

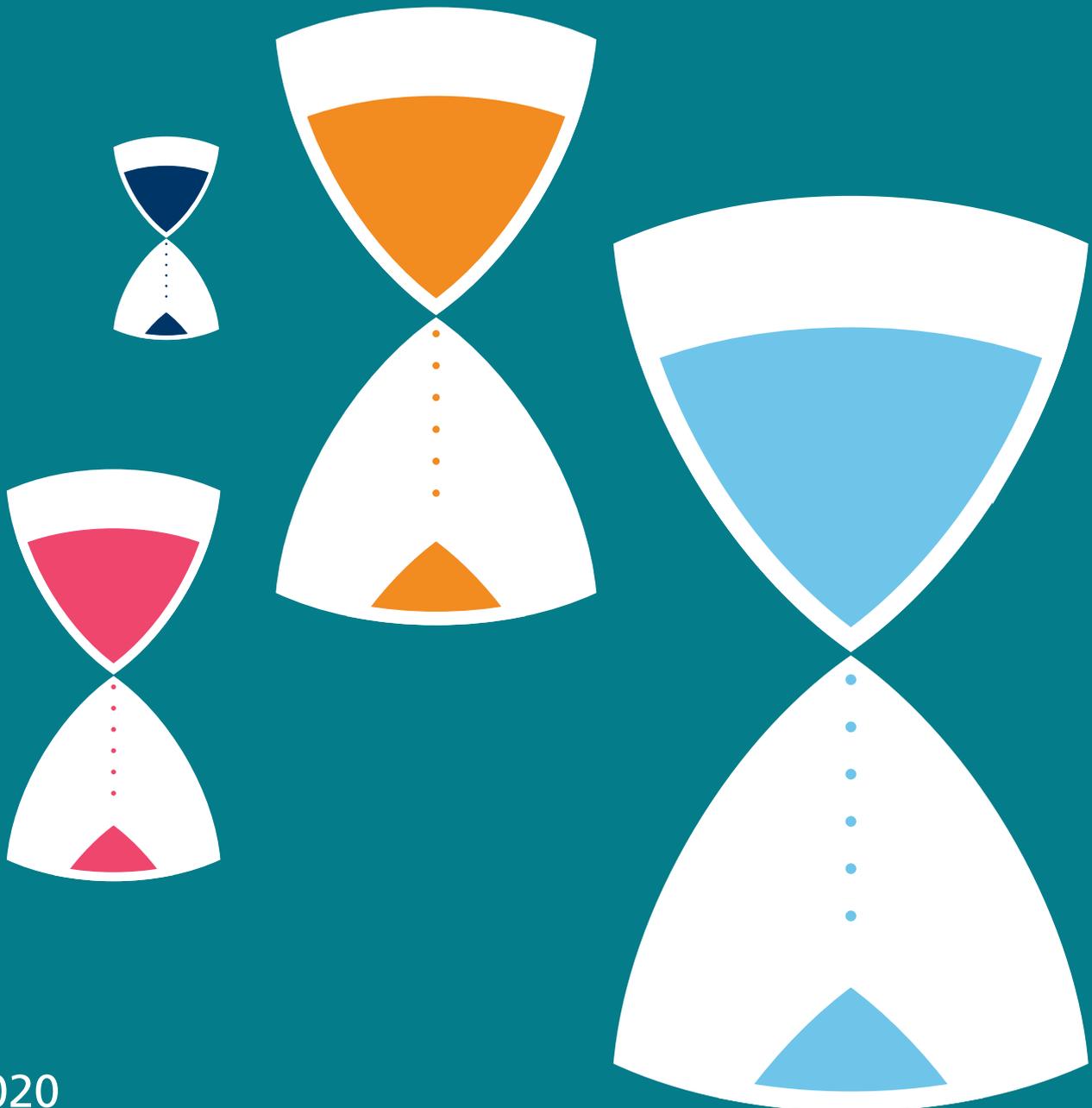


Setting Standards for
Retirement Communities



Coming of Age

Better housing options for older people



2020

About ARCO

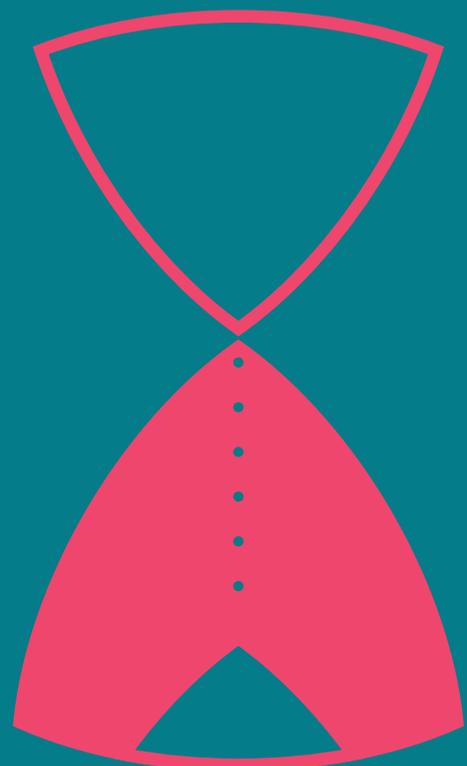
Founded in 2012, ARCO (Associated Retirement Community Operators) is the principal body representing both private and not-for-profit operators of housing-with-care schemes in the UK. ARCO's members aim to provide housing and care solutions to an additional 150,000 people over the next 10 years.

About LLA

Later Life Ambitions brings together the collective voices of over a quarter of a million pensioners through the National Federation of Occupational Pensioners, the Civil Service Pensioners' Alliance, and the National Association of Retired Police Officers. Our members have ambitious aspirations for the next generation of pensioners. From fair pensions to safe and sustainable care services, and from accessible housing to regular bus services to promote independence, we require bold and forward-looking action from our political leaders. With your support, we want to change the terms of the debate – to focus on the ambitions of pensioners rather than the perceived 'costs' to the rest of society. So, we urge you to join us in calling for an aspirational and ambitious future for those in later life.

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This unique report is based on an extensive collaboration between operators of the UK's fastest growing form of housing for older people and a body representing over a quarter of a million older people.



Foreword

These surveys, conducted by our two organisations - Later Life Ambitions and the Associated Retirement Community Operators (ARCO), illuminate the mis-match between the needs and wants of older people and the options available to them:

56% of older people are interested in moving, rising to 70% if to somewhere with care and support as an alternative to a care home, yet only 12% say their local area has enough downsizing options, including those with care.

