

**Planning need assessment**  
Retirement community

# Land at Burston Garden Centre, North Orbital Road, St Albans, AL2 2DS

Prepared for:  
CastleOak

Carterwood Report – September 2020



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# EXECUTIVE SUMMARY

**T1 Planning Need Assessment Summary**

Site	Land at Burston Garden Centre, North Orbital Road, St Albans AL2 2DS
Proposed scheme	Retirement community to comprise 80 assisted living apartments and 44 care bungalows (C2), together with community facilities
Notes	<ul style="list-style-type: none"> <li>Need assessment based on St Albans City and District Council area.</li> <li>The proposed assisted living apartments and care bungalows are referred to collectively as 'private extra care' within this report.</li> <li>The subject scheme is not included in our 'planned supply' figures</li> </ul>

**T2 National and local demand drivers for older people's housing and care**

- Significant additional specialist housing for older people is required in the UK now and in coming years, particularly provision for private sale or market rent, where supply is lower despite high levels of home ownership. National supply of private extra care provides for just 0.5 per cent of the approximate 5.8m people aged 75+.
- Hertfordshire's elderly (65+) population is projected to rise by 44 per cent between 2020 and 2040 with County commissioning recognising that extra care supply must be increased to meet demand and enable older people to live in their own home for as long as possible, as their care requirements increase.
- South West Hertfordshire Local Housing Needs Assessment (August 2020) uses an average prevalence rate from four housing with care need methodologies, explaining it '*is difficult to say what a reasonable rate to use would be*' as different sources suggest a wide variation. It concludes that there is a current shortfall of 100 leasehold housing with care units (private extra care) in St Albans City and District, increasing to 175 units by 2036.
- We consider use of an average rate based on historic data accentuates existing patterns of provision (sheltered and affordable housing and a greater reliance on care homes) instead of focussing on increasing the supply of private 'extra care' in order to provide those in need of care with modern housing options.
- The report asserts that new retirement villages will encourage downsizing and reduce need for additional housing by releasing large, under occupied, family homes to the market and this should be prioritised in St Albans, where 73 per cent of older people are home owners and there are high rates of under-occupation.
- Additional benefits of a retirement community for older people include:
  - Improved health and wellbeing through social inclusion;
  - Cost savings to the NHS and social care of up to 50 per cent per person per year;
  - Tailored delivery and consistency of care provision, available 24 hours a day;
  - Economic – investment, expenditure in local economy and job creation
- National and local analysis confirms a current and increasing shortfall of private extra care in St Albans City and District and currently there is no planned provision. The proposed retirement community would address this shortfall.

**T3 Need analysis (2023) for private extra care**

Catchment	St Albans City and District Council
Year of assessment	2023
Need	
Total 75+ population	13,882
Estimated need for private extra care (4.0%)	555
Supply	
Current supply of private extra care	85
Planned units by operational year	0
Total supply (units)	85
Balance of provision	
Private extra care need (units)	470

**T4 Need summary**

- We have conducted a full review of the available need methodologies and all models show a significant need for additional private extra care in St Albans City and District based on 2023, the very earliest date the proposed accommodation in the retirement community could start to be made available.
- Our own assessment of need for private extra care (assuming 4 per cent of the total population aged 75+) sets out a need for an additional 470 units in St Albans City and District area in 2023.
- We have not made any allowance for the obsolescence of existing, outdated stock.
- The prevalence rates we have adopted, in our opinion, most closely accord with the requirements outlined in government literature and studies citing the importance of additional extra care development (see Section 13), particularly in the private extra care market, where existing availability is lower, despite the high level of elderly home ownership in St Albans City and District (See Section 19).
- Need is increasing and by 2030 the shortfall is expected to have increased to 529 private extra care units, rising to 642 units by 2040, on the basis that prevalence rates and existing provision remain the unchanged.
- The proposed retirement community will enable flexible and adaptable care to be delivered into residents' own homes, within a specifically designed community where older people with increasing care needs can maintain their independence for as long as possible.
- Based on our need analysis, we consider there to be a significant and growing need for additional private extra care within St Albans City and District and the proposed retirement community will address this need.

# BACKGROUND & THE PROPOSAL

## 1. Introduction

- 1.1. Carterwood Chartered Surveyors has been commissioned to prepare a need assessment on behalf of Castleoak in relation to the proposed development of land at Burston Garden Centre, North Orbital Road, St Albans AL2 2DS for the following use:

*'Demolition of all existing buildings, structures and hardstanding and the redevelopment of the site to provide a new retirement community comprising assisted living bungalows and apartments, with community facilities together with associated access, bridleway extension, landscaping, amenity space, car parking and other associated and ancillary works.'*

- 1.2. We have referred to the proposed 80 assisted living apartments and 44 care bungalow units as private extra care for the purposes of our need assessment, as both provide 'housing with care' and the differentiation relates to a slight difference in the individual unit configuration and anticipated dependency levels.
- 1.3. In this report, we have considered the national context together with a detailed study of St Albans City and District, the local authority catchment of the proposed development.

### Limitations to advice

- 1.4. With the ongoing presence of COVID-19 and the exit of the UK from the European Union (Brexit), we are in a highly volatile market. Our reports are prepared using high quality data and expert analysis from our experienced team. Any recommendations are based upon the market and financial climate as at the date of issue of the report, but do not take into account any future economic or market fluctuations caused by the events outlined above or other unforeseen activity. It may be appropriate to review a commissioned report once the future economic impact of the COVID-19 pandemic has been more fully modelled and clarification of the terms of Brexit has been achieved.

T5 Instruction summary	
Purpose of advice	Planning need assessment for private extra care
Terms of engagement	26 August 2020
Planning research	14 September 2020
Report date	24 September 2020
Prepared by	Jessamy Venables BSc (Hons) MSc MRICS and reviewed by Alex Taylor MA MRICS.

## 2. Carterwood

- 2.1. Carterwood has grown from two founding directors to a team of over 25 and provides advice across the care sector to a range of operators, developers and other stakeholders.
- 2.2. Examples of private sector clients who regularly commission need assessments or site feasibility studies include:
- Porthaven Care Homes
  - Gracewell Healthcare
  - Hallmark Healthcare
  - Care UK
  - Caring Homes
  - Signature Senior Lifestyle
  - Barchester Healthcare
  - Octopus Healthcare
  - Retirement Villages
  - LNT Care Developments
  - Richmond Villages
  - Audley Court Limited
- 2.3. Similarly, examples of Carterwood clients in the not-for-profit sector include:
- Anchor Hanover
  - The Royal British Legion
  - The ExtraCare Charitable Trust
  - Leonard Cheshire Disability
  - Sanctuary Care
  - Brendoncare
  - Care South
  - Healthcare Management Trust
  - Greensleeves Homes Trust
  - The Orders of St John Care Trust
- 2.4. Carterwood's client base represents many operators currently seeking to develop new care homes and extra care schemes. Accordingly, we are in an almost unique position in the sector, having assessed over 2,000 sites since 2008, with the majority located in the South East of England, for a range of providers across a range of scheme types and care categories.



### 3. Description of proposal



Figure 1: Aerial map showing the proposed site

- 3.1. The proposed 'Burston Garden Retirement Community' will provide a total of 124 extra care units. The accommodation would be split between 80 assisted living apartments and 44 care bungalows, which would be specifically designed for the varying degrees of dependency of older people who require care.
- 3.2. The development is designed to enable older people to downsize into their own home, located within a specifically designed, well maintained, secure, community setting. It will incorporate a variety of amenities for residents including *inter alia*: hair and beauty salon, café/bistro and communal rooms.
- 3.3. It is anticipated that as a result of this development, significant full- and part-time jobs will be created across a range of job types, from higher grade management positions to care workers and ancillary staff.

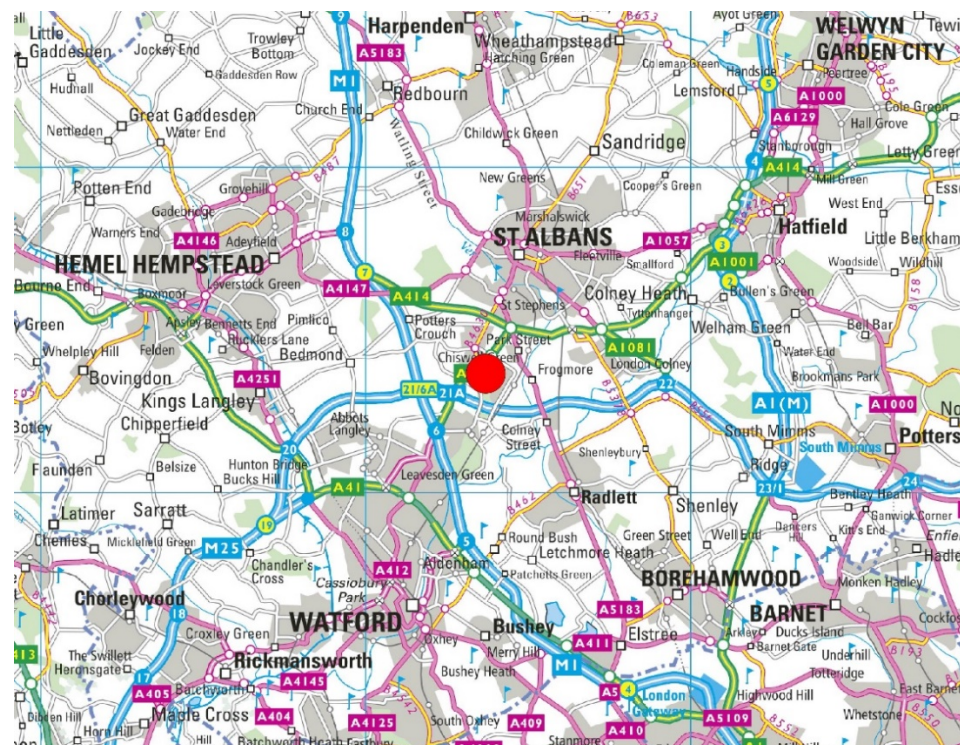


Figure 2: Location map of the subject site

- 3.4. The retirement community will provide opportunities for social interaction within a welcoming environment. Most importantly, residents will be able to access support and care from the on-site care team. Residents may move into the scheme with lower level requirements; however, as their care and support needs increase, individuals will be able to receive the amount of support and care they require, administered easily within their own home.
- 3.5. Further details in respect of the proposal can be found in the planning statement accompanying the application.

## 4. The proposed scheme – position on the care spectrum

- 4.1. We have compared the extra care accommodation within the proposed retirement community against other forms of care and accommodation in respect of care provided, cost of care, accommodation type and regulation. Table T6, below, shows the range of options available within this "spectrum of care".
- 4.2. Increasingly, prospective service users do not make a decision to move into a care home until later in life. Due to the increasing requirements placed upon the NHS and hospital beds, as well as the introduction of delayed-discharge legislation, which imposes fines for "blocked beds" upon local authorities, hospital stays are increasingly shorter and a stay in a care home servicing this higher level of dependency may be the only short-term option.
- 4.3. This has presented additional opportunities for the development of alternatives that fall between traditional sheltered housing and care homes and are referred to by a number of terms and which we have defined as "extra care" generically in this report, but also can refer to other housing labels such as assisted living. All meet the definition of providing housing with on-site care support and/or on-site amenities and facilities. A full description of model types is provided in Section 5.
- 4.4. A substantial variant to the provision elements of the care spectrum below is informal/family care. At least an estimated six million people provide significant support to elderly relatives, neighbours and friends. This allows many thousands of people to remain in their own homes, particularly when the support is alongside

home care and/or day care. Thus, a range of care requirements and a range of services co-exist, sometimes with considerable overlapping.

### Key findings – proposed scheme – position in the care spectrum

- The proposed extra care units will cater to older people with lower dependency levels than traditional care home beds, but with the provision of care that is flexible and adaptable as additional care is required, with support being available 24 hours a day. The extra care units and amenities within the proposed retirement community create an environment to allow people with care needs to maintain their independence for as long as possible.
- We consider that the scheme will appeal to a broader client base and be attractive to some elderly occupants who would otherwise be in their own homes or being cared for in lower dependency level care homes. The community-based scheme will enable elderly people to downsize from their existing homes and remain close to family and friends.

- 4.5. We consider that within the model proposed the extra care units could cater for a proportion of residents who would otherwise, either at the point of occupancy or at some future point in time, require a care home placement.

**T6 Elderly care spectrum**

Accommodation	Standard housing	Sheltered housing	Extra care / assisted living	Care homes	Care homes with nursing	Hospitals
Care provided	Domiciliary care			Personal care	Nursing and medical care	
Cost of care	Low to medium and highly variable			Medium to high	High	Very high
Accommodation types	Standard housing	Age restricted, age-exclusive or sheltered housing	Extra care, assisted living, very sheltered housing	Residential setting		Acute hospital
Accommodation style	House, cottage, flat, bungalow, suite, apartment			Bedroom, suite		Bedroom
CQC regulation	Regulated only if care provided			Highly regulated – all care and accommodation		
Proposed community	Requirements met in the proposed extra care development					



# NATIONAL CONTEXT AND KEY DEFINITIONS

## 5. UK elderly population trends & market size

### Population

- 5.1. The elderly UK population is set to grow dramatically over the coming years, and the predicted rapid increase in elderly population is likely to continue to drive demand for both non-residential care, such as extra care schemes and other accommodation options, as well as care home beds.

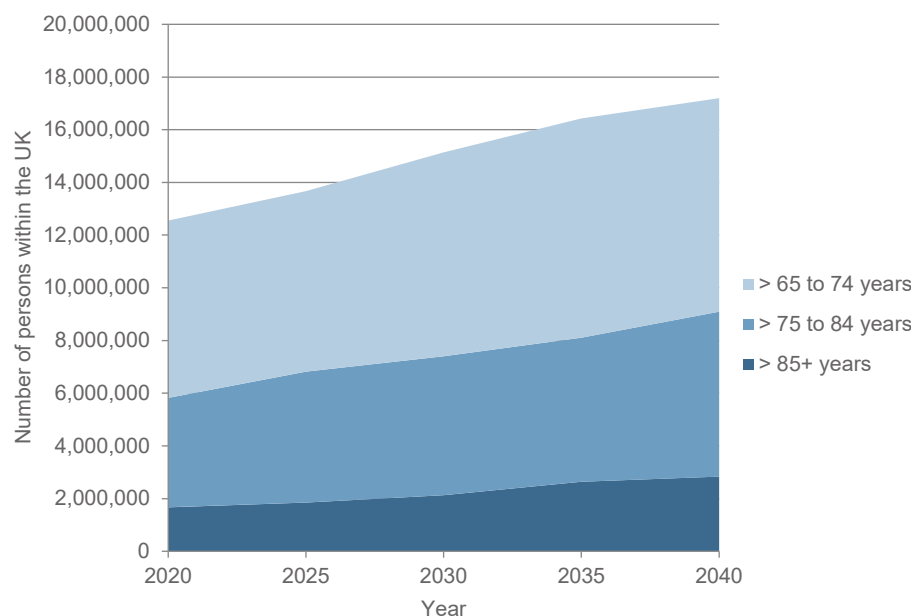


Figure 3: UK population growth 2020 to 2040

Source: 2011 Census, government population projections.

- 5.2. LaingBuisson's *Care Homes for Older People UK Market Report (30<sup>th</sup> edition)* states that the percentage of the UK population over the age of 85 is projected to multiply more than five times, from 1.68 million in 2020 (2.4 per cent of the population) to c.8.49 million in 2111 (10.0 per cent of the population), while the 75- to 84-year-old segment will rise from 4.167 million in 2020 (6.3 per cent of the population) to 7.9 million in 2111 (9.3 per cent of the population).

### Home ownership

- 5.3. The levels of home ownership amongst the elderly are very high nationally, as illustrated by the data from the 2011 census, below.

T7 Household ownership (2011) where HRP is aged 65+ years or older		
Tenure	UK*	
	No.	%
Owner occupied: owns outright	8,328,967	30.8
Owner occupied: owns with a mortgage/loan	8,864,183	32.8
Owner occupied: shared ownership	192,880	0.7
Rented from: council (local authority)	2,649,127	9.8
Rented from: registered social landlord	2,260,664	8.4
Rented from: private landlord / letting agency	3,994,718	14.8
Rented from: other	384,606	1.4
Living rent free	366,352	1.4
All households*	27,041,497	100.0

Source: 2011 Census, government population projections.

