to addressing the physical condition of housing and the impact on people's health, specialist housing for older people provides support that can address wider factors for wellbeing, such as tackling social isolation through the provision of communal areas and opportunities to socialise, reducing anxiety about the home (maintenance, bills, etc.) and enabling people to feel safe and secure. The benefits for individuals, communities and public services have been explored in a recent report for the National Housing Federation; [The value of sheltered housing](#). Research for the Homes and Communities Agency identified a total net benefit from investment in specialist housing for older people of £444 per person per year (Frontier Economics, [Financial benefits of investment in specialist housing for vulnerable and older people](#) , 2010).

A longitudinal study of the ExtraCare Charitable Trust's schemes illustrated the significant benefits their homes provide for both the householders and public services, notably health and social care ([Better Lives, health, future](#)). Those benefits included

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average savings for local authority social care commissioners of between 17.8 per cent (£1,222 reduced spend per person per year) and 26 per cent (£4,556 per person per year). The use of health services, such as GP visits, practice and district nurse visits, and hospital appointments and admissions dropped over 12 months leading to a reduction in NHS costs of 38 per cent. The Trust's wellbeing service, which supports people to manage long term conditions, led to a 48 per cent fall in routine and planned GP visits.

The benefits of specialist housing for public services often focuses on savings delivered to health and social care due to the significant pressures these services are facing, and the difference that appropriate homes can make. There are wider, potentially long term impacts for the population too. The Strategic Society Centre modelled savings from retirement housing schemes in terms of reduced costs for health and social care and also the benefit from younger households being able to access home ownership and so build up their own assets (including for their future retirement costs). It concluded that, for one new retirement housing unit occupied by a single person, savings could be as much as £83,100, and £111,400 from occupation by a couple (J Lloyd, The Strategic Society Centre, [Valuing retirement housing: exploring the effects of specialist housing for older people](#)).

Increasingly, specialist housing is also providing the place and facilities to relieve more immediate pressures and costs for local health partners, as more develop re-ablement services that support successful discharge of people from hospital, and reduce readmissions. (CIH and Skills for Care have showcased several such examples: [The role of housing in effective hospital discharge](#)).

## 7. *The availability of finance to help older people 'right size' in retirement, and the impact of the cap on housing benefit from April 2019 on the development of specialist housing*

Currently the majority of specialist housing provision, especially housing with care models, is delivered by social housing providers, and 77 per cent of provision is for rent compared to 23 per cent for owner occupation, the inverse of home ownership levels amongst older people. Most housing with care schemes developed by social housing providers offer some level of tenure mix on schemes. There are a number of private providers of retirement and housing with care/ retirement villages for sale; there is very little specialist provision available for private rent.

The capacity and confidence of social housing providers to continue to develop specialist housing has been affected by recent proposals by government to change the way people can receive help with their housing costs. It has not only stalled new development but has also raised serious concerns about the ongoing viability of many existing schemes, as the proposals will affect existing as well as new residents. It risks the potential loss of specialist housing for older people exactly when the need for and benefits from it are being more widely recognised.

The proposal will lead to the level of support individuals can receive through housing benefit or universal credit being capped at the relevant local housing allowance (LHA) rate, with additional monies to top up funding being held by local authorities. This will result in considerable regional disparities in levels of funding due to the differentials in

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LHA rates across the country, and therefore potentially the levels of, and access to, specialist housing for older people, depending on where they live.

The largest three specialist housing providers (Anchor, Hanover, and Housing and Care 21) estimate the gap between LHA and actual costs of specialist housing is £64 million across 36,000 homes, with particular issues for sustaining homes and new development in the North and Midlands. As 70 per cent of their tenants receive housing benefit, the risk to rental income would lead to changes in the services they can provide for all residents, including self-funders.

CIH has called for specialist housing for older people to be excluded from the framework at least until the full roll out of universal credit, as the debate on how housing costs for people of pension age has not yet taken place (CIH's full response to the government's consultation is available [here](#) ).

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

CIH would strongly support the development of a national strategy on housing provision for older people. This would enable a cross government strategic approach to delivering better outcomes across housing, health and wellbeing for older people, and set a positive and enabling framework for local authorities, developers and service providers. We have argued for a closer alignment of government's housing and welfare policies more widely (not only in respect of older people) as positive measures for housing risk being undermined by the objectives of the government's welfare reform agenda, with particularly difficult impacts for people who need affordable homes to rent. Given that four in ten pensioners experienced persistent poverty, and two million older households still live in non-decent housing ([Care and Repair 2016](#)), the challenge of providing decent homes for our ageing population is still a pressing issue.