Our findings include the fact that 88% of older people think the Government should widen housing options and that more than half of older people are interested in moving but lack good local downsizing options. These should act as a spur to serious policy change in the Ministry of Housing, Communities and Local Government, and in the Department of Health and Social Care.

Older people surveyed overwhelmingly supported Government action to increase the provision of housing-with-care for older people and to address the shortfall in the UK's provision when compared with countries such as the USA, New Zealand and Australia, where nearly ten times the level of provision exists.

The priorities and the policies they advocate were overwhelmingly supported by operators themselves, including those set to account for the vast majority of investment into older people's housing in the decade ahead.

Our hope is that the Government will take heed of these results and act swiftly to expand housing and care options for older people. Both ARCO and LLA stand ready to support the Government in acting rapidly to make the most of these opportunities.



Michael Voges
Executive Director

A handwritten signature in blue ink that reads 'M. Voges'.



Eamonn Donaghy
CEO,
National Federation of
Occupational Pensioners
and LLA Partner

A handwritten signature in blue ink that reads 'Eamonn Donaghy'.

Lisa Ray
General Secretary,
Civil Service Pensioners'
Alliance and LLA
Partner

A handwritten signature in blue ink that reads 'Lisa N Ray'.

Steve Edwards
CEO,
National Association of
Retired Police Officers
and LLA Partner

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Executive Summary, key findings and recommendations

This report summarises two polls which LLA and ARCO ran amongst their memberships in Autumn 2020.



The LLA survey asked members about their current living situation, whether they would be interested in moving, and what factors would appeal to them in a new home. We also asked them about a range of policy interventions which the Government could take to encourage the growth of more good quality older people's housing options.