- 5.4. Home ownership levels of the aged are very important for the analysis of private extra care accommodation, as those property occupiers who own their own home will not be able to access RSL support through affordable rental options and instead will need to access alternatives that are available for private leasehold or market rental.
- 5.5. Home ownership levels vary considerably across the UK and higher levels are generally found in areas of higher affluence and vice versa.

## 6. Definition of extra care

6.1. Accommodation for older people has traditionally been limited to three options:

- A. Remaining in the family home;
- B. Moving into sheltered housing accommodation;
- C. Moving into a residential care environment.

6.2. Extra care accommodation has evolved in recent years to respond to the growing need from older people for greater choice, quality and independence.

6.3. As the supply of extra care has expanded, so has the number of models and designs, making it difficult to define this form of accommodation. However, the Department of Health (DoH) has identified three common features. These are as follows:

- A. It is first and foremost a type of residential accommodation. It is a person's own home. It is not a care home or a hospital and this is reflected in the nature of its occupancy through ownership, whether it be lease or tenancy.
- B. It is accommodation that has been specifically designed, built or adapted to facilitate the care and support needs of its owners or tenants.
- C. Access to care and support is available 24 hours per day.

6.4. Extra care schemes, providing 24-hour on-site care and support, typically fall within Class C2 ("residential institution") of The Town and Country Planning (Use Classes) Order 1987 because they provide both accommodation and care/support on a 24-hour/day basis.

6.5. However, there is no statutory definition, which often leads to ambiguity for key stakeholders, including planners, residents and social services departments. Extra care can mean different things to different people and different stakeholders.

### Extra care models

6.6. Extra care (often used as a generic term) is frequently referred to as a concept rather than a type of accommodation and the term covers a range of different accommodation models.

6.7. Extra care housing is referred to by various names, again depending upon whether the accommodation is operated by a provider/developer or social services. Current terms used include independent living, extra care, very sheltered housing, assisted living, category 2.5 accommodation and close care.

6.8. The accommodation options offered range from flats or housing to a small village model. The accommodation provided is available on a variety of tenures – shared ownership, long leasehold and rent (social and private).

6.9. Central to the philosophy of extra care is that it should provide a 'home for life'. The accommodation element of the scheme is not registered by the CQC. The care required by the residents will be provided either by an in-house or external domiciliary care agency, which is regulated by the CQC.

6.10. The Elderly Accommodation Counsel (EAC) provide a set of definitions of the types of elderly specialist housing as follows:

- Age exclusive housing is designed, built and let/sold exclusively to older people (typically 50+ or 55+), but without supportive on-site management and usually without any shared facilities except perhaps a garden.
- Sheltered housing (also known as retirement housing) is mainly for rent and let through local councils or housing associations, usually for people on low income. Sheltered housing is also available to lease or buy from private providers, including housing associations.
- Enhanced sheltered housing has additional services in situ to enable older people to retain their independence for as long as possible. Mostly for renting, but also leasehold or purchase.
- Extra care (also known as assisted living) schemes are designed for independent living with a service to provide personal or nursing care on site 24/7. Typically for renting by RSLs, but also increasing for leasing and purchase.

6.11. Within the wider definition of 'housing with care' a form of older people's housing exists called 'enhanced sheltered housing'. This is in response to a few hybrid schemes that have been developed over the years that seek to provide some form of on-site facilities/amenities and/or some form of additional support packages to scheme residents, but do not meet the full definition of extra care housing. We have included this element of specialist retirement housing within our global 'extra care' definition as many schemes that meet the requirements of 'extra care' are labelled as 'enhanced sheltered' in the EAC data and vice versa.

6.12. It is important to remember that there is NO statutory definition and these 'labels' are applied to schemes without any regulatory rigour or set of standards. We are aware, for example, that schemes by the same operator providing the same

services are coded as either 'enhanced sheltered housing' or 'extra care' within their portfolio in the EAC housing directory.

6.13. In addition to these definitions are further sub-definitions of specialist older people's housing, also referenced in the EAC directory, as follows:

- Close care – elderly people's accommodation linked to a registered care home;
- Care village/CCRC (continuing care retirement community) – large schemes offering an extended range of services for older people; often providing a range of accommodation types and with many including a registered care home on the site (although this is not compulsory).

6.14. For the avoidance of doubt, if a scheme were to be referred to as a 'care village' this does not mean that it is no longer considered to be extra care or assisted living, but that it can ALSO be categorised as a care village.

6.15. The lack of a statutory definition is one of the main reasons for confusion in this sector by social services, planners, residents and policy makers alike.

6.16. The proposed scheme meets several of the various definitions of specialist housing for older people and for ease and consistency we have used the term 'extra care' throughout this report, whilst not disregarding the comments and observations above. We also use the terms 'housing with care' and 'extra care/enhanced sheltered housing' where appropriate for context. We have assumed that the term assisted living in the proposed scheme can be used interchangeably with extra care as it meets the same criteria definition and only differs in the subject scheme by individual unit size and target market dependency levels.

#### Key findings – extra care definition

- There is no statutory definition of extra care, which often leads to ambiguity for key stakeholders including planners, potential or existing residents, and social services departments.
- For the avoidance of doubt, within this need analysis we have included extra care and enhanced sheltered housing, having regard to the EAC database, within our definition of 'extra care'.
- The proposed scheme will provide accommodation with care and we have therefore used the term 'extra care' throughout this report, whilst not disregarding our comments and observations regarding the various forms of specialist housing. We also use the terms 'housing with care' and 'extra care/enhanced sheltered housing' where appropriate for context.



## National provision of private extra care

- 6.17. Determining the size of the extra care market is dependent on the definition of 'extra care', as discussed in detail in Section 6 of this report. We have utilised our dataset, which is sourced from EAC and updated to include our own research.
- 6.18. We have analysed the total market supply of private specialist older people's housing and classed such accommodation either as 'with care/support' or 'without care/support'. 'Extra care' and 'Enhanced sheltered housing' is included within our definition of 'with care/support' accommodation types.

**T8 Private specialist older people's housing supply (UK)**

Scheme type	Total schemes	Private units for sale or rent	% of private units
Without care/support			
Age exclusive	1,020	16,040	9.0
Sheltered	3,758	131,663	74.2
Sub-total	4,778	147,703	83.2
With care/support			
Enhanced sheltered	336	13,877	7.8
Extra care	487	15,955	9.0
Sub-total	823	29,832	16.8
All schemes			
Total	5,601	177,535	100.0

**T9 Private specialist older people's housing by year of development (UK)**

Year of development	Total schemes	Private units for sale or rent	% of private units
Unknown	512	9,564	5.4
Prior to 1970	153	2,258	1.3
1970s	54	1,052	0.6
1980s	1,888	60,044	33.8
1990s	862	26,501	14.9
2000s	928	34,835	19.6
2010s	1,204	43,281	24.4
Total	5,601	177,535	100.0

## Typical extra care resident profile

- 6.19. There is a strong wish amongst elderly Britons to remain independent for as long as possible. Extra care units appeal to this sentiment, given the style and design of the accommodation, and the creation of a valuable legal interest – i.e. sale on a long leasehold basis or 'market rent' becoming an increasing available option.
- 6.20. The decision to move into retirement housing is often strongly influenced by immediate relatives. The more confused the elderly person, the more this applies. Aspects such as accessibility and convenience for visiting relatives play a major role. Elderly people generally seek to move to care facilities either close to their own homes or close to relatives' homes. Sometimes, therefore, this may involve the resident moving away from his or her own area.
- 6.21. In operational extra care developments of which we are aware, the residents typically range in age between 70 and 90 years, with an average resident age of around 80 years. Interestingly, this is similar to the age profile of a registered care home, however care homes now tend to cater to residents with much higher dependency levels such as complex dementia or 24-hour nursing care.
- 6.22. Typically, single females occupy 65–70 per cent of units, married couples 20–25 per cent, and single males 10 per cent of the units.
- 6.23. The key issues leading people to move into extra care are health and care needs, often prompted by the death of a spouse or partner.

## COVID-19 market impact

- 6.24. The coronavirus has made a significant impact on the social care sector and wider national and international markets. At this early stage, it is impossible to predict the eventual impact and outcome on the retirement housing and extra care sector.
- 6.25. Any local market assessment should be based upon a detailed local level investigation into the specific schemes in the area to ascertain the true impact on the local market. It is a binary equation and schemes will either be affected or not and therefore any impact will be localised to the individual scheme level. It is totally inappropriate to contact local schemes for such a purpose at this time.
- 6.26. Our view overall, is that retirement housing and extra care/retirement community developments provide the ideal compromise between traditional housing and a care home for looking after the very elderly. Traditional housing is not preferable for the lonely and/or isolated elderly with little or no community support and protection. Care homes have been adversely affected (although have very unfairly been portrayed by the press, given they cater for the frailest 3 percent of elderly people in the country).
- 6.27. Retirement communities allow residents to self-isolate effectively within their own homes, but crucially they can also have trained on-site care and support if required. This not only means they will be looked after effectively, but also that debilitating damage caused by loneliness and social isolation is mitigated.
- 6.28. Since the outbreak of COVID-19, we consider that local authorities and social services teams should be looking at their policies and expanding any previous estimate prepared for need for this type of accommodation rather than reducing or maintaining supply at pre-COVID-19 levels.

### Key findings – UK market trends

- The elderly UK demographic is set to grow dramatically in the coming years, and is likely to continue to drive demand for both non-residential care, such as extra care schemes, and other specialist accommodation options, as well as care home beds.
- The vast majority of existing private specialist accommodation comprises 'sheltered housing', with just 16.8 per cent of total stock meeting our definition of extra care, where care/support is available on site, amounting to 29,832 units. Extra care accommodation has evolved over recent years to respond to the growing need from older people for greater choice, quality and independence. With approximately 12.5m people over the age of 65 years, this equates to a supply of private extra care for only 0.24 per cent of the population. There are approximately 5.8m people over the age of 75 years, and therefore current supply of private extra care is available to just 0.51 per cent of this age cohort.
- Homeownership levels of older people are very important in the analysis of private extra care accommodation as those that own their own home will not be eligible for RSL support through affordable rental options and instead, will need to access private leasehold sale or private market rent alternatives. Home ownership levels vary considerably across the UK and higher levels are generally found in areas of increased affluence and vice versa.
- COVID-19 has had a significant impact on the social care sector and the wider national and international markets. At this stage, it is impossible to predict the eventual outcome on the retirement housing and extra care sector. However, in our opinion, extra care allows residents to self-isolate effectively within their own homes where, crucially, they can also receive trained on-site care and support, if required. This not only means they will be cared for, but also that debilitating damage caused by loneliness and social isolation is mitigated.

# COMMISSIONING REVIEW

## 7. Commissioning

- 7.1. We have evaluated the published documentation relating to commissioning strategies for older people within Hertfordshire County Council (HCC), as follows:
- *Integrated Accommodation Commissioning – Ten Year Supported Accommodation Strategy 2017-2027*
  - *Market Position Statement - Older People (2016), Hertfordshire County Council, East and North Hertfordshire CCG, Herts Valleys CCG*
- 7.2. We have also included information relating to the need for housing for the elderly from the following document, produced for St Albans City and District Council:
- *South West Hertfordshire Local Housing Needs Assessment. On behalf of Dacorum, Hertsmere, St Albans, Three Rivers, and Watford Councils. G.L. Hearn (August 2020).*
- 7.3. We have provided relevant extracts from these documents verbatim together with our review.
- 7.4. The subject site is situated within the St Albans City and District Council area and the Herts Valleys Clinical Commissioning Group (CCG) area.



## 8. Ten Year Supported Accommodation Strategy 2017–2027

- 8.1. *'This ambitious strategy outlines our intention to develop more supported accommodation for the people of Hertfordshire. "Supported accommodation" means any scheme where accommodation is combined with a support and/or social care service, provided with the purpose of enabling a person to live as independently as possible. This could range from nursing and residential care homes through to supported living schemes, Flexicare Housing or short-term accommodation to help people back to independence' (page 3).*
- 8.2. *'By 2027 we want all people that need supported accommodation to have a choice of high quality housing. Hertfordshire County Council is looking for partners who want to help deliver this. This strategy sets out the way that the County Council will work with new and existing partners to develop both large scale supported accommodation schemes and local initiatives that will benefit smaller communities. This strategy complements and develops upon the strategic intentions set out in Hertfordshire's Market Position Statements' (page 3).*
- 8.3. *'We know the population is ageing, that disabled people's life expectancy is increasing and that people's expectations of independent living are higher. The demographic pressures in Hertfordshire, like the rest of the country, are set to create challenges for local authorities both financially and with regard to increasing numbers in the care workforce to meet people's needs in the future. Projected demographics will create a surge in demand for support services for older people (specifically within the 85+ age range, which will more than double in the next 10 years)' (page 7).*
- 8.4. *'By 2025, if we continue to commission services for people as we have in the past in line with demography, we would expect to see the following growth in social care funded services across Hertfordshire.'*

Care group	Predicted growth to meet demand by 2025
Older people	1,200 additional nursing beds
	1,500 additional residential beds
	1,200 additional Flexicare Housing places
Learning disability	700 additional supported living places
Physical disability	175 additional supported living places

Figure 4: Ten-year supported accommodation strategy: predicted growth to meet demand by 2025

- 8.5. *'This strategy proposes a fundamental change to our current service models. People say they want to see more accommodation that supports them to live independently but connected to their local communities. The following table shows the alternative commissioning intention from Hertfordshire County Council to achieve that ambition' (page 7):*

Care group	Predicted net growth to meet demand by 2025
Older people	1,000 additional nursing beds
	600 additional residential beds
	1,500 additional flexi care units
	50 short-stay 'step up/down' beds
	700 more older people supported in their own homes
Learning disability	500 additional supported living places
	20 transitional places for people learning life skills
	200 more people supported in their own homes
Physical disability	75 additional supported living places
	100 more people supported in their own homes
Mental health	17 additional transitional places for people in recovery
	100 more people supported in their own homes

Figure 5: Ten-year supported accommodation strategy: predicted net growth to meet demand by 2025

- 8.6. *'It is our intention to change the proportion of the current long-term models of care being delivered to help more people stay in their own home – and to develop new short-term models of care to manage Hertfordshire's future demand for supported accommodation. To meet demand by 2025, we would like to stimulate the market to deliver.'*

PEOPLE AGED 65+	HCC's Future intentions
Residential care homes	Slowing growth in residential care home beds and actively reducing long stay placements in residential care. Place a greater focus on supporting older people with dementia in the remaining places.
	Greater investment in short stay, rehabilitation, 'step down' and assessment bedded services to enable people to return home from hospital
	Reduction in overall commissions from HCC.
Nursing care homes	Growth and increased investment across all services within nursing sector.
	Accelerated growth in nursing dementia care
	Integrated nursing services across the NHS, social care, continuing health care and high needs dementia.
Flexicare Housing	Growth in local communities with greater flexibility of care to support a wide range of care needs
	More Flexicare accommodation for people and couples living with dementia

Figure 6: Ten-year supported accommodation strategy: HCC's future intentions

- 8.7. 'Hertfordshire County Council currently commissions 49% of the residential care market and 23% of the nursing market. 16% of the nursing market is commissioned by the NHS for continuing health care. A small number of beds are purchased by other councils; we plan to survey care homes during 2017/18 to quantify this. The remainder of beds are bought by people who self-fund, including people moving out of London and surrounding counties into care homes in Hertfordshire.'
- 8.8. 'It is our intention to reduce Hertfordshire County Council spend on long term residential care placements by approximately £5m over the next five years (9% of current council spend); approximately £1.5m-£2m will be re-invested to deliver short-stay type residential services to allow people to leave hospital and regain their confidence before returning home. Flexible contracts will be put in place with

care home providers to secure capacity, provide market stability, take into account individual service pressures such as private and social funding ratios and incentivise service quality and performance.'

