

Identifying the health gain from retirement housing

Executive summary

June 2012

Identifying the health gain from retirement housing

Executive summary

Introduction

The government in England is currently considering the future development of social care in a forthcoming White Paper. The intention is that it primarily responds to the Law Commission's report on Adult Social Care and the Dilnot report on the future funding of social care. It would also be hoped that the government recognises and responds to the evidence presented in this paper, that there is considerable health and care benefit to be gained from an expansion of retirement housing, particularly in the private sector.

The basis of the argument

As is widely recognised the older people's population will both numerically increase and increase as a proportion of the total population over the next thirty years. However, it is neither a uniform increase nor an explosion, as is often suggested.

Within that substantial population increase there is a distinction to be made between years of healthy life as compared to life with some form of incapacity. If old age policy is to be seen as successful it not only needs to extend the lifespan but also the number of years of healthy living. There is little indication that this is yet occurring.

On the other hand many more older people have access to greater financial resources than they did at the founding of the welfare state, both through their housing equity and through occupational pensions. However, where this wealth is tied up in property it is not necessarily easily accessible and many older people remain in accommodation that does not help their health.

The simplistic view of older people's housing preferences is that they want to remain in their long term family home. This may be a reflection of what is available and the difficulty of moving, as much as being about a genuine desire to stay put. However, the coming generation of older home owners are a group who have been more familiar with seeing 'home' not as a permanent, lifetime dwelling but a changing place purchased on the basis of family and personal circumstances.

Older old age can often be a time when people become much more physically frail and are more likely to be subject to conditions such as strokes, falls and dementia. The consequences of these conditions are then often exacerbated by poor health sector performance which has recently been detailed in a wide number of research reports. The consequences of increased prevalence and poor performance are of a rapidly increasing cost spiral for the NHS.

The overarching message is that, even if the NHS considerably improves its performance with regard to old age conditions, the health service will be under considerable and growing pressure over the next thirty years. Therefore, any interventions that can cost-effectively help to lessen either the impact of those conditions or the likelihood of them occurring is clearly well worth exploring.

If the health outcomes are potentially a cause for concern, it is equally clear that warm, well designed housing can play a significant part in changing that outcome and reducing costs. Some of this can be achieved by people making modifications to their own home, but for many a move into a wider range of age-suitable housing would offer benefits to government and older people alike.

Regardless of the type of retirement housing scheme, there is a considerable uniformity about the key features of such housing, eg, appropriate location with accessibility to transport and external services, warm accessible accommodation, companionship and security, access to care and support and an emphasis on offering a positive quality of life. The variables between different types of accommodation are more around the volume in which the above benefits are offered, the form of tenure and, for owner occupation or lease, the price to be paid.

What is clear is that there is an unequivocal health gain to be made through the provision of a range of types of retirement housing. None of the studies reviewed showed there was either a health deterioration or even a standstill in people's health and well-being when they moved into this form of accommodation. Instead for many people, retirement housing offers a substantial improvement in health, a diminution, at least for a time, in the volume of care and support required and a greater sense of security and well-being.

Over and above the health gain, other reports have shown there is a general gain to public expenditure through the development of retirement housing and a diminution in expenditure on other forms of care¹.

¹ *Frontier Economics (2010)* Financial benefits of investment in specialist housing for vulnerable and older people

Summarising the gain

For government more retirement housing offers:

- A reduction in expenditure on health provision through people purchasing into retirement housing schemes using their existing equity.
- A release of family housing through older people moving.
- A stimulation to the economy through increased housing development.

For older people more retirement housing offers:

- An improved lifestyle and health gain.
- A lessening of anxiety about accommodation that people find increasingly hard to maintain.
- The potential to hold onto a substantial amount of their existing housing equity.
- Reduced heating and maintenance bills

Although further economic modelling is required, a growth in the volume of the supply of housing suitable for older people as recommended by Professor Michael Ball², together with the anticipated health and social care gain, could be producing a net benefit in excess of £300 million per annum in 2030.

Recommendations

What can government do to help bring about this advantageous set of circumstances? The Ball report has already made it clear that current developments are nowhere near even a modest increase in retirement housing. Most of the suggestions below are either no cost or low cost. Where there is a cost implication, government might wish to consider using the NHS budget as the evidence suggests it stands to gain the most, and the quickest, from improved housing for older people. If nothing else it is one area where the benefits of a preventative approach are demonstrable.

Therefore, it would be hoped that the forthcoming Social Care White Paper might provide a stimulus to development. There are a variety of relatively low cost measures that could help in this respect:

- To ensure that in any role local authorities play in offering older people better information, that buying and selling housing and moving into retirement housing, heavily features.
- To encourage the delivery of new retirement housing across all tenures through the planning system.
- To establish with the sector a national kite mark for housing that identifies it as offering accessibility and the capacity to have a range of

² Ball M (2011). Housing markets and independence in old age: expanding the opportunities, Henley Business School.

health and care services delivered into it. This does not have to be just for designated retirement housing but could be for any housing that applies and meets the standard.

- Older people are clear that the prospect of moving in older age is not easy, either in terms of selling their property or in terms of physically packing up and moving. There are already a number of schemes around the country to help with this but these need a considerable extension and much greater publicity. This could include financial assistance with pack and move schemes for older people aged over 75 where they are moving into purpose built retirement housing.
- A stamp duty holiday / reduction for older people moving into new accommodation and for those buying their property.
- A reduction in council tax for older people living in retirement housing, to encourage take-up.
- Financial support for legal and conveyance fees for older people moving into retirement housing.
- Support to developers in sharing financial risk either through the development of interest-free loan schemes to be repaid as properties are sold.
- Incentives to local authorities to release land for the development of older people's housing schemes.
- Many of the current public and indeed private schemes still convey a sense of 'less eligibility', of ageism and institutionalisation. An annual design competition which focuses on properties and schemes that can evidence; good design, reduced maintenance costs for owners and show reduced health care expenditure may help to challenge the sector to stop producing older people's housing and to produce housing suitable for older people. The aim should be to develop properties that people want to live in and want to buy rather than properties which they feel obliged to occupy.
- Commission a longitudinal study comparing health performance of different forms of retirement housing.

Increasing the range and extent of retirement housing is potentially a "win-win" for government and older people alike, particularly in the case of housing for purchase. Older people using their equity to deliver a health and care gain to society, at little to no cost to the public purse, whilst at the same time freeing up family housing, can only be of considerable benefit.

Given the demographic data, the health implications of inaction and the time it takes to get schemes from concept to occupancy, the need is for government to stimulate this sector now. This is genuinely an approach where a little help may go a very long way.

IPC, June 2012