The ARCO survey asked their members questions about where they are looking to develop new provision and also asked them which of the policy interventions they would support.

Overall, there was strong agreement between the two groups that:

- More needs to be done to expand the range of housing and care options available to older people
- There is too much uncertainty and not enough transparency around the range of options which currently exist, and the fees and charges associated with them
- There are clear steps which the Government can and should take to help supply to expand and to boost consumer confidence

The preferences of older people in this research suggest that the housing-with-care model is the form of specialist housing most likely to deliver the factors they are seeking and that specific Government policy and action in this area would be likely to have a significant and positive effect.

As such LLA and ARCO call for and this report recommends:

- 1** Government should encourage the development of a wider range of housing options for older people, including those where care is available for those who need it
- 2** For the Government to work to develop alternatives to care homes, such as housing-with-care
- 3** A clear and unified approach and strategy from the Government towards the Retirement Community sector to encourage growth
- 4** Improvements in the planning system to encourage the growth in specialist housing options for older people – especially those where care and support is available
- 5** For the Government and the sector to work together to improve clarity and certainty about the fees, charges and rules relating to moving into specialist older people's housing, building on existing good practice in parts of the sector
- 6** For the sector to work with the Government on introducing clarity in terminology for the different older people's housing settings, and to provide more information to prospective residents
- 7** Whilst accepting the current fiscal restraints the Government is under, for the application of stamp duty to these settings to be reviewed
- 8** For the Retirement Community Sector to assess demand in rural and village locations, alongside expanding provision in town and city centre settings.

Older people's housing in the UK

Specialist housing for older people in the UK falls into three broad categories:

- 1 Retirement flats and sheltered housing
- 2 Retirement Communities (housing-with-care), often referred to as retirement villages or extra care
- 3 Care homes

 Retirement Housing Also known as sheltered housing or retirement flats	 Retirement Communities Also known as extra care, retirement villages, housing-with-care, assisted living or independent living	 Care Homes Also known as Nursing Homes, Residential Homes, Old People's Home
 Self-contained homes for sale, shared-ownership or rent	 Self-contained homes for sale, shared-ownership or rent	 Communal residential living with residents occupying individual rooms, often with an en suite bathroom
 Part-time warden and emergency call systems	 24-hour onsite staff with optional care and domestic services available	 24-hour care and support (including meals)
 Usually have a lounge, laundry facilities, gardens and a guest room	 Range of facilities including a restaurant or café usually alongside leisure and wellness facilities such as gyms, hairdressers, activity rooms, residents' lounges and gardens	 Range of facilities and activities, including gardens, lounges and dining rooms
 Typically 40 - 60 units	 Typically 60 - 250 units	 Sizes vary considerably

1 There are about 444,000 retirement flats in the UK, and these are found in most towns. Consisting of self-contained homes for sale, shared-ownership or rent, they benefit from some facilities and services such as part-time wardens or emergency call systems. They typically have a shared lounge and may have a shared garden, laundry facilities and a guest room. These consist of about 40 units on average.

2 Retirement Communities currently comprise a much smaller share of UK specialist housing provision with only 78,000 units. Also consisting of self-contained homes for sale, shared ownership or rent, they benefit from much more extensive facilities, including 24-hour staffing onsite, the option to access onsite CQC registered domiciliary care, as well as a wider range of lifestyle facilities including restaurants, cafes, leisure and wellness facilities such as gyms, hairdressers, activity rooms, lounges, gardens and shops. Because of the extent of facilities provided they are usually on larger sites – typically consisting of 60-250 units.

3 Care Homes are also a well established and recognised part of the UK's provision for older people with 456,000 care home beds available. Unlike the other two categories they are based on communal residential living with residents occupying individual rooms, often with an en suite bathroom, intensive 24-hour care and support, communal meals and some facilities. These vary considerably in size according to when they were built.

International evidence suggests that housing-with-care is a great untapped resource which can free-up hundreds of thousands of under-occupied homes, provide older people with a better standard of life and independence for longer, and save billions for the NHS and social care sector, reducing the funding requirements for these services, and introduce essential social care capacity, something the current Covid-19 crisis has shown is more important than ever.