- 8.9. 'Significant pressure in the nursing care home market will be resolved, in the first instance, by investing at least £3m over the course of 2017/2018 and 2018/2019 to provide additional nursing beds over and above existing capacity, to support hospital discharges. If the market is unable to respond the County Council will explore options for developing its own homes in those areas where additional market competition will have the greatest impact.'
- 8.10. 'Flexicare Housing accommodation models for older people will be developed further and more housing will be commissioned. Additional investment into that accommodation will result from a review of services that is currently underway in spring 2017. The new model of Flexicare Housing will be aligned to changes in the residential and nursing markets' (page 9).

## 9. Market Position Statement – Older People (2016)

- 9.1. *'Flexicare' Flexicare housing is the Hertfordshire model of Extra Care housing. It offers Service Users the privacy of their own flat with access to on-site care provision. It aims to provide more support than sheltered housing and more independence than residential care. There are 23 Flexicare schemes in Hertfordshire that range from small (10 bed) to large (108 bed) and include purpose built schemes and converted sheltered housing.'* (page 21)

### Future Commissioning Intentions

- 9.2. *'Health and Community Services wants to help enable and develop a range of new flexicare housing options that are based on the most recent research and best practice guidance and that can meet the future housing and care needs of older people in Hertfordshire, including people with dementia, disabilities and mental health needs.'* (page 22)

- 9.3. **Carterwood note:** Hertfordshire County Council set out within their Market Position Statement that the *'Housing Learning and Improvement Network's guidance for developing a housing strategy for accommodation with care for older people set an aspirational target of 25 units of extra care (flexicare) per 1,000 people aged over 75'*. (page 22) This figure is for affordable (or 'for rent') flexicare as an alternative to local authority commissioned beds in care homes.

### Market Opportunity

- 9.4. *We want to encourage a range of high quality and innovative approaches – including private provision that matches our 'flexicare' service model – that can respond to:*
- *the economic climate and decline in public grants to subsidise capital costs*
  - *the significant predicted increase in demand due to our ageing population; and*
  - *the gap between current supply and projected demand*
- 9.5. *Due to the diversity of the population and differences between urban and rural areas, models of flexicare housing will need to be flexible and adaptable, including different sized schemes.*
- 9.6. *Health & Community Services will seek to work with new and existing providers of flexicare housing – and district and borough partners – to identify viable and*

*suitable approaches to funding the development of new schemes and ensuring their long term viability.*

## 10. Local Housing Needs Assessment 2020

### Housing Needs of Older and Disabled Persons

- 10.1. 'Paragraph 1 of the PPG (Reference ID: 63-001-20190626) concerning Housing for older and disabled people explains why it is important to plan for the needs of older persons:

*"The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems."* (page 142).

### Characteristics of Older Person Households

- 10.2. 'The data shows that older person households are relatively likely to live in outright owned accommodation (71%) and are also slightly more likely than other households to be in the social rented sector' (page 146).
- 10.3. 'Given that the number of older people is expected to increase in the future and that the number of single-person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that a market solution will also be required to meet their needs' (page 146).
- 10.4. 'Older households are also more likely to be under-occupying property compared to other age groups. 85% of those aged over 65 in SW Hertfordshire are in an under-occupied property. This compares to 72% in all age groups across SW Herts and 70% across England' (page 148).
- 10.5. 'If this stock could be used more efficiently then the amount of land required for additional housing would be reduced. This is because smaller properties would be provided, into which older persons could downsize, thus releasing their homes for larger households' (page 149).
- 10.6. 'One further solution would be to develop retirement villages which would encourage downsizing and reduce the need for additional large accommodation. These should be prioritised in areas with high rates of under-occupation (St. Albans and Three Rivers) but also in locations with good access to services. This would ensure the greatest level of take-up and impact in releasing larger homes' (page 149).

- 10.7. 'These villages should provide a range of different house typologies (mainly one- and two-bedroom units) tenures and a level of care which will allow occupants to have a progressive level of care as their needs dictate' (page 149).

- 10.8. 'Based on the established need this should focus on providing housing with support with access to temporary additional care also recommended. They should also provide for different levels of income in terms of housing equity and income levels and as far as possible provide for people with dementia and other significant care needs' (page 149).

### Older Persons' Housing Needs – Age-Restricted General Market Housing

- 10.9. 'Plan-makers are required to address the needs of those reaching retirement age over the plan period. To understand the needs of those households falling into the 65-74 age bracket, we start with a consideration of the change in older person population to 2036. The number of households headed by someone aged 65 and 74 years is projected to increase by around 37.8% to 2036' (page 151).
- 10.10. 'We next consider how those in the 65-74 age bracket occupy their dwellings. The split of tenure by age group illustrates that around 68% of households in this age group in SW Herts own their house outright and a further 11.3% own with a mortgage' [Carterwood note: St Albans figures are 73.4% and 10.1% respectively].
- 10.11. 'It should be noted that while the prevalence rates used in the following sections are based on those aged over 75, this does not automatically mean that housing with care and housing with support are only occupied by those aged over 75. Rather they are using this age group as a way of estimating demand. Therefore, the need for homes for those under 75 will also be picked up in these calculations' (page 151).

### Older Persons' Housing Needs – Housing with Support and Care

- 10.12. 'Given the ageing population, there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) Shop@online toolkit and HOPSR (Housing for Older People Supply Recommendations) – a database developed by Sheffield Hallam University. This data is considered alongside demographic projections to indicate the potential level of additional specialist housing that might be required for older people in the future' (page 152).
- 10.13. 'The data for need is calculated by applying prevalence rates to the population aged 75+ and as projected forward. The prevalence rates have been taken from a toolkit developed by Housing LIN, in association with the Elderly Accommodation Council and endorsed by the Department of Health. This includes the following



categories (discussed in more detail below): retirement/sheltered housing, enhanced sheltered housing and extra care' (page 152).

10.14. 'Additionally, the analysis draws on prevalence rates in the HOPSR – this source also providing some supply estimates which have been used alongside information from the Elderly Accommodation Counsel (EAC) which indicates the current tenure mix of such accommodation' (page 152).

10.15. 'In South West Herts, data from the 2015 Index of Multiple Deprivation suggests that the SW Herts local authorities generally have a low level of deprivation – this points to a higher proportion of specialist accommodation needing to be in the market (leasehold accommodation) rather than rent. This conclusion is also consistent with earlier findings about the current tenure of older person households in the area, although those findings could also be indicating a lack of supply' (page 153).

10.16. 'The table [below] shows in both of these categories that the different sources suggest wildly varying assessments of the need for different types of housing in different tenures, this is particularly the case for housing with care where the prevalence rates for rented housing range from 4–9 dwellings per 1,000 up to 34 dwellings per 1,000 – market needs vary from 4–6 per 1,000 up to 23 per 1,000' [Carterwood note – the 'Housing with care – Market' is the equivalent to our 'private extra care' as assessed in this report] (page 154).

10.17. 'On this basis it is quite difficult to definitively say what a reasonable rate to use would be and the analysis has taken a broad average of all the sources to provide figures to use in the analysis noting that the range varies depending on each location' (page 154).

	Housing with support (sheltered/retirement)		Housing with care (enhanced sheltered/extra-care)	
	Rent	Market	Rent	Market
Shop@ (online)	71	54	34	11
Shop@ (adjusted)	36-49	71-74	16-21	23
Shop@ Review	36-64	59-71	4-9	11-13
HOPSR LA Range	96-124	23-44	11-14	4-6
Average	66	57	17	13

Source: derived from Housing LIN and HOSPR data (figures all per 1,000 population aged 75 and over) (page 155)

Figure 7: Prevalence rates from different sources as applicable to South West Herts

10.18. 'The table below shows the bespoke prevalence rates used for each of the different types of housing in different locations drawn from the above rates but at a local level and where necessary local health levels' (page 155).

	Housing with support (sheltered/retirement)		Housing with care (enhanced sheltered/extra-care)	
	Rent	Market	Rent	Market
Dacorum	70	53	18	12
Hertsmere	66	58	18	13
St. Albans	60	60	16	13
Three Rivers	62	60	17	13
Watford	77	52	20	12

Source: derived from Housing LIN and HOSPR data (figures all per 1,000 population aged 75 and over) (page 155)

Figure 8: Prevalence rates from different sources as applicable to South West Herts as used in the analysis

10.19. 'All areas do show a current and projected shortfall of housing with care in both the rented and leasehold sectors. The numbers can be pro-rated to broadly identify the needs over the various plan periods (i.e. the overall shortfall divided by 16 years and then multiplied by the number of years in their plan period). It is recommended that the local authorities seek to deliver the identified levels of need set out in the tables below' [table for St Albans below] (page 156).

		Housing demand per 1,000 75+	Current supply (2018)	2020 demand	Current shortfall/surplus	Additional demand to 2036	Shortfall / surplus by 2036
Housing with support	Rented	60	187	752	565	348	914
	Leasehold	60	556	750	194	347	541
Housing with care	Rented	16	57	205	148	95	243
	Leasehold	13	63	163	100	75	175

Source: derived from demographic projections and Housing LIN/HOPSR/EAC Housing LIN and HOSPR data (figures all per 1,000 population aged 75 and over) (page 157)

Figure 9: Older persons' dwelling requirements 2020 to 2036 – St Albans

*Key messages and recommendations*

- 10.20. *'There is projected to be a 44% increase in the population aged 65+ over 2020-2036 (potentially accounting for at least a third of total population growth)' (page 168).*
- 10.21. *'The approach has been to use prevalence rates and apply these to the population growth of those aged 75 and over to get to a current and future need for a range of different care levels by tenure' (page 168).*
- 10.22. *'The data shows that in general, South West Herts has lower levels of disability compared with other areas, however an ageing population means that the number of people requiring specialist accommodation and/or with disabilities is likely to increase substantially in the future' (page 168).*
- 10.23. *'The number of older people with dementia is expected to grow by 57% from 2020 to 2036 with higher increases in Watford and Hertsmere' (page 168).*

## 11. Carterwood review

- 11.1. Hertfordshire County Council's strategy is similar to the majority of commissioning authorities in the UK in that it is seeking to reduce the amount of residential care it commissions in care homes and increase the level of community based services to enable older people to live independently in their own homes for longer.
- 11.2. The Ten Year Supported Accommodation Strategy to 2027 relates to Social Care funded services across Hertfordshire. It acknowledges that Hertfordshire's ageing population will create challenges and projected demographics will mean a surge in demand for support services for older people. To both alleviate financial pressures and provide more accommodation that supports people to live independently, Hertfordshire County Council has been proactive in developing alternative models of care and accommodation in order to reduce the proportion of future commissioning in residential care homes.
- 11.3. These alternative models relate to increased provision of *'flexicare housing'* (the Hertfordshire term for extra care) to provide greater flexibility of care to support a wide range of care needs and accommodate those living with dementia.
- 11.4. The Market Position Statement sets out how Health and Community Services are seeking to develop a range of new provision to help meet increasing demand in line with best practice and research. Whilst this refers to flexicare as an alternative to commissioned care beds in care homes, it also seeks to *'encourage a range of*

*high quality and innovative approaches – including private provision that matches our 'flexicare' service model'.*

- 11.5. To clarify, the demand for flexicare in both commissioning documents relates to affordable accommodation requirements for those elderly people who would otherwise have a social care funded placement within a care home or receive funded care in their existing homes.
- 11.6. It excludes the need for extra care accommodation for older people who would have to self-fund their care in a care home: those older people who wish to 'downsize' or 'rightsize' from their existing owner occupied homes, to live in a specifically designed community setting where they can buy in support and care as their needs increase. This comprises a considerable proportion of older people in as more than 72 per cent of homes are owner occupied by those aged over 65 years in St Albans City and District.
- 11.7. The Local Housing Need Assessment (LHNA) acknowledges that a market solution is required to meet the requirements of the ageing population who are homeowners and are more likely to under-occupy their existing home. Enabling these older people to downsize to smaller, specifically designed properties will utilise existing general housing stock more efficiently by releasing it for market sale.
- 11.8. The LHNA considers a solution would be to develop retirement villages, with a range of housing types, to encourage downsizing and reduce the need for additional large accommodation, and goes on to state that *'these should be prioritised in areas with high rates of under-occupation'*, specifying St Albans as one such area.
- 11.9. The LHNA uses an average of four need methodologies (which it admits provide a very wide range of results) in order to provide current and projected requirements. We consider use of this method accentuates the existing pattern of provision (in terms of the current supply of sheltered housing with a greater reliance on care homes), rather than focussing new development on increasing the supply of modern forms of accommodation such as extra care to suit changing care requirements, as advised by the PPG 'Housing for Older and Disabled People.
- 11.10. It also serves to reinforce existing levels of affordable rented provision in new supply (due to the historic prevalence of affordable provision) rather than making up the existing shortfall of private leasehold and market rent supply to enable the required freeing up of under occupied market homes (see comments made in the LHNA above and our review of the various methodologies at Appendix B).

11.11. In any event, the LHNA identifies that St Albans has a current (August 2020) shortfall of 100 private housing with care units (extra care), increasing to 175 units by 2036.

11.12. The documents referred to above all clearly set out a need for additional private extra care accommodation in St Albans City and District. Existing supply of private extra care currently totals 85 units and, with the exception of the subject retirement community, no further private extra care is currently proposed. Home ownership levels by those aged over 65 significantly exceed the national average in St Albans and District and it is critical that sufficient private extra care is available to enable this significant proportion of the elderly population to downsize into a specifically designed care community. The proposed scheme will address this requirement.

#### Key findings – commissioning review

- Hertfordshire County Council's commissioning strategy is in line with other local authorities by seeking to reduce the amount of residential care it commissions in care homes by increasing community-based services and extra care (called 'flexicare' in Hertfordshire), with older people being cared for in their own homes for as long as possible.
- Need for 'flexicare' in the commissioning documents relates to affordable accommodation requirements for those elderly people who would otherwise have a social care funded placement within a care home or receive funded care in their existing home. They do, however, *'encourage a range of high quality and innovative approaches – including private provision that matches our 'flexicare' service model'*.
- The South West Hertfordshire Local Housing Needs Assessment (LHNA) states the supply of older persons' housing with support and care should be increased to meet demand from the elderly (65+) population, projected to rise by 37.8 per cent between 2020-2036.
- With over 72 per cent of older people in St Albans and District being homeowners, there is also a need to broaden the existing affordable offer to enable all elderly people the opportunity to 'downsize' into specifically designed extra care accommodation with associated facilities. Furthermore, 85 per cent of existing homes are considered to be under-occupied and downsizing will release general housing to the market.
- The LHNA uses the average prevalence rate from four housing with care need methodologies noting that it *'is difficult to say what a reasonable rate to use would be'* with different sources suggesting a wide variation. It concludes that as at 2020, there is a shortfall of *'100 leasehold housing with care units'* (private extra care) in St Albans City and District. We consider that by using an average it only serves to accentuate existing patterns of provision (heavily skewed towards sheltered and affordable provision with greater reliance on care homes) rather than focussing on new forms of accommodation and care (extra care).
- Sufficient private extra care accommodation must be made available for leasehold and market rent in the St Albans City and District local authority area. The proposed retirement community will address this requirement.

# NEED ASSESSMENTS – QUANTITATIVE MODEL AND METHODOLOGY REVIEW



## 12. Need vs Demand

- 12.1. Extra care housing in its current form for private sale or rent remains a relatively new concept and there is a lack of an accurate measure of predicting the need in any given area because of this market immaturity.
- 12.2. The Communities and Local Government *Estimating Housing Need* (2010) paper differentiates between 'need' and 'demand' as follows:
- *'These discussions also generally distinguish "need" – shortfalls from certain normative standards of adequate accommodation – from "demand" – the quantity and quality of housing which households will choose to occupy given their preferences and ability to pay (at given prices). The term "housing requirements" is sometimes used in this context, to refer to the combination of need and demand, particularly where market as well as affordable housing provision is being considered (as in the planning system).*
  - *It is also important to recognise the difference between statements about "need" which refer to existing or expected shortfalls (the backlog) and statements about the amount of affordable or general housing which "needs" to be provided over some time frame.'*
- 12.3. The assessment of need in traditional housing typically takes account of critical areas such as obsolescence of existing stock, which is a huge issue in the sector in the specialist housing market due to the age profile of most of the existing stock. Approximately 40 per cent of all stock of specialist housing (all types and tenures) was developed pre-1990, over 30 years ago, and to spatial standards developed at the time, which are far below current market requirements, often with studio-style flat accommodation that would not be permissible in new developments. No model we have reviewed adequately, if at all, considers the supply side of the equation in this respect when estimating "need".
- 12.4. The models reviewed in our assessment only look at the need by population age either based upon projecting forward from current supply or by looking at potential need based upon predicted prevalence. Both approaches have strengths and weaknesses (which we have reviewed model by model), but all have been considered either at planning appeals, referenced in the NPPF, or incorporated by social services teams or the GLA in their strategic modelling for future housing requirements, and therefore can be considered as models of predicting population 'need' as opposed to 'demand'.

## 13. National requirement for extra care housing

- 13.1. The national requirement for the development of new extra care developments is growing. This is due to several factors, including:
- Highly publicised ageing population demographic leading to a much older and more dependent population that will require an alternative approach to the previous 'norm'.
  - National policy drive towards keeping people in their own homes for as long as possible and a move away from residential care (where practicable and in the best interest of the individual) – extra care housing allows the perfect accommodation option to meet this policy objective.
  - The National Planning Practice Guidance has identified that the need to provide housing for older people is 'critical', given the projected increase in the number of households aged 65 and over accounts for over half of all households.
  - Paragraph 50 of the NPPF advises that local planning authorities should plan for a mix of housing based on current and future demographic trends and the needs of different groups in the community including older people.
- 13.2. The House of Commons CLGC (Commission for Long Term Care) "Housing for Older People Second report of Session 2017-19, (February 2018), states:
- *'We believe that, in the face of demand, there is a shortfall in supply of specialist homes in general and particularly for private ownership and rent and for the "middle market". This limits the housing options available to older people and the opportunity to derive the health and wellbeing benefits linked to specialist homes.'*
- 13.3. The 'Too little, too late? Housing for an ageing population' (Mayhew 2020) prepared in conjunction with the Centre for the Study of Financial Innovation, ARCO and Cass Business School sets out four key reasons for why we should be concerned about the shortfall in retirement housing:
- *'The increasing under-occupation of the housing stock caused by a rapidly ageing population has created a dysfunctional housing market;*
  - *Far too few homes are being built that cater for older people. Retirement housing has only accounted for about 125,000, or 2%, of all new homes built since 2000, but each year around 700,000 people turn 65 years of age;*
  - *the number of households will continue to grow at a faster rate than the population and average household size will continue its long-run decline, resulting in increasingly inefficient use of the housing stock;*

- *with care homes charging high fees to cater for people with high needs, the provision of age appropriate housing, with flexible access to communal services and personal care, must become part of mainstream housing policy. (page 37)*

- 13.4. There ought to be a huge market for retirement housing that would help correct these imbalances.
- 13.5. Housing wealth is second only to pensions as a source of personal wealth in the UK. According to the ONS, net housing wealth is estimated at £4.6 trillion with 65% concentrated in households aged 55+ (41% in the 65+ age bracket). The median wealth based on all asset types, including pensions, in the 55-64 age group is over £500,000 and so the financial means exist to downsize given the right policies and affordable alternatives.
- 13.6. At present, the majority of older people's housing with-care provision caters for those eligible for social/affordable rent. It is heavily subsidised through the housing benefit system and charitable foundations. Some 1.2m households aged 65+ receive housing benefit, of which 80 per cent are local authority tenants or registered social landlord tenants. Most of the older home-owning population fall into the 'middle market' bracket and are ineligible for social rented accommodation – for them retirement housing needs to be attractive as well as affordable.
- 13.7. Surveys show downsizing is popular in theory but less so in practice. The main reasons for downsizing are that the family home has become too big for the needs of one or two people, too expensive to run or is otherwise unsuitable. One such survey commissioned by Legal & General (2014), found that 33 per cent of over-55s would consider moving but only 7 per cent actually did. Key reasons were the lack of availability of suitable properties and price. The latest edition of Legal & General's Last Time Buyers Report argues that 26 per cent of older households are amenable to downsizing, affecting 3.1m properties. This could release 6.2m beds, assuming two spare bedrooms per property, suggesting huge potential.
- 13.8. In its vision for the future, ARCO, the trade body for retirement communities with care, envisages an expansion from the current population of 75,000 living in retirement communities to 250,000 by 2030 across the sector. With around two-thirds of residents living alone, this would translate into roughly 15,000 new properties a year. We can compare these figures with the EAC data that showed total annual stock additions since 2010 of only 7,000 units. [Note: EAC data includes ALL housing types and not just retirement communities which ARCO represent. The actual new stock for extra care per annum is significantly lower than 7,000 units per annum and the annual shortfall much greater.] A study by JLL, a property developer, argues for a much higher figure of 72,500 new retirement units

each year for ten years, equating to nearly a third of the current rate of total housebuilding in an average year.

- 13.9. In addition to these housing estimates we are aware of other studies by Savills (Housing an Ageing Population, 2015) which calculates that we should be building 18,000 homes for older people a year simply to maintain existing levels of provision as the population ages. The think tank Demos (Demos, Unlocking the housing market) has argued annual demand for new homes purpose-built for older people is in fact over 30,000 new homes a year.
- 13.10. The HAPPI 2 Inquiry by the All Party Parliamentary Group on Housing and Care for Older People found that it is vital to offer older people choice and opportunity in old age, including the right housing and care solutions at the right time. The majority of older people choose to stay put, adapting their home as they grow older, but many also choose to move somewhere more accessible and/or with a level of care and support provided. The latest HAPPI report (issue 3) estimates that 8 million people over 60 years of age, occupying 7 million homes, are interested in 'downsizing'. By 2025, it is estimated, 725,000 housing-with-care homes will be needed to meet demand from an ageing 'Baby Boomer' generation.

## 14. UK & international comparisons

- 14.1. The Policy Exchange's 2018 publication 'Building for the Baby Boomers' illustrates the gulf between the UK and other international countries. The UK falls behind other countries given its demographic change when it comes to specialist housing.
- 14.2. *'The majority of older people in the UK live in ordinary mainstream housing with only a small percentage living in tailor-made specialist housing. Estimates range from 1% to 7% depending on definitions and how the data is calculated. By comparison, 17% of over 60s in the USA and 13% among that age group in Australia and New Zealand are living in tailor-made retirement properties.'*
- 14.3. *'When it comes to provision of housing for older people, the UK is clearly lagging behind other developed countries, and there is a vast opportunity for an increase in provision to meet the growing demand and need.'*

### Key findings – national requirement for extra care

- Countless studies predict that significant levels of additional specialist housing for older people is required now and in the years to come. This is particularly so in the private market, where the provision of extra care is lower despite high elderly homeownership levels.

## 15. Local level need methodology review

- 15.1. Despite the ever-growing corpus of national research, government policy direction and Market Position Statements from local authority commissioning departments about the benefits of extra care housing, the available local level “models” developed remain full of shortcomings. The critical issues surrounding the available models and their use and application are as follows. The below is not directed as criticisms of models (many of which are being mis-used and mis-understood from their intended purpose) but as a review of the attributes and shortcomings when it comes to determining need for private extra care accommodation at a site-specific level.

### Use of existing supply to predict future supply levels

- 15.2. The existing supply of extra care housing and other forms of specialist accommodation for the over 65 years is currently UNDERSUPPLIED at the national level on every basis assessed and by considerable amounts based upon downsizing potential, international comparisons and the government’s own policy objectives to keep people in their own homes for longer.
- 15.3. Most of the models look at the current stock of extra care as the basis to decide future requirements. This has resulted in some outputs pointing to the ridiculous position where if an authority has zero existing extra care provision in their area (due to market circumstances of an immature product rather than need-related issue) then in ‘n’ years’ time, despite a huge increase in forecasted elderly population growth, the need remains at zero.
- 15.4. Models assume that if there is a lot of one form of provision, then there must be a continued need for that type of provision going forward at that level – extra care is a NEW model of care (particularly in the private sector). It has significant challenges to fund and finance and source land (due to the economics of the operating model) and therefore it needs encouragement and support in order to generate any meaningful development. Other more traditional, established forms of specialist accommodation may not be needed in the same quantities as previously. The Associated Retirement Community Operators (ARCO) has been at the forefront of generating support at the national level for ‘retirement communities’, through various initiatives.

### Over-reliance and tool misunderstanding

- 15.5. The models have been misunderstood and an overly significant amount of weight has been placed on what is only meant to be a ‘high-level’ indication of need (this is no criticism of model authors, all of whom caveat the models appropriately and recommend local, scheme-specific research is conducted on a site-by-site basis).

### Evidence base for prevalence rates adopted

- 15.6. There is no data-driven evidence base for the prevalence figures that are adopted in the models, as they are all based predominantly on either existing supply levels or are merely ‘educated estimates’.

### Extra care assumed only as a replacement for residential care

- 15.7. The application of some models is made on the basis that a need exists for ‘extra care’ solely as a replacement for residential care and consider that as one goes down, the other must go up proportionately. All evidence indicates that there is additional latent need driven by a lack of existing supply and choice, which the government itself is trying to promote over and above any care home provision, as they cater to proportions of people at different dependency levels.

### Obsolescence of existing stock

- 15.8. Models ignore the obsolescence factor of much of the supply of existing stock – many schemes still provide ‘studios’ or small one-bed units that are completely unsuitable to meet modern age-appropriate housing standards and would barely be marketable as traditional housing, let alone ‘specialist’ housing for older people.

### Misunderstanding of the private extra care product target market

- 15.9. The application of the models by local authority social services commissioning teams does not adequately consider the nuances of delivering extra care housing in the private sector. It is impossible to expect an elderly person who would otherwise be receiving residential care (and therefore requires assistance daily with washing, bathing, eating, etc.) to sell their own home and go through the conveyancing process, acquire or lease a new property and move house at this level of dependency.
- 15.10. Extra care in the private sector is a ‘preventative’ solution, i.e. if that same person had acquired their private extra care unit 18 months earlier whilst not needing 24-hour care and support, they are more likely to have been in a position to buy/sell their property, move into the extra care scheme and then age in place with all of the support and care on site when they need it later, not solely when they have an immediate requirement as a result of a crisis..

### Failure to account for actual homeownership levels to reflect private extra care need

- 15.11. Models do not adequately reflect homeownership levels in many instances and the apportionment of 'need' has been made arbitrarily, often at the behest of social services teams, who often do not support private development, as their strategy and budgets are focused primarily on affordable and social need. There is greater provision of affordable extra care but, given levels of homeownership nationally, this situation should logically be reversed. Most models, however, do not take this into account.

### Exclusion of elderly people between 65 to 74 years of age in need calculations

- 15.12. Most models, for some reason, exclude households between 65 to 74 years of age and instead only look at 'need' from 75+ years. This is despite the planning restrictions in place on specialist older people's housing schemes typically starting from 65+ years (sometimes 55+ years).
- 15.13. Our own analysis of existing retirement community residents on behalf of ARCO indicates that at least 20 per cent of residents in retirement communities are aged between 65 to 74 years – therefore most models consistently under-estimate need. Even care home need models (which have higher levels of dependency than extra care as eligibility criteria) assume a percentage of the population of 65 to 74-year olds will occupy a care home bed. There is no evidenced-based-rationale for the exclusion of those below 75 years of age (the Three Dragons model is the only model assessed that does try to explicitly account for this) in its calculation of 'need' for older people.

### Model obsolescence and lack of a 'level playing field'

- 15.14. We contacted Housing LIN, which provides the model specifically quoted in the government's National Planning Policy Framework (NPPF), to ascertain if they would be willing to undertake a bespoke piece of market research for us to support this application and they declined due to a conflict potential with Hertfordshire County Council. The SHOP@ tool, to which the NPPF refers, has been withdrawn and is no longer available for third-party use. We therefore consider that this is no longer a model that can be considered robust if both 'sides' are unable to utilise it and it is no longer supported by its creators – it is not a level playing field.
- 15.15. The Three Dragons/RHG model is not available as a free to access tool on the organisation's website and must also be independently commissioned.

### Carterwood approach

- 15.16. Given the challenges of the existing tools, we have undertaken our assessment of need considering ALL of the models in turn and then applied the prevalence data at local authority level in order to provide the most comprehensive assessment of need available – this includes both national models and local models.
- 15.17. We have then made our own recommended prevalence rate based upon our composite review of the strengths and weaknesses of our assessment.
- 15.18. Appendix B has a full review of each model assessed for reference purposes.

## 16. Model need prevalence rate summary

**T10 Summary of local level population need prevalence rates (per 1,000 population over 75 years unless stated otherwise)**

Housing type	Enhanced Sheltered Housing		Extra care housing		Housing based provision for dementia
Models reviewed	For rent	For sale	For rent	For sale	
More Choice Greater Voice (2008) - 'Ratios suggested by the norm'/1000 population 75+ (page 45) <b>(*1)</b>	10.0	10.0	12.5	12.5	10.0
SHOP (Dec 2011) - estimate of demand/1000 population 75+ (page 36) <b>(*2)</b>	10.0	10.0	15.0	30.0	6.0
Housing in Later Life (2012) Indicative ratios for Bury/1000 population 75+ (page 23) <b>(*3)</b>	10.0	10.0	15.0	30.0	6.0
SHOP@ (2013) – Projected “base case” demand at 2030/1000 75+. (page 7) <b>(*4)</b>	20.0		25.0		-
SHOP@ tool example for Solihull (2018) <b>(*5)</b>	-		19.9	15.2	-
SHOP@ tool example for Gloucestershire (2017) <b>(*6)</b>	-		Between 25.0 and 30.0 – increasing from 2017 to 2035		-
Extra Care Demand Assessor (ECDA) <b>(*7)</b>	-	-	Calculated independently by the online model		-
Other national models					
Three Dragons (Nov 17) Report to GLA <b>(*8)</b>	15 to 20 per cent of all 75+ person <u>households</u> would want to live in specialist older people's housing, if it was available. Need analysis based upon Greater London characteristics and therefore not applicable to Hertfordshire and does not separate out demand for extra care/enhanced sheltered housing by prevalence rate.				
ARCO Vision 2030 <b>(*9)</b>	For 250,000 people to have the opportunity to live in retirement villages by 2030. Defined as Retirement Communities which we consider would fall within either the Extra Care or Enhanced Sheltered Housing definitions.				

### Sources:

(1) *More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people. Communities and Local Government, CSIP & Housing LIN, February 2008.*

(2) *SHOP Resource Pack, December 2011.*

(3) *Housing in Later Life: planning ahead for specialist housing for older people, Housing LIN, NHF et al, December 2012.*

(4) *SHOP@, Housing LIN & EAC, Delivering the Detail, October 2013.*

(5) *SHOP@, Housing LIN & EAC Shop@ report, Solihull July 2018.*

(6) *SHOP@, Housing LIN & EAC Shop@ report, Strategic housing for older people for Gloucestershire County Council, May 2017.*

(7) *Archer, Tom (2018). Extra Care Demand Assessor (ECDA). SHU Research Data Archive (SHURDA).*

(8) *Three Dragons / RHG (November 2017) Assessing future potential demand for older person's housing, care homes and dementia housing in London.*

(9) *ARCO vision statement.*

## 17. Model review – strengths and weaknesses

T11 Summary of local level prevalence rates		
Model	Strengths	Weaknesses
More Choice Greater Voice (2008)	Provides full breakdown of prevalence by tenure and housing type.	Age of study, need based upon 'current' provision, which on every assessable measure was under-provided for based upon elderly population at the time, doesn't account for need from 65 to 74-year-old cohort.
SHOP (Dec 2011)	Provides full breakdown of prevalence by tenure and housing type, includes some allowance however arbitrarily assessed about need that is not solely based upon current supply.	Age of study, no longer supported by authors, doesn't account for need from 65 to 74-year-old cohort.
Housing in Later Life (2012)	Based upon SHOP above so same strengths.	Based upon SHOP above so same weaknesses.
SHOP@ tool	Flexibility to reflect demand based upon tenure type, interactive on-line tool which was (whilst it was available) easy to use.	No longer available by the authors, widely misused tool by social services commissioning teams who misunderstood its application and how to use the system, <u>reduced</u> the overall "need" prevalence significantly despite national and local policy objectives to <u>increase</u> supply of extra care – again arbitrarily with no evidence base other than opinion of local authorities, doesn't account for need from 65 to 74 year old cohort.
CRESR (Nov 2017) Greater Cambridge. Extra Care Demand Assessor (ECDA)	More recent study, online model available free for use.	Model based upon existing supply of extra care, which is nationally recognised as being under-provided for, doesn't account for need from 65 to 74-year-old cohort, model calculates the catchment area 'in reverse' and therefore doesn't take account of potential need outside these areas in more densely populated areas.
Other models		
Three Dragons (Nov 17) / Retirement Housing Group	Account for need from 65- to 74-year-old cohort, considers potential need and national policy objectives explicitly rather than being a measure of solely existing supply.	London-centric analysis making it difficult to apply to other local authority areas, amalgamates extra care and sheltered housing into one global measure and doesn't differentiate by housing type; RHG model unavailable for site-specific use unless commissioned independently.
ARCO Vision 2030	Considers potential need and national policy objectives explicitly rather than being a measure of solely existing supply.	Not a formal model.