Despite the crucial role housing-with-care has to play in solving social care funding challenges and boosting health, provision in the UK is at present very low. In comparison to countries like New Zealand, Australia, and the US, where at least 5% of over-65s have the opportunity to live in a housing-with-care setting, only 0.8% of over-65s live in such settings in the UK. This is despite a growing demand for the services they provide. As a consequence of our ageing population, there are now many more older people requiring the flexible levels of care provided at housing-with-care schemes, in addition to those still requiring the higher-level care offered at care homes.

This paper explores the discrepancy between current provision of these forms of older people's housing in the UK against demand and looks at how this can be addressed.

There is clear evidence that older people have clearly understood the benefits of staying healthy, well and independent for longer and are well ahead of policy makers in assessing what will help them to achieve this. This explains the strong interest shown in facilities, infrastructure, lifestyle and supported independence alongside care and financial considerations.

Feedback received by both organisations during the coronavirus crisis has indicated that the interest in being able to access care in the context of wider support and access to community and social interaction is becoming even more popular. Our belief is that this represents not just a temporary shift but a permanent realignment and one which needs to be reflected in the policy and regulation governing the sector, as well as the development plans of operators – underpinned by information and transparency for older people on what their options are.

The views of older people

The LLA survey gathered the views
of 301 older people.

37%

were over 75

46%

were aged 65-75

17%

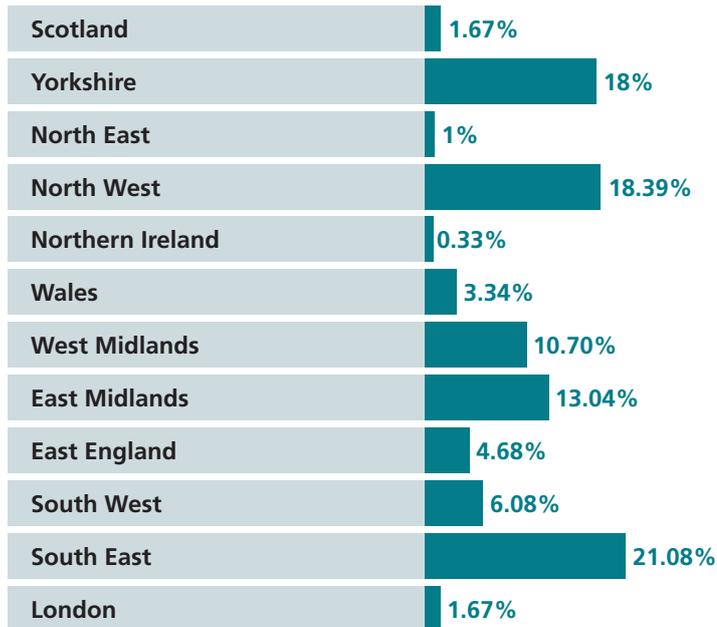
were aged under 65

Please state your age



As well as representing a good spread of ages this group also had a good geographic spread, with respondents from every UK region, except for Northern Ireland, and a particularly strong representation from the North West of England 18%, Yorkshire 18% and the South East of England 21%.