### Key findings – need model and methodology review

- All the available local-level tools have strengths and weaknesses, with the greatest weakness being an over-reliance on the models by stakeholders for what are supposed to be high-level tools that require significant additional work at the local level in order to address need issues.
- Given the challenges of the existing tools, we have undertaken our assessment of need considering ALL of the models in turn and then applied the prevalence data at the local authority level in order to provide the most comprehensive assessment of need available – this includes both national models and local models. We have then adopted our own prevalence rate as set out in Section 23 considering all of the strengths and weaknesses of the models available, to provide the most rounded assessment possible.



# NEED ASSESSMENT – LOCAL MARKET QUANTITATIVE ASSESSMENT

## 18. Catchment area assessment

- 18.1. We have based our detailed assessment of the need position for the proposed retirement community to provide private extra care on the St Albans City and District Council area, outlined in dark blue in the map opposite

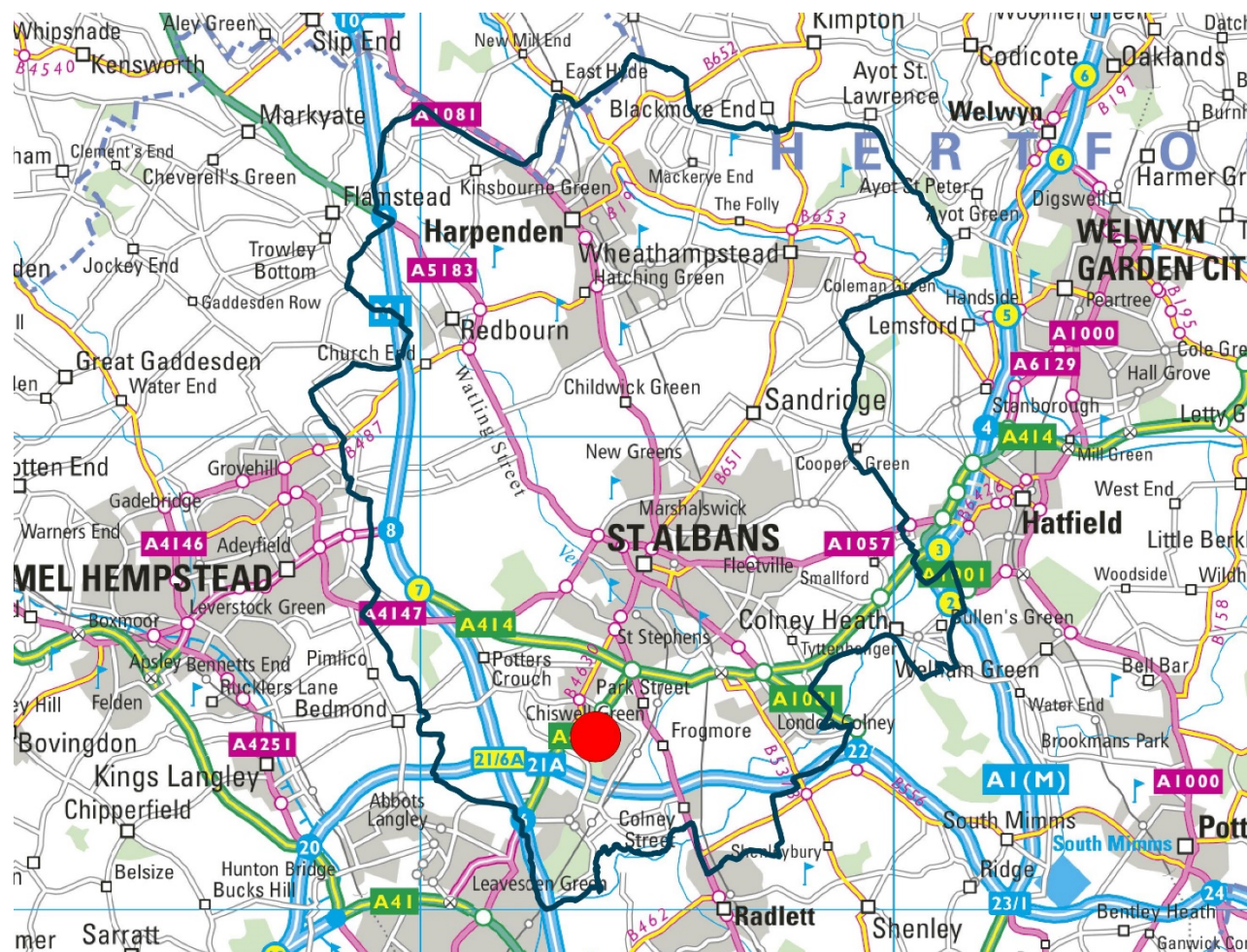


Figure 10: Extra care basis of assessment

The red spot shows the approximate location of the proposed care village. The dark blue outline illustrates the St Albans City and District Council area.

## 19. Local demographic profile

### Housing ownership

- 19.1. Housing ownership data at the time of the 2011 census, summarised in Table T12, shows that 72.8 per cent of all households where the Household Reference Person is over 65 years of age within the St Albans City and District catchment were owned either outright or with a mortgage. This measure is well above the UK average (63.5 per cent) and reflects the above average wealth profile of the market area.
- 19.2. Please note that the figures may contain rounding and total figures compared across different tables may vary due to rounding and amalgamation of different data sets and limitations of census 2011 data. The data in this table includes vacant properties and secondary residences/holiday accommodation.

### Population profile

- 19.3. We have summarised the profile of the elderly population in T13, opposite. The local authority area is characterised by a slightly younger population profile compared to the UK average. The level of residents aged 85+, however, is slightly higher than the UK average.

### Population growth

- 19.4. The population growth measure considers the rate of growth of the target elderly demographic between 2020 and 2040 and shows the total growth rate over this 20-year period. It provides an indication of future need for specialist housing for older people.
- 19.5. The local authority growth rates are below UK national growth rates, but nevertheless by 2040 the total elderly population is projected to grow by 44 per cent in the St Albans City and District Council area.

**T12 Household ownership (2011) where HRP is aged 65+ years or older**

Tenure	St Albans City and District	
	No.	%
Owner occupied: owns outright	19,409	34.6
Owner occupied: owns with a mortgage/loan	21,422	38.2
Owner occupied: shared ownership	261	0.5
Rented from: council (local authority)	4,753	8.5
Rented from: registered social landlord	2,079	3.7
Rented from: private landlord / letting agency	7,065	12.6
Rented from: other	559	1.0
Living rent free	592	1.1
All households*	56,140	100.0

Source: 2011 Census, government population projections.

**T13 Population profile (2020)**

Age profile	St Albans City and District		Differential to UK %
	No.	%	
All population	147,895	100.0	0.0
Age 65+	25,571	17.3	-1.4
Age 75+	12,580	8.5	-0.2
Age 85+	4,067	2.7	0.2

Source: 2011 Census, government population projections.

**T14 Population growth (2020–2040)**

Category	Elderly population growth rates (%)	
	St Albans City and District	UK comparison
2020	0	0
2025	15	-4
2030	22	-9
2035	31	-14
2040	44	-20

Source: 2011 Census, government population projections.

## 20. Local market size assessments

- 20.1. Using our analysis of the demographic and population data, we have set out the assessment of need based upon the available models in Table 15 for the St Albans City and District Council area. We have used their prevalence rate data and utilised the population projection data from the census and government actuarial department to predict the need for private extra care for each model. There is a huge variation in need calculated across the different models and approaches.

T15 Summary of local level need by model – extra care and enhanced sheltered housing		
Housing type	Combined prevalence rates for <u>private</u> extra care and enhanced sheltered housing – need per 1,000 population	Private extra care “need” in local population in 2023
Model	Basis of assessment	St Albans City and District catchment
More Choice Greater Voice (2008) - ‘Ratios suggested by the norm’/1000 population 75+ (p. 45)	22.5 per 1,000 75+ population	312
SHOP (Dec 2011) - estimate of demand/1000 population 75+ (p. 36)	40 per 1,000 75+ population	555
Housing in Later Life (2012) Indicative ratios for Bury/1000 population 75+ (p. 23)	40 per 1,000 75+ population	555
SHOP@ (2013) – example studies where tenure split available	Solihull	211
	Gloucestershire	222
Extra Care Demand Assessor (ECDA)	Unknown – calculated by online model	75 <i>(includes all tenure types and based upon 5.4 km notional catchment area generated by the model)</i>

Source: see table T10

- 20.2. We have prepared our own assessment and have adopted the original SHOP Dec 11 and Housing in Later Life prevalence rates. We consider that these ratios and prevalence rates most accurately take account of the strengths and weaknesses of the other available models, which are overly punitive on need-based factors at the local level. The prevalence rates below most accurately accord with the requirements outlined in the national literature and take account of the increased weighting of housing with care required in future provision as it is currently an immature market, rather than adopting a ‘more of the same’ approach. The prevalence rates adopted also more accurately reflect UK and local level homeownership levels, which are heavily skewed towards the private market and also the slightly higher prevalence takes account of the 20 per cent of people between 65–74 years of age, who are arbitrarily excluded from all of the other models assessed.

T16 Summary of local level need – Carterwood projections (2023)		
Housing type	Combined prevalence rates for <u>private</u> extra care and enhanced sheltered housing – need per 1,000 population	“Need” in local population
Model	Basis of assessment	St Albans City and District Council catchment
Carterwood assessment	40.0 per 1,000 75+ population	555

- 20.3. To provide context for our adopted prevalence rates, if these figures are applied at the UK level, these prudent assumptions indicate that only 1.8 per cent of the total number of over 65-year olds in the country require private extra care/sheltered housing. Given the high levels of homeownership, lack of current provision and government policy drive towards promotion of support within an individual’s own home, we consider that the levels are a highly robust measure with which to assess current and future need for private extra care accommodation.

## 21. Existing private extra care schemes

21.1. We subscribe to the Elderly Accommodation Counsel's (EAC) data, which offers enhanced data fields compared to the online version of [www.housingcare.org](http://www.housingcare.org). We have also updated the base EAC data with the results of our own research, to assess the current supply of extra care accommodation within the St Albans City and District Council area – we have recoded and classified the schemes where we have inspected a scheme and know it to be incorrectly coded by the raw data.

21.2. The challenges for EAC are manifold in maintaining this data set, as there is no regulatory data from which to build and maintain this database. It relies upon a small research team and operators/developers themselves to update – this can sometimes lead to inconsistencies.

21.3. We have researched all schemes classified as follows:

- Extra care/assisted living;
- Enhanced sheltered housing;
- Close care;
- Retirement village.

21.4. We have conducted additional research to ensure that each scheme conforms to the recognised definition of extra care, namely that 24-hour on-site care is provided or that it meets the definition of enhanced sheltered housing as per the [housingcare.org.uk](http://housingcare.org.uk) website. We have not included any registered social landlord schemes and have only included schemes catering to the private market.

21.5. We have specifically not considered any traditional sheltered housing or other similar schemes in our analysis of current supply.

21.6. There are only two private extra care/enhanced sheltered housing schemes within the St Albans City and District Council catchment area, providing 85 units of accommodation.

21.7. A list of the individual schemes is attached at Appendix C.

**T17 Existing supply of private older people's housing (St Albans City and District)**

Scheme type	Schemes (No.)	Units (No.)	Private units (No.)
All schemes & all retirement villages			
With on-site care/support	2	85	85
Without on-site care/support	18	673	673
Retirement villages only			
With on-site care/support	0	0	0

Source: EAC, Carterwood

**T18 Existing supply by decade of construction (St Albans City and District)**

Scheme type	Private units		
	With on-site care / support (%)	Without on-site care/ support (%)	Total units (No.)
Pre-1980s/unknown	0	0	0
1980s	0	64	269
1990s	0	18	73
2000s	0	8	35
2010s (2010–2014)	0	0	0
2010s (2015+)	100	10	125
Total	100	100	502

Source: EAC, Carterwood

## 22. Planned private extra care supply

- 22.1. We have made enquiries with St Albans City and District Council and used our own data information sources and market knowledge to determine the number of planned units, either in the planning process or under construction. This research was carried out on 14 September 2020. We have searched for planning applications submitted over the past 3 years.
- 22.2. From our data sources, we have reviewed all the planning applications that have been granted, refused, withdrawn or are pending decision. This is cross-referenced against the online planning website for the relevant local authority and where an anomaly exists, we contacted the planning officer, if required. Additional units in the area are of key importance, as they are likely to be of a high standard and provide significant competition to the proposed development once completed and trading.
- 22.3. Where an application has been refused or withdrawn, we enter the postcode into the local authority online planning facility to identify if a subsequent application or appeal application has been submitted. The results of this are included within the report.
- 22.4. Where a planning application has been granted, we cross-reference the postcode against our existing supply to ascertain if the scheme is operational. If it is, we include it within the operational provision and not within the planning table.
- 22.5. We would note that the planning registers that we subscribe to are not definitive and may exclude some applications as they rely upon each local authority for provision of the information.
- 22.6. We have excluded any sheltered housing, category II sheltered housing schemes or affordable extra care schemes from our analysis.
- 22.7. We have not identified any planned private extra care schemes within the St Albans City and District Council catchment area.



## 23. 5-year need analysis summary

- 23.1. By applying our need methodology to the St Albans City and District Council area we have calculated the potential need for private extra care units from people aged 75 years and above (which includes an intrinsic allowance for people aged between 65 to 74 years as per our local market size assessment in Section 20).
- 23.2. Our analysis as at 2020, based upon current need projections, existing supply and current deliverable pipeline, shows a shortfall of 418 units.
- 23.3. Our analysis as at 2023 (the earliest year the subject scheme could be developed given its current status) shows an increased shortfall of 470 units. This considers demographic growth over the period and any additional pipeline supply in the planning system. This is a significant shortfall given existing and proposed supply.
- 23.4. We therefore consider that there is an evident undersupply of private extra care accommodation within the St Albans City and District Council catchment.

### T19 Primary year for private extra care need analysis

Primary year of assessment	2023	The earliest year the subject scheme is developed and the first phase of private extra care units is available
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T20 Five-year private extra care need (St Albans City and District Council area)					
Year	2020	2021	2022	2023	2024
Need					
Total 75+ population	12,580	12,926	13,498	13,882	14,150
Estimated need private extra care (4.0%)	503	517	540	555	566
Private extra care supply					
Current supply of private extra care	85	85	85	85	85
Planned beds by operational year	0	0	0	0	0
Total supply (units)	85	85	85	85	85
Balance of provision					
Need (private extra care units)	418	432	455	470	481
Assumptions to Tables T21 and T22					
<ul style="list-style-type: none"> <li>Key year of analysis is based upon 2023 projections – earliest possible year of opening given current development status</li> <li>Planned supply based upon individual assessment of each scheme and assessment of likely development completion.</li> <li>Assumed zero closures of obsolete stock as no known closures imminent.</li> </ul>					

Source: Carterwood, Census 2001, Government population projections, Glenigan, Planning Pipe, EAC

## 24. Need analysis – methodology comparison

24.1. We have provided a quantitative assessment of need for private extra care for all of the models reviewed based on 2023 for the assessed catchment area.

24.2. The results show a very broad spread of need from 75 units to 470 units of private extra care, based upon the different prevalence rates adopted. It should be noted that the suggested ECDA need of 75 units relates to a reduced catchment size and population aged 75+ and is not, therefore, directly comparable to the other models.

24.3. However, despite this very large range based upon the underlying need assumptions, ALL of the models reviewed show a shortfall of private extra care provision across ALL bases of assessment.

24.4. This position accords with the commissioning and other local and national policy direction which indicate a firm need for additional private extra care housing.

### T21 Primary year for private extra care need analysis

Primary year of assessment	2023	The earliest year the subject scheme is developed and the first phase of private extra care units is available
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### T22 All models' private extra care need (St Albans City and District Council area) – 2023

Year	More Choice Greater Voice	SHOP	Housing in Later Life	SHOP@ Solihull	SHOP@ Gloucs	ECDA*
Need						
Total 75+ population	13,882	13,882	13,882	13,882	13,882	9,417
Prevalence rate (%)	2.25	4.00	4.00	1.52	1.60	n/a
Estimated need for private extra care	312	555	555	211	222	n/a
Private extra care supply						
Current supply of private extra care	85	85	85	85	85	61
Planned beds by operational year	0	0	0	0	0	0
Total supply (units)	85	85	85	85	85	61
Balance of provision						
Need (private extra care units)	227	470	470	126	137	75

Sources: See table T10

\*Extra Care Demand Assessor (ECDA) sets out a total population aged 75+ of 9,417 (2020) based on a 5.4km catchment and states current supply as 61 (includes affordable extra care). We have adopted the data from the model itself verbatim - hence it does not accord with our own supply data.

# NEED ASSESSMENT – QUALITATIVE ASSESSMENT

## 25. Tangible benefits for the NHS & the wider community

### Benefits to the housing chain

- 25.1. Extra care and other specialist housing for older people offer a unique combination of independence and security of lifestyle within a socially active and supportive community. Here, older people are able to continue to live in their own space, supported by a comprehensive and flexible network of personal care services and activities.
- 25.2. People moving into a scheme will release large family homes back into the community, which is key to offering more options for families living locally.
- 25.3. A report ('The top of the ladder', prepared in September 2013) by Demos, the leading cross-party think tank, has considered the above issue in significant detail. We have considered some of the key issues and findings raised as part of this research and reproduced below:
- 25.4. *'Retirement properties make up just 2 per cent of the UK housing stock, or 533,000 homes, with just over 100,000 to buy. One in four (25 per cent) over 60s would be interested in buying a retirement property – equating to 3.5 million people nationally.'*
- 25.5. *'More than half (58 per cent) of people over 60 were interested in moving. More than half (57 per cent) of those interested in moving wanted to downsize by at least one bedroom, rising to 76 per cent among older people currently occupying three-, four- and five-bedroom homes. These figures show that 33 per cent of over 60s want to downsize, which equates to 4.6 million over 60s nationally. More than four in five (83 per cent) of the over 60s living in England (so not Scotland, Wales or Northern Ireland) own their own homes, and 64 per cent own their home without a mortgage. This equates to £1.28 trillion in housing wealth, of which £1.23 trillion is unmortgaged. This is far more than the amount of savings this group has (£769 billion). Therefore the over 60s interested in downsizing specifically are sitting on £400 billion of housing wealth.'*
- 25.6. *'If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would release around £356 billion worth of (mainly family-sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes.'*
- 25.7. *'If those wanting to buy a retirement property were able to do so, this would release £307 billion worth of housing.'*
- 25.8. *'Combining New Policy Institute (NPI) analysis of current market chain effects of older people dying and moving each year with our own analysis of ELSA, we can estimate that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move, freeing up 3.29 million properties, including nearly 2 million three-bedroom homes. 'If just half of those interested in downsizing more generally were able to do so, 4 million older people would be able to move, freeing up 3.5 million homes.'*
- 25.9. The report's key conclusions are summed up in the following statement:
- 25.10. *'We conclude by reflecting on the fact that the housing needs of our rapidly ageing population (the number of over 85s will double by 2030) is the next big challenge this government faces. And yet the costs associated with overcoming this are far lower than those related to the effects of the ageing population on health or social care. The money is there already – locked up in over a trillion pounds' worth of assets across the country. Hundreds of millions of pounds could be released to stimulate the housing market if (low-cost) steps were taken to unlock the supply to meet the demand already there – let alone if demand were further stimulated. While there must always be a place for social housing and affordable tenancy for older people, the vast majority of older people can be helped into more appropriate owner-occupied housing without any direct delivery costs incurred by government or local authorities.'*
- 25.11. New research in 2020, prepared by the Centre for the Study of Financial Innovation, also supports the above housing chain benefits and is described in detail in Section 13.

### Employment and economic benefits

- 25.12. The subject scheme will provide full-time and part-time roles in order to fulfil its obligations to residents and cover care and support requirements. Below is a breakdown of our estimated roles/occupations and long-term job creation. This is based upon data collected by Worcester Research in 2016 on the Bishopstoke Park retirement village in Hampshire, operated by Anchor Hanover and over 160 units in size.

T23 Direct employment generated		
Job role	Number of people employed	
	Bishopstoke Park actual	Subject scheme estimates
Management, professional, associate professional	8	8–10
Skilled manual, admin and clerical	12	12–15
Caring, machine occupations, elementary roles	45 (mostly part time average - 20 hours pw)	45–60
Total	65	65–85

25.13. In addition to directly employing a local workforce, schemes also employ the services of a wide range of local companies in the provision of services in order to service a scheme of this size. Data quoted in the Housing for Later Life report in 2011 estimated an average 40-unit extra care apartment scheme provides investment of approximately £5m into older people's housing and the local economy (in 2020 costs this would be significantly higher having been subject to 10 years' inflation). The report also found that around 50 people were needed for construction.

25.14. The Worcester Research group applied the above construction cost and utilised other research of their own as part of a resident survey and identified the following economic contribution for a typical 150-unit village:

- £15m in initial investment in capital asset (we estimate this to be greater and more likely to be in the region of £20 to £30m for a large 150-unit village).
- Approximately 187 jobs during the construction phase.
- £1.7m in on-going salary to local workers.
- At least £160,000 per annum in additional business to local suppliers.
- Around £1.3m expenditure in the local economy from residents (including multiplier effects).
- Between £152,000 and £190,000 in additional council tax to support local service provision.

### Health & wellbeing and benefits to the NHS and Social Services

25.15. We have reviewed the House of Commons report of Housing for Older People (2<sup>nd</sup> report 2017/9), which neatly summarises the available body of evidence on the benefits to health and wellbeing and the direct positive impact on the NHS and budgets:

25.16. *'There is a significant body of evidence on the health and wellbeing benefits to older people of living in specialist housing and the resultant savings to the NHS and social care. This is particularly the case for extra care housing, which has onsite care and support and communal facilities. In addition, this type of housing helps family and carers finding it challenging to provide enough care and support.'*

25.17. *'Research by the International Longevity Centre-UK found that around a quarter of people who moved into extra care housing with social care needs (or went on to develop them) experienced an improvement within five years, were less likely to be admitted to hospital overnight and had fewer falls. Subsequent research found that, in comparison to older people in the general community, extra care residents reported having a higher quality of life, a higher sense of control and lower levels of loneliness.'*

25.18. *'While at Aston University, Professor Holland led a three-year study on the impact on older people's health of living in the ExtraCare Charitable Trust's extra care schemes. Professor Holland's study found that the NHS costs for those in the sample were reduced by 38% and that the costs for frail residents had reduced by 51%. In addition, local authority costs of providing lower and higher-level social care were 17.8% (£1,222) and 26% (£4,556) lower respectively on average per person per year.'*

25.19. *'With regards to retirement housing, research from the University of Reading showed that it can help combat social isolation and promote fitness, with over 80% of owner occupiers of retirement housing taking part reporting feeling happier in their new home and nearly a third feeling that their health had improved.'*

25.20. *'Providers of sheltered housing emphasised their role in helping older people to stay healthy, reducing hospital admissions and delayed transfers of care, thereby generating savings to health and social care budgets. Research by Demos estimated the value of sheltered housing to the NHS and social care at £486 million per year, of which £17.8 million amounted to reduced loneliness.'*

25.21. Sometimes NHS CCG teams are concerned about the impact on their local doctors' surgeries. However, evidence indicates that there is a positive benefit in line with the evidence base above and regardless we anticipate the subject scheme will hold periodic surgeries in-house within the development and will not impact on local surgeries directly. This serves to reduce the number of GP visits, as the requirement for GP input is heavily controlled by care staff understanding the clinical requirements for each service user.

25.22. The visiting GP can also combine multiple visits into one trip. The presence of on-site care staff also reduces the number of unnecessary trips to GPs, thereby

reducing waiting lists rather than increasing them. The concentration of individuals within one place should also assist in reducing the need for community nurses and there are obvious advantages of having residents within one geographic location.

- 25.23. Further, the pressure on GPs will not be a direct result of the proposed development – demand is not created, it is catered for and the new scheme will provide much needed facilities to help battle the rising demographics pressure across the area.
- 25.24. In addition, some local authority Social Services teams are concerned that new schemes bring in people from outside of the area who will drain local authority budgets. However, having conducted a plethora of studies across the UK and spoken with a host of social services teams, our general observation is that local authority placements both into and out of any local authority are neutral.
- 25.25. There is no doubt that several residents will move into an area when a new scheme is developed. However, this goes both ways and as new schemes are developed in neighbouring boroughs and an equivalent proportion of people will therefore leave their authority area and funding requirements will reduce. Funding pressure by social services to and from neighbouring and surrounding local authorities therefore compensate each other. In effect, there are just as likely to be as many people leaving the area as there are migrating into the area, and these two factors effectively cancel each other out.

#### Key findings – tangible benefits for the NHS & the wider community

- *People moving into a scheme will release large family homes back into the community, which is key to offering more options for families living locally. If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would release around £356 billion worth of (mainly family-sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes’ (Demos, The Top of the Ladder).*
- The subject scheme will provide a range of full-time and part-time roles in order to fulfil its obligations to residents and provide care and support requirements.
- The Worcester Research group identified the following economic contribution for a typical 150-unit village:
  - £15m in initial investment in capital asset (we estimate this to be greater and more likely to be in the region of £20 to £30m for a large 150-unit village).
  - Approximately 187 jobs during the construction phase.
  - £1.7m in on-going salary to local workers.
  - At least £160,000 per annum in additional business to local suppliers.
  - Around £1.3m expenditure in the local economy from residents (including multiplier effects).
  - Between £152,000 and £190,000 in additional council tax to support local service provision.
- There is a significant body of evidence on the health and wellbeing benefits to older people of living in specialist housing and the resultant savings to the NHS and social care. This is particularly the case for extra care housing, which has on site care and support and communal facilities. In addition, this type of housing helps those families and carers finding it challenging to provide sufficient care and support.
- A study of the ExtraCare Charitable Trust's extra care schemes found that the NHS costs for those in the sample were reduced by 38 per cent and that the costs for frail residents had reduced by 51 per cent.



## 26. Tangible benefits for residents

- 26.1. The primary purpose of the literature on care villages has been to evaluate the success of existing schemes. In addition, while the volume of literature has gradually increased, to date there remain only a handful of papers that document and evaluate primary research from UK schemes. We have extracted the text below verbatim from a report prepared by Tetlow King, published in 2011, which summarises the empirical evidence available in respect of the benefits of care villages to the individuals who are cared for within the developments. We have also reviewed a report prepared by CASS Business School, entitled 'Does Living in a Retirement Village Extend Life Expectancy?'

### Planning and Delivering Continuing Care Retirement Communities (Tetlow King 2011)

- 26.2. *'There are two recent large scale longitudinal studies of CCRCs, one by Bernard et al. (2004) of Berryhill Village operated by the ExtraCare Charitable Trust and the other by Croucher et al. (2003) of Hartrigg Oaks, operated by the Joseph Rowntree Housing Trust.'*
- 26.3. *'Both of these studies offer in depth accounts of living in retirement communities. More recently an evaluation of the first 10 years of Hartrigg Oaks has been produced by the residents and staff (JRF 2009). The other UK based studies cover smaller time frames (e.g. Evans and Means 2007) and so adopt different methods and sample sizes, ranging from around 15 participants to over 100. Another approach by Biggs et al. (2001) adopts a comparative analysis, comparing those within a CCRC to a sample from the wider community. This produces an effective analysis of life within a retirement community as it enables direct comparisons to be drawn. Across these evaluations a number of key themes can be identified.'*

#### 'Safety and Security'

- 26.4. *'A number of sources refer to the sense of safety and security experienced by residents (e.g. Phillips et al. 2001, Baker 2002, Biggs et al. 2001). This is most often related to knowing that care staff are available on site day and night, and knowing that help is available across a range of domains, including home maintenance (Croucher 2006). It is also acknowledged that being in such a community reduces the risk of being a victim of crime or harassment.'*

#### 'Health'

- 26.5. *'Within a CCRC, the onsite care provision ensures that all residents are fully cared for and supported. Hayes (2006) acknowledges that this provides residents with peace of mind from knowing that they can stay at home even if their care needs change. Throughout their comparative studies both Croucher (2006) and Biggs et*

*al. (2001) found that the self-reported health status of residents within the village tended to remain much higher than those living outside.'*

#### 'Social Inclusion'

- 26.6. *'The issue of social inclusion is commonly cited as an important reason for moving into such a community. Social inclusion is a key theme throughout government policy and it is widely recognised that older age groups with reduced mobility increasingly suffer from social exclusion (Battersby 2007; OCSI 2009). It is well documented that CCRCs offer opportunities for companionship and social interaction. This occurs both formally within organised clubs or activities and informally within communal areas (see for example Bernard et al. 2007; Croucher 2006; JRF 2009; Evans and Means 2007 and Phillips et al. 2001). Some authors report instances of conflict or marginalisation of those who don't fit in with the norm (Croucher et al. 2006; Phillips et al. 2001). In general however this is heavily outweighed by the volume of evidence documenting the mutual support that exists between residents, creating a true sense of place and community spirit.'*

### Living in a retirement village extends life expectancy The case of Whiteley Village

- 26.7. *'The increasing number of people we expect will require residential care at some point in their lives provides a new impetus to examine how retirement village communities can cater for the needs of their residents. This report is particularly commendable because it examines the records of residents of Whiteley Village, covering 100 years of its existence including their longevity experience.'*
- 26.8. *'It finds that Villagers, particularly females, live longer than the average for England & Wales and this advantage was especially pronounced when pensioner poverty was higher than it is today. This is particularly remarkable since eligibility to become a resident of Whiteley, usually at around normal retirement age, is based on having limited financial means, i.e. people who would be expected to die sooner on average.'*
- 26.9. *'This advantage continues today if one compares the longevity of Whiteley Villagers with the poorest 20% of pensioners in England & Wales. The key message therefore is that as well as increasing quality of life, housing with care communities such as Whiteley Village can also extend life expectancy.'*
- 26.10. *'As the residential care sector continues to respond to the needs of our rapidly ageing society, I hope that policymakers and the social care sector can take heart in knowing that, whilst socio-economic inequalities in life expectancy sadly still*

exist, the right housing with care community might just be able to ameliorate the effects of deprivation and address those inequalities in later life' (page 4).

#### 'Executive summary

26.11. *'The benefits or otherwise of communal living in later life are of considerable interest in the context of a growing and increasingly elderly population because of the continuously rising cost pressures on health and social care and the need to provide more suitable accommodation. Such establishments have the capacity to provide in one location all the needs of residents whilst providing a stimulating and high quality living environment which insulates residents from the day-to-day problems of growing old. Whiteley Village, currently celebrating its 100th anniversary, is one of the main forerunners of this kind of retirement living anywhere in the world. The aim of this study is to investigate the possible benefits of retirement village life with respect to life expectancy, i.e. whether Villagers live longer on average than the general population. Our results show that there is strong statistical evidence that female residents, in particular, receive a substantial boost to their longevity when compared to the wider population – at one point in time reaching close to five years. Whiteley's longevity advantage is even greater once we take account of the fact that the resident population is drawn from the poorest pensioners, who would be expected to experience higher mortality rates. Although we were unable to find sufficient statistical evidence that the male residents of Whiteley outlive their counterparts in the wider population, there was certainly evidence that the majority lived at least as long on average (i.e. the effects of living at Whiteley appears to combat the inequalities caused by social deprivation)' (page 5).*

26.12. The research document concludes that there are significant benefits of living at Whiteley that help to combat the inequalities caused by social deprivation. The report concludes that as well as increasing quality of life, housing with care communities such as Whiteley Village can also extend life expectancy.