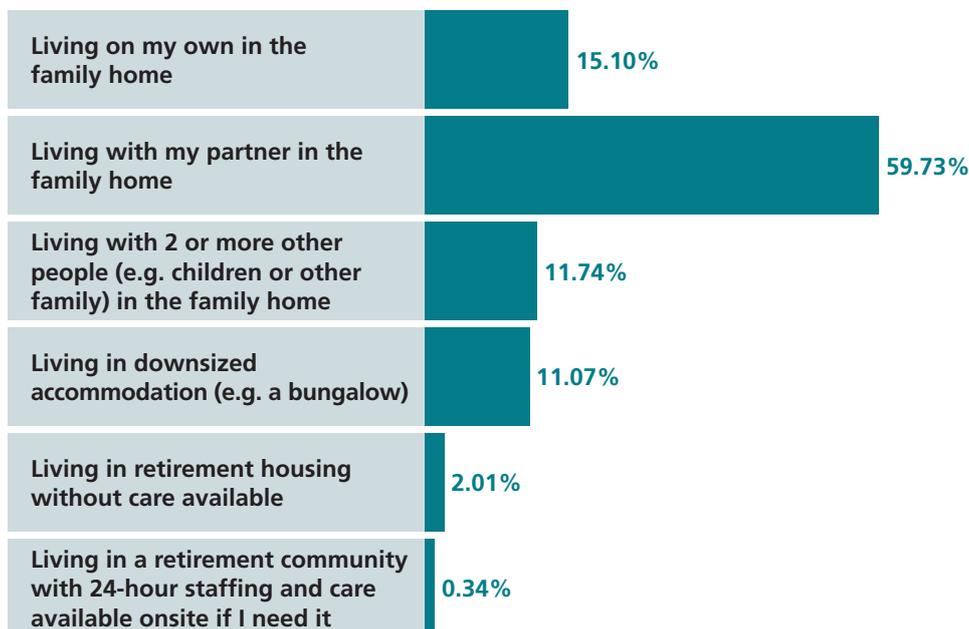
Which region do you live in?



The vast majority of them (60%) lived with their partner in their family home. 15% lived on their own in their family home. 12% lived with two or more people and 13% lived alone whether, in downsized accommodation such as a bungalow or in non-housing-with-care retirement provision.

Only 0.3% of respondents lived in housing-with-care provision.

Please state your current living situation:



Most older people do want to move

The first key finding of the report was that a majority of older people (56%) were actually interested in moving if the right option was available.

If the right option was available to you would you, be interested in moving?



This demonstrates that whilst there is still a strong interest amongst older people in staying put – there is clearly a sizable number who could be better provided for, potentially freeing up millions of larger houses onto the housing market.

This gives rise to a number of questions about what factors would motivate such a move and what the right form of provision would look like for these older people.

What older people want

Location is always an important factor in housing, so it is unsurprising that 86% of older people list this as a priority for the kind of accommodation they would be interested in moving to.

There is strong evidence from elsewhere that older people do not wish to move far for these kinds of moves. Legal and General’s Last Time Buyer research found that 49% of older people do not want to move more than five miles from where they have been living and a further 17% do not want to move more than 25 miles from where they have been living when seeking specialist accommodation. We also know that the vast majority of local authorities in the UK are significantly underprovided for, in terms of specialist older people’s accommodation. This would suggest that councils have the means in their own hands to address local housing shortages for family homes by ensuring that more specialist housing for older people is provided.

An area where the priorities of older people are potentially different to those of the wider population is the importance of local facilities such as doctors’ surgeries, bus stops and local shops, with 83% prioritising this.

A large proportion of respondents also prioritise lifestyle considerations such as supported independence and access to a group of friends (75%) and the availability of care and support if needed (57%).

A majority see it as being an important factor that they should not have to then move again.

Which of these would be important to you when deciding to move? (Select all which apply)



It is important to note that all of the factors mentioned above are those associated with the Retirement Community model, but that alternatives forms of specialist housing for older people such as retirement flats, care homes or downsizer accommodation may not always do so.

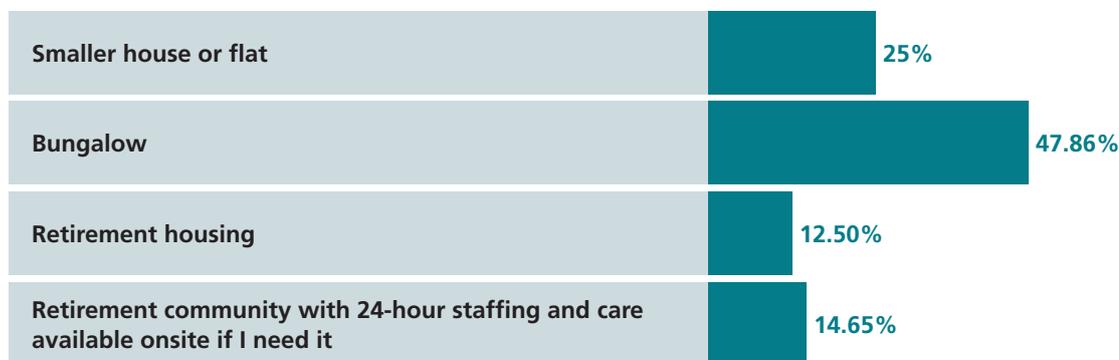
These findings suggest strongly that there is currently a large and under-served market for the Retirement Community model and the benefits it provides.

Respondents expressed a range of preferences in favour of different types of specialist housing. The largest two groups (48% and 25%) favoured a move to either a bungalow or a smaller house. This probably reflects greater awareness of these models but also reflects a real desire for this form of housing. There was also a significant proportion (15%) who favoured a move to Retirement Community type provision and to a traditional retirement flat (13%). This is notwithstanding the significantly higher awareness and availability of the latter. It is also worth noting the significant gap between provision of each of these forms of housing and current unmet demand, particularly in relation to retirement communities.

It is also notable that there is a significant gap between the demand from older people wanting to move to a Retirement Community (15% of 12 million older people equating to over 1.8 million older people) and the 78,000 units of this type currently available.

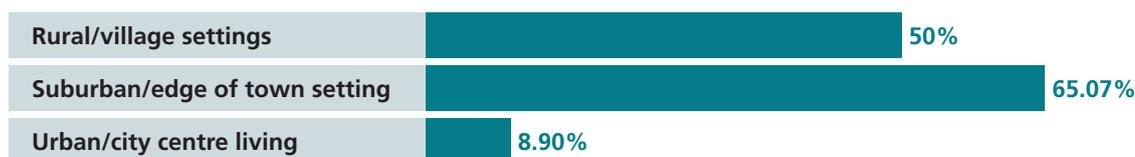
These findings actually suggest that the latent demand in the UK could be significantly higher than those countries which are already world leaders in this provision – such as New Zealand, the United States and Australia, where provision is in the 5-6% range.

What type of property would you like to move to?



It is also worth noting that there was strong interest in the full range of rural, town and urban settings and that current supply is insufficient in all three. There was however a more marked preference for the former two.

Which of these settings would you find attractive as locations for housing options you might consider?



What needs to be done

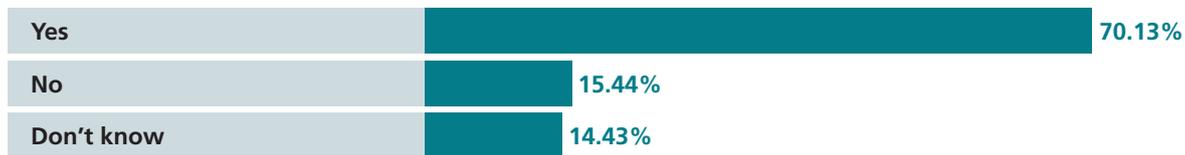
Given the above preferences, it is not surprising that there was overwhelming support for Government action. 88% of respondents agreed with the statement: "Government should encourage the development of a wider range of housing options for older people, including those where care is available for those who need it." Only 4% were opposed to such a call.

Do you agree with the statement that "Government should encourage the development of a wider range of housing options for older people, including those where care is available for those who need it?"



Another area where there was overwhelming support was for expanding the provision of the Retirement Community model as an alternative to care homes. 70% of respondents agreed that they would support this.

Would you be interested in a housing option where care was available onsite if you need it as an alternative to a care home?



This was echoed in the views expressed by respondents that in their area there are not currently sufficient care options, with only 12% stating that they believed that there were sufficient options at the moment.

Thinking about your local area – would you say there are enough downsizing options available, including those with care?



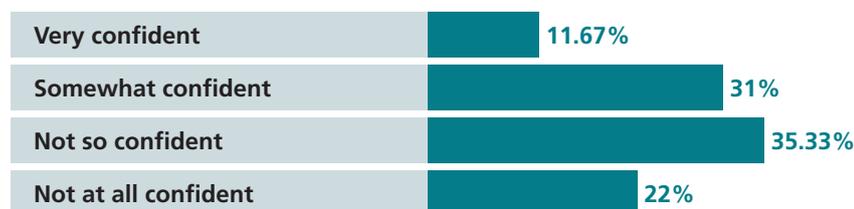
There was significant enthusiasm for a range of policies to help increase provision and the range of options available to older people. 95% believed that the Government should be developing alternatives to care homes. 89% supported reforms to stamp duty, 87% believed that more information should be provided on the various options, 86% supported the expansion of consumer protection, 84% believed there was a need for a national strategy to encourage growth in provision and 83% favoured improvements in the planning system.