#### **The Joseph Rowntree Foundation**

26.13. In addition to the above commentary, we have considered the Joseph Rowntree Foundation paper, published in April 2006, called *'Making the Case for Care Villages'*. Drawing on previously published studies and data from an on-going comparative evaluation of seven different housing with care schemes for older people, they found that evidence shows very clearly that older people see care villages as a positive choice.

26.14. We have extracted a few examples of the research that underpins the key observations made on the benefits.

26.15. *'Care Villages also play an important role in promoting health and well-being. Increased opportunities for social interaction and engagement can reduce the experience of social isolation, with consequent benefits to health, well-being, and quality of life...'*

26.16. *'Living in a purpose-built, barrier-free, efficiently heated environment removes many of the difficulties and dangers of living in inappropriate accommodation, in particular the risk of falls. Resident groups can be effectively targeted for health promotion initiatives... On-site catering services can promote healthy eating, and cater for particular dietary requirements and ensure that everyone has the opportunity to have a hot, nutritious meal every day.'*

#### **Benefits of domiciliary care delivery in community setting**

26.17. In addition, provision of domiciliary care and support to occupants of the extra care units can be provided in much smaller time segments than is possible to achieve in someone's own home in a traditional way. Often visits in traditional home care within a person's own home are limited to a minimum of 30 minutes or even an hour, which is very impractical to meet the needs of the person concerned if they require a more bespoke service. There is greater consistency in case delivery compared to traditional care as home care delivery is easier to control.

#### **Key findings – tangible benefits for residents**

- Residents benefit, over and above other wider benefits to the economy and the NHS, due to improvements in the following key health and social metrics:
  - Safety and security.
  - Health and well-being benefits and improved quality of life.
  - Social inclusion and reduction in inequalities caused by social deprivation.
  - Longevity and life expectancy increases.
  - Reduced risk of falls/injury by living in purpose-built accommodation.
  - Tailored care delivery and consistency of care through provision from same site.

# KEY FINDINGS AND CONCLUSIONS

## 27. National context and the proposal

- 27.1. There is no statutory definition of extra care, which often leads to ambiguity for key stakeholders including planners, potential or existing residents, and social services departments.
- 27.2. For the avoidance of doubt, within this need analysis we have included extra care and enhanced sheltered housing, having regard to the EAC database, within our definition of 'extra care'.
- 27.3. The proposed scheme will provide accommodation with care and we have therefore used the term 'extra care' throughout this report, whilst not disregarding our comments and observations regarding the various forms of specialist housing. We also use the terms 'housing with care' and 'extra care/enhanced sheltered housing' where appropriate for context.
- 27.4. The elderly UK demographic is set to grow dramatically in the coming years, and is likely to continue to drive demand for both non-residential care, such as extra care schemes, and other specialist accommodation options, as well as care home beds.
- 27.5. The vast majority of existing private specialist accommodation comprises 'sheltered housing', with just 16.8 per cent of total stock meeting our definition of extra care, where care/support is available on site, amounting to 29,832 units. Extra care accommodation has evolved over recent years to respond to the growing need from older people for greater choice, quality and independence. With approximately 12.5m people over the age of 65 years, this equates to a supply of private extra care for only 0.24 per cent of the population. There are approximately 5.8m people over the age of 75 years, and therefore current supply of private extra care is available to just 0.51 per cent of this age cohort.
- 27.6. Homeownership levels of older people are very important in the analysis of private extra care accommodation as those that own their own home will not be eligible for RSL support through affordable rental options and instead, will need to access private leasehold sale or private market rent alternatives. Home ownership levels vary considerably across the UK and higher levels are generally found in areas of increased affluence and vice versa.
- 27.7. COVID-19 has had a significant impact on the social care sector and the wider national and international markets. At this stage, it is impossible to predict the eventual outcome on the retirement housing and extra care sector. However, in our opinion, extra care allows residents to self-isolate effectively within their own homes where, crucially, they can also receive trained on-site care and support, if required. This not only means they will be cared for, but also that debilitating damage caused by loneliness and social isolation is mitigated.

## 28. Commissioning enquiries

- 28.1. Hertfordshire County Council's commissioning strategy is in line with other local authorities by seeking to reduce the amount of residential care it commissions in care homes by increasing community-based services and extra care (called 'flexicare' in Hertfordshire), with older people being cared for in their own homes for as long as possible.
- 28.2. Need for 'flexicare' in the commissioning documents relates to affordable accommodation requirements for those elderly people who would otherwise have a social care funded placement within a care home or receive funded care in their existing home. They do, however, 'encourage *a range of high quality and innovative approaches – including private provision that matches our 'flexicare' service model*'.
- 28.3. The South West Hertfordshire Local Housing Needs Assessment (LHNA) states the *supply of older persons' housing* with support and care should be increased to meet demand from the elderly (65+) population, projected to rise by 37.8 per cent between 2020-2036.
- 28.4. With over 72 per cent of older people in St Albans and District being homeowners, there is also a need to broaden the existing affordable offer to enable all elderly people the opportunity to 'downsize' into specifically designed extra care accommodation with associated facilities. Furthermore, 85 per cent of existing homes are considered to be under-occupied and downsizing will release general housing to the market.
- 28.5. The LHNA uses the average prevalence rate from four housing with care need methodologies noting that it 'is difficult to say what a reasonable rate to use would be' with different sources suggesting a wide variation. It concludes that as at 2020, there is a shortfall of '100 leasehold housing with care units' (private extra care) in St Albans City and District. We consider that by using an average it only serves to accentuate existing patterns of provision (heavily skewed towards sheltered and affordable provision with greater reliance on care homes) rather than focussing on new forms of accommodation and care (extra care).
- 28.6. Sufficient private extra care accommodation must be made available for leasehold and market rent in the St Albans City and District local authority area. The proposed retirement community will address this requirement.

## 29. Quantitative need assessment for private extra care units

- 29.1. We have reviewed the available need methodologies and consider the strengths and weaknesses of each model in Section 17.
- 29.2. We have calculated the potential need for private extra care units from people aged 75 years and above. The prevalence rates we have adopted, in our opinion, most accurately accord with requirements outlined in national literature and take account of the increased weighting of 'housing with care' required in future provision rather than adopting a 'more of the same' approach.
- 29.3. The prevalence rates adopted also more accurately reflect elderly home ownership levels, which are intrinsically heavily skewed towards the private market and prudently account for the c.20 per cent of people aged between 65 – 74 years arbitrarily excluded from all the other models.
- 29.4. We have analysed the 5-year need to 2024 (inclusive) and interpreted this as at 2023 (see T24), the earliest possible year the first extra care units in the retirement community could be available. This timescale could be significantly longer given the current planning status; however, for prudence, we have adopted this best-case scenario.
- 29.5. For the avoidance of doubt, ALL the models we have assessed in our methodology review demonstrate a significant need for additional private extra care units in the catchment. (See Section 24)
- 29.6. T25 sets out the long-term need set against the rising elderly population and longevity over a wider time horizon up to 2040, and shows a significant increase in private extra care need.

### T24 Need analysis (2023) for private extra care (Carterwood assessment)

Catchment area	St Albans City and District Council
Year of assessment	
Year	2023
Need	
Total 75+ population	13,882
Estimated need private extra care (4.0%)	555
Private extra care supply	
Current supply of private extra care	85
Planned beds by operational year	0
Total supply (units)	85
Balance of provision	
Need (private extra care units)	470
Assumptions	
<ul style="list-style-type: none"> <li>Estimated need for private extra care assumed at 4.0 per cent of the total 75+ population. This is based upon the original SHOP tool and Housing for Later Life studies which we consider best reflect the underlying need characteristics of private extra care housing.</li> <li>Key year of analysis based upon 2023 projections – earliest possible year units within the proposed development could be available.</li> <li>Planned supply based upon individual assessment of each scheme and assessment of likely development completion.</li> <li>Zero allowance for reduction through obsolete stock – whilst this is an overly prudent assumption given the age and configuration of a lot of older stock, we have no detailed information at scheme-specific level to make a site-specific adjustment.</li> </ul>	

### T25 Need for private extra care units – medium to long term

	Year	St Albans City and District Council area
Need for private extra care	2020	418
	2023	470
	2025	493
	2030	529
	2035	573
	2040	642

Sources: Housing LIN, Census 2011, government population projections, EAC Housing Options

## 30. Qualitative need assessment for private extra care units

- 30.1. *People moving into a scheme will release large family homes back into the community, which is key to offering more options for families living locally. If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would release around £356 billion worth of (mainly family-sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes’ (Demos, The Top of the Ladder).*
- 30.2. The subject scheme will provide a range of full-time and part-time roles in order to fulfil its obligations to residents and provide care and support requirements.
- 30.3. The Worcester Research group identified the following economic contribution for a typical 150-unit village:
- £15m in initial investment in capital asset (we estimate this to be greater and more likely to be in the region of £20 to £30m for a large 150-unit village).
  - Approximately 187 jobs during the construction phase.
  - £1.7m in on-going salary to local workers.
  - At least £160,000 per annum in additional business to local suppliers.
  - Around £1.3m expenditure in the local economy from residents (including multiplier effects).
  - Between £152,000 and £190,000 in additional council tax to support local service provision.
- 30.4. There is a significant body of evidence on the health and wellbeing benefits to older people of living in specialist housing and the resultant savings to the NHS and social care. This is particularly the case for extra care housing, which has on site care and support and communal facilities. In addition, this type of housing helps those families and carers finding it challenging to provide sufficient care and support.
- 30.5. A study of the ExtraCare Charitable Trust’s extra care schemes found that the NHS costs for those in the sample were reduced by 38 per cent and that the costs for frail residents had reduced by 51 per cent.
- 30.6. Residents benefit, over and above other wider benefits to the economy and the NHS, due to improvements in the following key health and social metrics:
- Safety and security.
  - Health and well-being benefits and improved quality of life.
  - Social inclusion and reduction in inequalities caused by social deprivation.
  - Longevity and life expectancy increases.
  - Reduced risk of falls/injury by living in purpose-built accommodation.
  - Tailored care delivery and consistency of care through provision from same site.



# APPENDICES

## **A: SOURCES OF INFORMATION AND METHODOLOGY**

## Sources of information

We have utilised the following sources of information:

- Census 2011 population statistics;
- ONS 2018-based population projections;
- EAC database
- Carterwood database;
- [www.cqc.org.uk](http://www.cqc.org.uk);
- Department of Health;
- Relevant planning departments;
- Contains Ordnance Survey data © Crown copyright and database right (since 2010);
- Contains LPS Intellectual Property © Crown copyright and database right (since 2016);
- Hertfordshire County Council;
- St Albans City and District Council;
- Glenigan;
- Planning Pipe;
- LaingBuisson's Care Homes for Older People UK Market Report (30<sup>th</sup> edition);
- Communities and Local Government;
- National Planning Policy Framework;
- House of Commons Commission for Long Term Care;
- Centre for the Study of Financial Innovation;
- HAPPI, HAPPI2, HAPPI3;
- Demos;
- Policy Exchanges;
- ARCO;
- FPD Savills;
- Housing LIN;
- Shefford Hallam University;
- Three Dragons/Retirement Housing Group;
- Worcester Research;
- Tetlow King;
- Joseph Rowntree Foundation;
- CASS Business School.

In preparing our advice, we have also relied upon the following:

- Background information provided by the client;
- Documentation submitted with planning application

In accordance with our definitions and reservations (attached at Appendix E), we have assumed that the information above is accurate and should it be proven through further investigations to be incorrect, then this could affect our advice.

## Confidentiality

This report is for the stated purposes only and for the sole exclusive use of the client, to whom it is addressed.

Neither the whole, nor any part of this report or any reference to it, may be included now or at any time in the future, in any published document, circulation or statement, nor referred to or used in any way, without our written approval and context to which it may appear.

## Conflicts of interests

There are no conflicts of interests that we are aware of that would prevent us from providing our advice.

## **B: QUANTITATIVE LOCAL-LEVEL MODEL REVIEW**

## Housing LIN models

### i) More Choice Greater Voice (February 2008)

From the publication of 'More Choice: Greater Voice' onwards, the population of those 75 years of age or over has been generally adopted as the appropriate metric for this calculation for no specific reason.

The ratios of provision provided in 'More Choice: Greater Voice' were built on evidence of current provision (in 2008), adjusted to reflect the thrust of policy toward the encouragement of the Extra Care model (at that point only really beginning to establish itself in the social rented sector and practically non-existent in the private sector) and the changing tenure pattern among older people.

The general acceptance of the methodology and approach set out in 'More Choice: Greater Voice', taken with market signals around the falling demand for older sheltered housing for rent, strengthening demand for retirement housing on a leasehold basis and a widening of the appeal of Extra Care in all tenures, led to an uplift in the suggested ratios of provision in the 2012 publication: 'Housing in Later Life – planning ahead for specialised housing for older people'.

### ii) Housing in Later Life (December 2012)

The focus of this toolkit is deliberately narrow – to assist local authorities in England in planning for specialist housing for older people as one part of their overarching strategy. Specialist housing for older people refers to a range of housing options built to assist older people with their accommodation and support needs in later life, and a full definition is found in the appendices.

### iii) SHOP (December 2011)

The same ratios as Housing in Later Life were adopted in the first iteration of the SHOP (Strategic Housing for Older People) suite of documents. This toolkit was originally developed for the Housing Learning and Improvement Network and the Housing Network of the Association of Directors of Adult Social Services by the Institute for Public Care at Brookes University and published in December 2011.

### iv) SHOP@ 'Delivering the Detail' (October 2013)

SHOP@ was launched in March 2013 and provided a web-based framework for local authorities, housing providers, commissioners and developers. It detailed local housing and care data for older people in simple formats to prioritise

investment and maximise capital resources and revenue funding. By using nationally available assumptions and data, SHOP@ calculated housing and care supply and demand figures to 2030 for all 350+ local authorities in England.

When it was available, SHOP@ generated four summary tables with information until 2030 from the nationally available data and the assumptions input by the user based on their local commissioning strategies. Current housing and care need analysis for older people; Estimated future needs for older people's housing and care; Increase in number of older people living alone; Change in housing tenure of older people. The toolkit looked at projections based on previous versions of the toolkit against national average capacity for extra care ratios.

As the tool is now unavailable, we are aware of two reports that have utilised SHOP@ methodology. Gloucestershire County Council - May 17 sets out the national average for housing with care as 15 units/1,000 aged 75+, the Gloucestershire average at 16 units with a prevalence ratio for 25 in 2017 and 30 by 2035 (includes public and private). This reflected the county's strategy to increase immediately and further increase over time the amount of housing with care/extra care and enhanced sheltered housing in order to reduce residential care admissions.

For Solihull Metropolitan Borough Council, the 2018 prevalence rate was 35 units per 1,000 for housing with care (split public 19.9 and private 15.2) compared to an English 'average' of 15 units (split 11/4). The SHOP@ report suggests that this 'high' level is maintained to 2035. This is on the basis that the local authority would like to reduce the prevalence of residential care over time. The 'average' of 15 units for 1,000 population was an adjusted arbitrary default of the model.

### v) Update - 2020 (from Jeremy Porteus at SHOP)

SHOP@ is no longer using a web-based resource. Housing LIN 'solely undertake SHOP@ assessments on a commissioned consultancy basis, predominantly for public sector bodies'. Therefore, each one is bespoke and they are not available for use outside of local authorities.