Which of these policies do you think Government should consider in relation to housing for older people?



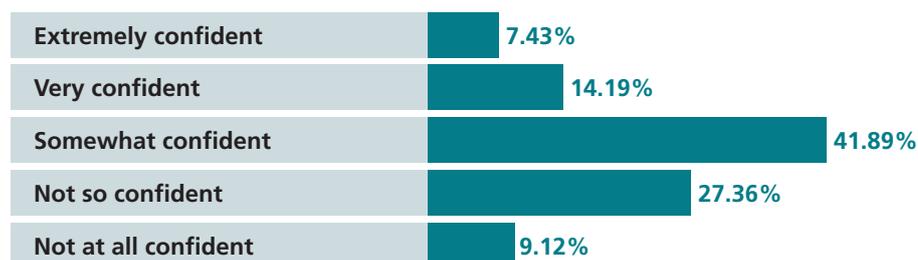
The more widespread consumer protection and clarity (which could be based on good practice which exists in parts of the sector already) is amply demonstrated by the fact that amongst this audience only 12% said they were very confident that they were aware of all the rules and fees which might apply if they choose to downsize. This is against 55% who described themselves as either not so confident or not at all confident.

How confident are you that you are fully aware of all of the rules and fees which might apply if you wanted to downsize?



Similarly, there was a high level of uncertainty surrounding the range of terms which are used to describe Retirement Communities, – with only 22% of respondents describing themselves as very or extremely confident, whilst 36% described themselves as not so confident or not at all confident.

Currently, a wide variety of terms is used for specialist housing, e.g. retirement villages, housing with care, sheltered housing, independent living, retirement housing, assisted living extra care housing. How confident are you in understanding what all these terms mean?



What operators think

In addition to the survey we ran with older people, ARCO ran a survey amongst its members to gauge the views of many of the operators which are most ambitious in terms of their plans to expand provision in this sector. Overall, there was considerable overlap with the views of their prospective customers.

Of the 12 providers which responded:

50%

were looking to expand in rural or village settings

83%

in town settings

83%

in urban settings

Which of these settings would you find attractive as development locations for housing with care:	Number of operators
Rural/Village settings	50%
Suburban/edge of town settings	83%
Urban/City centre settings	83%

Due to current undersupply, operators' current focus appears to be on developing new schemes in suburban and urban locations. However, operators are also responding to needs of those customers wishing to live in rural or village settings, where demand will continue to be high and it is therefore likely that there will be an increase in provision in such areas in future.

Providers were also asked which of the Government policies they would be most likely to support based on those supported by older people themselves. In all cases these policies received high levels of support. 92% believed that the Government should be encouraging the development of alternatives to care homes. 83% supported reforms to stamp duty, 75% believed that more information should be provided on the various options, 83% supported extending consumer protection, 92% believed there was a need for a national strategy to encourage growth in provision and 92% favoured improvements in the planning system.

Which of these policies do you think Government should consider in relation to housing for older people?	Number of operators
A clear national strategy to encourage its growth	92%
Improvements to the planning system to encourage its growth	83%
More consumer protection and clarity to boost consumer confidence	75%
Providing more information about the various choices	83%
Reforms to stamp duty to make it easier to move	92%
Supporting the development of alternative forms of care	92%

Conclusion

Overall, these surveys demonstrate that there is very significant unmet demand for housing-with-care provision in the UK and that a large proportion of older people would consider this form of housing or be attracted to the benefits it provides, in terms of health, wellbeing, independence and quality of life.

Given the consensus between operators and customers on the potential impact of Government action in this area, there is a clear and present opportunity to act and to both provide older people with more options on housing and care and to realise wider benefits to the UK as a whole in terms of housing, care and investment.

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