The challenges around the most widely used model, which is referenced explicitly in the NPPF (SHOP by Housing LIN), have been articulately expressed by Nigel Appleton in his proof of evidence for the Shiplake retirement village appeal inquiry for Retirement Villages in Oxfordshire (August 2019):

*'Available on-line the SHOP@ Tool has been widely used and has been recommended in successive Planning Practice Guidance, most recently in the PPG of June 2019. Whilst other methodologies have also been mentioned, the availability of the SHOP@ Tool has regularly been cited as the basis for calculations in local authority documents and in Planning Inquiries.'*

*The flaw inherent in the use of the SHOP@ Tool has been identified by some is that it is presented as providing objective assessment when it does nothing of the sort. The outputs it produces are heavily influenced by the assumptions that are inputted. Used in its default settings it relies upon current prevalence of provision as an indicator of future levels of need. This can lead to ludicrous outcomes: where an area with high levels of older people within its population has little provision and the default settings are used it will project that little will be needed in the future.*

*This difficulty is recognised by the Housing LIN who have expressed concern about the reputational damage they are suffering as a consequence of the misuse of the SHOP@ Tool. They make the point that the default settings of the SHOP@ on-line tool are intended to illustrate the information that needs to be loaded rather than recommending a level of prevalence or tenure split.*

*The SHOP@ Tool (recently referenced in Planning Practice Guidance June 2019) has recently been withdrawn by the Housing LIN which calls into question projections developed using this on-line tool.*

*So concerned has the Housing LIN become by this distortion of their intention, which was that the tool should support their aspiration to be a "Market Shaper", working alongside colleagues in commissioning roles in Adult Social Care and promoting local discussion about future provision, that they have now withdrawn the SHOP@ Tool from being accessed on line. That the Housing LIN has taken this remarkable step, a month after the SHOP@ Tool was recommended in the June 2019 PPG, leads one to treat calculation based on this methodology with extreme caution.'*

## Sheffield Hallam University - Centre for Regional Economic and Social Research (CRESR) - Housing for Older People Supply Recommendations (HOPSR)

The model developed called the Extra Care Demand Assessor is available free online. Housing for Older People Supply Recommendations (HOPSR) has been created by the Centre for Regional and Economic Social Research (CRESR) at Sheffield Hallam University, in conjunction with the University of Sheffield. It is a new tool to help local authorities understand the requirements for older people's housing in their area. It is the output of research with South Cambridgeshire District Council, Cambridge City Council and Cambridgeshire County Council, and with funding from NHS England's Healthy New Towns programme.

Below are extracts from the documentation, which summarise the model's approach:

*'HOPSR uses national data from the Elderly Accommodation Counsel (EAC) about older people's housing schemes. Looking specifically at the local authorities with the highest level of current supply, the research uses this as the basis to recommend a level of supply for each local authority, accounting for local demographic, health and place trends.'*

*'The Extra Care Demand Assessor (ECDA) builds on the work to provide localised assessments of demand for Extra Care housing. The model has been developed through a series of stages (page 25 of report for Cambridgeshire): The first stage assessed the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older). This drew on the national data set of such schemes provided by the EAC.'*

*'This exercise does, however, reveal which authorities are supplying units at high levels given the measure of older people locally, and provides a sufficiently large sample on which to explore the factors associated with higher provision. In the 100 local authorities with the highest level of specialist housing, these provide 172.6 units per 1,000 people aged 75 years and older. This was made up of:*

- 153.2 units of sheltered per 1,000 people aged 75 years and older

- 4.4 units of enhanced sheltered per 1,000 people aged 75 years and older, and
- 15.1 units of extra care per 1,000 people aged 75 years and older.'

*'The second stage used statistical modelling to identify factors that are predictors of the variation in provision between the 100 local authorities with the highest overall level of supply of age-exclusive, specialist and care beds respectively. The variables included were: the percentage of persons aged 75 years and older who are in owner occupation, the percentage of persons aged 75 years and older living with dementia, the usage of Home and Day care per 1,000 persons aged 65 years and older, expenditure on home and day care per 1,000 persons aged 65 years and older, the proportion of persons aged 85 years and older, the proportion of persons aged 75 years and older whose day-to-day activities were limited a lot, and whether the area is urban or rural.'*

*'This analysis revealed a number of relationships within local authorities, including:*

- The supply of specialist housing being positively associated with the level of people aged 75 years and older limited by a LTHCD.
- Sheltered housing is positively associated with the level of people aged 75 years and over limited by a LTHCD. Furthermore, the level of sheltered housing was negatively associated with supply of extra care per 1,000 people aged 75 years and over.
- Extra care accommodation was positively associated with the level of people aged 75 years and older limited by a LTHCD. As above, this form of provision was negatively associated with supply of sheltered housing per 1,000 people aged 75 years and over.
- Enhanced sheltered was not associated with any of the variables considered.'

The CRESR model uses the above findings to recommend a level of supply at the aggregate rate for the 100 local authorities with the highest level of provision, but it adjusts this with localised data - for example, the proportion of people aged 75 years and older with a limiting LTHCD in the case of specialist

housing. In addition, the model allows adjustments based on the current balance between the provision of sheltered and extra care housing."

The model provides a critique of itself and summarises these below:

*'This model has a number of strengths and weaknesses. Its strengths are that it is based on the realities of supply and demand in other local authorities and it provides a distinctly grounded and realistic estimate of what supply is possible. One criticism of models based purely on future projected demand is that they can be viewed as somewhat idealistic, and therefore susceptible to challenge on this basis. One might argue that a weakness of employing quantitative estimates based on other local authority provision is that it makes the model merely reactive to what is happening in those other areas, rather than responding to underlying or changing needs. To counter this, the model should be re-run regularly to take account of changing provision which reflects changes to the determinants of demand and supply of specialist housing.'*

*'Our model suggests only one in 10 of the recommended supply of specialist units in Greater Cambridge are either enhanced sheltered or extra care. This reflects the fact that our modelling is premised on existing provision in authorities with a high level of overall supply, and where extra care provision may vary in scale. As discussed in Chapter 5, if it is decided that extra care can meet a greater proportion of needs that are currently met in other areas of the system (e.g. in residential care), then this could dramatically change how many units of extra care are required' (page 28).*

In our opinion the weaknesses of the model pointed out within the documentation far outweigh the strengths when it comes to assessing demand for private extra care housing; there is a national recognised shortfall on what is an immature market – therefore any model that bases requirements on current provision is fundamentally flawed.



## Three Dragons/Retirement Housing Group

The Retirement Housing Group's (RHG) model and approach, which is recommended in Housing in Later Life, forecasts demand for specialist housing in London. The model is based on the number of older person households and not on the population of older persons, although household estimates by age are based on census population data. In England, 9.5 per cent of households aged 65 + are living in specialist older person's housing, equating to 533,201 households. The equivalent for London is 8.5 per cent.

RHG's model is based on the propensity to move. The assumption is that nationally 15 to 20 per cent of all person households (age 75 +) would live in specialist older person's housing if it was available.

Due to the higher proportion of general needs flats in London, the study uses 15 per cent (at the lower end of the spectrum). Analysis of older person's housing for sale suggests that 18 per cent is acquired by those aged under 75 and therefore assumes that 2.5 per cent of households aged 65 to 75 would also live in specialist older person's housing if it were available.

*'The Inquiry into the further amendments to the London Plan has recognised our model as robust'.*

- *'There is an acute shortage of specialised retirement housing. Out of 515,666 units of sheltered and extra care accommodation in England in 2015, 75% were for social rent with only about 174,000 for owner occupation.'*
- *'Estimated supply needs to more than double by 2025. At least 11,000 need to be built every year (see Housing our Ageing Population - positive ideas HAPPI 3) (June 2016).'*

In their report to the Greater London Authority (GLA) in 2017, Three Dragons expected that around 15 per cent of older households would want retirement housing by 2029 with most demand for privately owned or shared ownership. The point was made that although there are large stocks of affordable rented sheltered housing, much is old and requires updating. Total potential demand is for 4,000 plus units a year of both extra care and sheltered housing.

In our opinion it is challenging to adopt this model formally, despite its strengths as there is no publicly available guidance in respect of separating the need for private extra care in a non-London market and drivers of future need are based upon existing provision to some degree.

## C: SUMMARY OF COMPETING SCHEMES

## T26 Summary of competing schemes

Map ref	Scheme	Manager / operator	Distance to subject site (miles)	Total units	Private units	Scheme type	Year of construction	Extra care unit tenure
1	Eleanor House, 232-236 & 230A London Road, St Albans, Hertfordshire, AL1 1JQ	YourLife Management Services	2.1	47	47	Extra care	2017	Private
2	23a Leyton Road, Leyton Road, Harpenden, Hertfordshire, AL5 2LW	PegasusLife Ltd	6.5	38	38	Enhanced sheltered	2018	Private
Total				85	85			

Source: EAC Housing Options, Operator websites

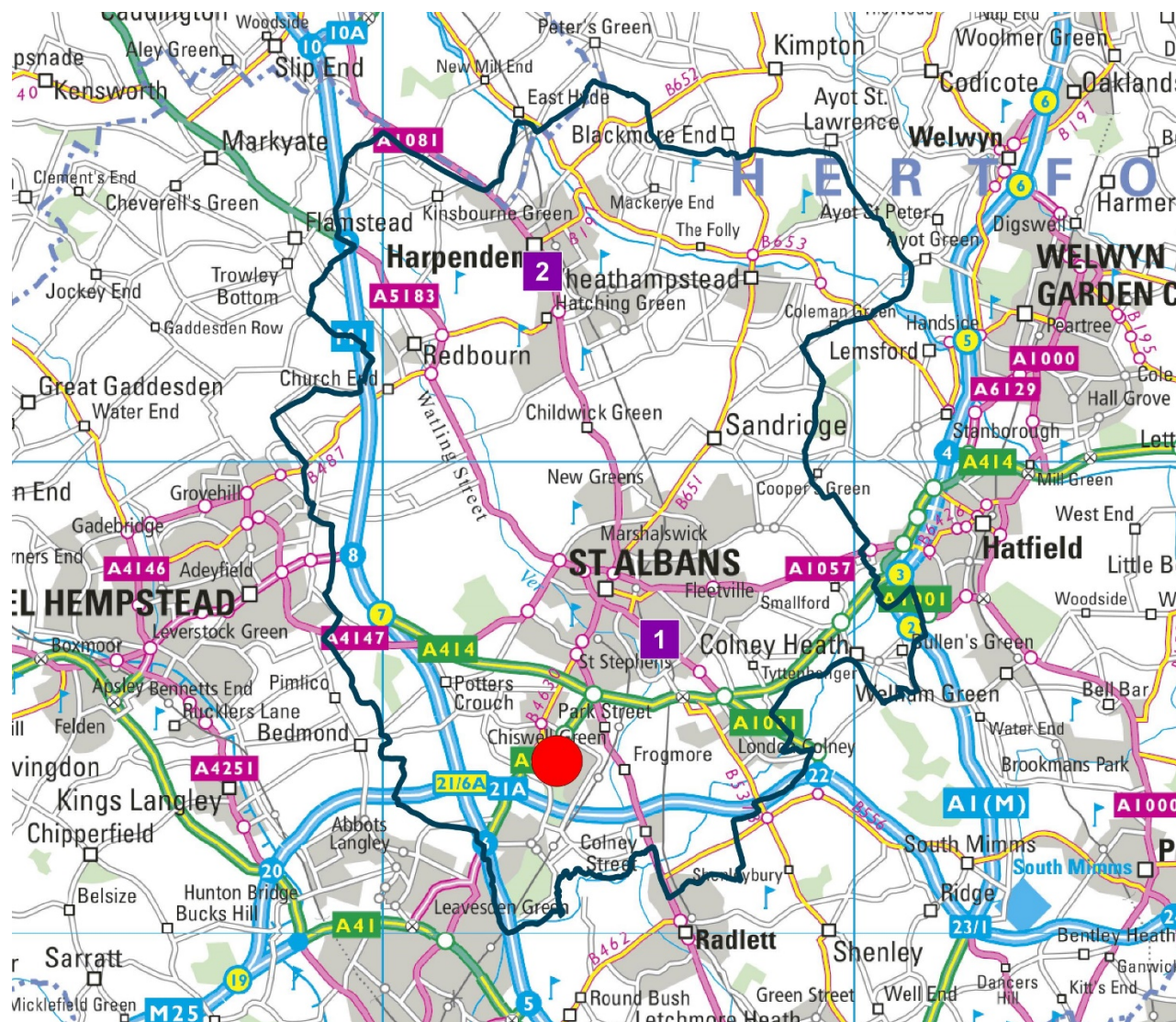


Figure 11: Existing private extra care and planned schemes within the catchment area.

Key:

- The proposed care village
- Existing private extra care schemes
- Planned private extra care schemes

Please note that the locations of all existing and planned schemes are approximate.

Dark blue line shows St Albans City and District Council area

## D: LIST OF TABLES AND FIGURES

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## **E: DEFINITIONS AND RESERVATIONS**

**Timing of advice**

Our work commenced on the date of instruction and the collection and compilation of data and other research contained within our work was undertaken at varying times during the period prior to completion of this report.

The report, information and advice provided during our work were prepared and given to address the specific circumstances as at the time the report was prepared and the scope and requirements set out in the engagement letter. Carterwood has no obligation to update any such information or conclusions after that time unless it has agreed to do so in writing and subject to additional cost.

**Data analysis and sources of information**

Details of our principal information sources are set out in the appendices and we have satisfied ourselves, so far as possible, that the information presented in our report is consistent with other information such as made available to us in the course of our work in accordance with the terms of our engagement letter. We have not, however, sought to establish the reliability of these information sources by reference to other evidence.

The report includes data and information provided by third parties of which Carterwood is not able to control or verify the accuracy.

We must emphasise that the realisation of any prospective financial information or market or statistical estimates set out within our report is dependent on the continuing validity of the assumptions on which it is based. The assumptions will need to be reviewed and revised to reflect market conditions. We accept no responsibility for the realisation of the prospective financial or market information. Actual results may be different from those shown in our analysis because events and circumstances frequently do not occur as expected, and the differences may be material.

Measuring and predicting demand is not an exact science, and it should be appreciated that there are likely to be statistical and market related factors that could cause deviations in predicted outcomes to actual ones.

We have undertaken certain analytical activities on the underlying data to arrive at the information presented. We do not accept responsibility for the underlying data.

Where we have adapted and combined different data sources to provide additional analysis and insight, this has been undertaken with reasonable care and skill. The tools used and analysis undertaken are subject to both internal and external data-checking, proof reading and quality assurance. However, when undertaking complex statistical analysis it is understood that the degree of accuracy is never absolute and there is inevitably variance in any findings, which must be carefully weighed up with all other aspects of the decision-making process.

The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.

All advice has been prepared on a 'desktop' basis and where we have prepared advice on a 'headline basis', we have conducted a higher level and less detailed review of the market. If commissioning a Headline Market Analysis report it we recommend commissioning a comprehensive market analysis report before finalising the decision-making process. Where we have provided 'comprehensive' advice, we have used reasonable skill and endeavours in our analysis of primary and secondary (for example, Census, Land Registry, etc.) data sources, but we remain reliant upon the quality of information from third parties, and all references above to accuracy, statistics and market analytics remain valid.

**Purpose and use**

The report has been prepared for the sole use of the client and any other persons specifically named in our engagement letter and solely for the purposes stated in the report. The report should not be relied upon by any other person or for any other purposes. The report is given in confidence to the client and any other persons specifically named in our engagement letter and should not be quoted, referred to or shown to any other parties without our prior consent.

The data, information and any conclusions in the report should not be used as the sole basis for any business decision, and Carterwood shall not be liable for any decisions taken on the basis of the same.

This report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for any reliance placed on the whole or any part of

its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without Carterwood's prior consent, which will not be unreasonably withheld.

**Extraordinary market factors**

With the ongoing effects of the COVID-19 pandemic and the exit of the UK from the European Union (Brexit), we are in a highly volatile market. Our reports are prepared using high quality data and expert analysis from our experienced team. Any recommendations made are based upon the market and financial climate as at the date of issue of the report, but do not take into account future economic or market fluctuations which caused by the events outlined above or other unforeseen circumstances. It may be appropriate to review a commissioned report once the future economic impact of the COVID-19 pandemic has been more fully modelled and clarification of the terms of Brexit has been achieved. Unless otherwise provided for in the fees for the report, and further review would be additionally chargeable.

**Intellectual property**

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