

A Better Life:

Private Sheltered Housing
and Independent Living
for Older People

Foreword

Housing choice is an essential dimension of public policy to promote independence. Housing strategies need to ensure that a range of appropriate housing choices for older people is provided. This study with its focus on private sheltered housing reflects the views of over 1,500 residents and prospective residents and contains important messages.

The views reflected in this study show that the burden of unsuitable housing can threaten personal confidence, lead to restricted lives and increase dependency. Appropriate housing choice can be liberating to individuals who are often alone in houses that are too large and need regular maintenance. Residents value private sheltered housing for the security and peace of mind it brings, and with this comes the widening of choice. An 80 year old resident says “Life is so much easier and happier – financially, emotionally and physically”.

This study also highlights the economic case for sheltered housing. These sections should give town planners food for thought. Not only will carefully designed sheltered housing be sympathetic to the local environment, but it gives positive

economic advantages to small businesses in the community. As a 65 year old resident says “We spend more money locally now – whereas before we would have gone further afield”.

The social case is made by highlighting the health and social care benefits from living in sheltered housing. Residents are typically more active, have a greater sense of wellbeing and make less demands on health services while care can be organised more effectively within a larger complex if required. Independence can therefore be maintained through choice of both housing and care. A 91 year old resident says “Help is at hand if needed, otherwise one can still live an independent life”.

This study presents evidence of the importance of private sheltered housing as a positive choice to promote the independence of older people. This choice is however only a real choice if schemes are widely available. The personal, economic and social benefits of this housing option are clear – the providers are prepared to invest, the challenge is to the planners to put these visions into practice.

Dr. Glenys Jones
Chair of the Older People Committee
Association of Directors of Social Services

Introduction

Over the course of the last 15 years, my experience in sheltered housing development has brought me into contact with a wide variety of people and agencies, particularly in the fields of Housing and Planning. During this time, I became aware of the many misconceptions of private sheltered housing: that it takes people out of the community, accommodation is undersized and even ‘demeaning’, and is the preserve of the rich. It also became increasingly apparent that in the wider context the housing needs of older people were not being given the priority and attention they deserve and in fact housing policy was actually deterring the private sector’s contribution towards better housing for older people.

I remain concerned by the overall lack of consideration and assessment of what today’s older people want and need from housing, particularly given the ageing population in which we live. Last year McCarthy & Stone verified this view by conducting a survey of local authorities, which showed that only 6.5% have any sort of housing strategy in place for older people and that, of those, we have yet to find one that properly refers to older owner occupiers, despite this being the predominant tenure of older households.

Recently, however, I have been heartened by a number of developments that mark real progress in putting the housing needs of older people on the agenda: the Government’s “Quality and Choice for Older People’s Housing: A Strategic Framework”, published January 2001, identified valuable priorities and objectives that have been carried forward by the Housing and Older People Development Group, of which I am proud to be a member. Furthermore, the link between good housing and better health in older people has been identified by the Government and, I believe, the Department of Health has injected a new spirit of determination into this policy agenda.

We realised that McCarthy & Stone itself could do more to communicate the needs and preferences of our own customers and the wider benefits of sheltered housing. What provokes people at the age of, on average 75, to make a major change to their lifestyle and move to a new home? What impact does it have on their quality of life and their local community?

My thanks goes to The Opinion Research Business which has painstakingly achieved one of the largest independent studies of its kind and who went beyond the superficial to try to provide a more in-depth analysis of this particular housing market.

Whilst this study focuses exclusively on one housing option, I hope you will agree that this does not in any way detract from its value. McCarthy & Stone has been urging the Government to assist local authorities in developing strategies for older people’s housing, health and social welfare and we hope this research will play its part by clarifying the role private sheltered housing should play within this.

I must emphasise that McCarthy & Stone supports the Government’s objective to achieve true diversity in choice and provision of housing for older people, but to achieve that aim, policy makers will need to take a holistic approach to encourage greater innovation and contribution from the private sector. I would urge the Government to use its planned revision of Planning Policy Guidance on Housing (PPG3) as an opportunity to provide a specific “Guide to Good Practice” to help local authorities address the housing requirements of older people and other specific groups. Furthermore, the frameworks being established under the new Supporting People programme offer, in my view, an excellent opportunity for relevant stakeholders to look beyond the provision of government services and to work alongside the independent sector to achieve the common goal of a better life for older people.

I hope you find this report interesting and informative.

Gary Day MRTPI
Land & Planning Director
McCarthy & Stone Plc.



Contents

EXECUTIVE SUMMARY: THE REALITY OF PRIVATE SHELTERED HOUSING	04
1 THE DEMAND FOR PRIVATE SHELTERED HOUSING	06
Introduction	
This Report	
What is Private Sheltered Housing?	
Private Sheltered Housing is an Affordable Option	
The Urgent Need for Private Sheltered Housing	
The Preferred Choice for Living	
Private Sheltered Housing v “Stay Put and Adapt”	
Conclusion	
2 INDEPENDENT LIVING	14
The Importance of Independent Living	
Defining Independent Living	
Housing and Independent Living	
Achieving Independent Living	
Conclusion	
3 THE PERSONAL CASE FOR PRIVATE SHELTERED HOUSING	18
A Difficult Decision But One Worth Taking	
The Catalyst for Change	
The Attractions of Private Sheltered Housing	
Transforming Your Life through Private Sheltered Housing	
• Family: Proximity not Dependency	
• Active Members of the Community	
• Companionship and an Active Life	
• In Better Health	
Conclusion	
4 THE ECONOMIC CASE FOR PRIVATE SHELTERED HOUSING	26
Vital Contributors to the Local Economy	
Full Economic Benefit to the Local Economy	
Case Studies	
Conclusion	
5 THE SOCIAL CASE FOR PRIVATE SHELTERED HOUSING	30
The Benefits to Society	
Significant Savings to the NHS	
Cost Savings for Home Visits, but Less Need	
Case Studies	
Combating Loneliness and Depression	
A Home for Life	
Freeing Up Housing Stock for Others	
Conclusion	
6 THE CASE FOR PRIVATE SHELTERED HOUSING	36
ANNEX A DEMOGRAPHICS	39
ANNEX B ECONOMIC ASSESSMENT	41
ANNEX C BIBLIOGRAPHY	48

Executive Summary

The Reality of Private Sheltered Housing

This report sets out the findings of one of the largest studies into sheltered housing in the United Kingdom. It represents and examines the opinions of over 1,500 current and prospective residents of private sheltered housing – their priorities, levels of independence, health, happiness and contribution to their local community and the wider economy.

It aims to contribute to the wider debate on the needs and wellbeing of older people, ensuring appropriate housing choice and, in particular, the importance of housing in delivering a good quality of life.

Additionally, the report dispels many myths about private sheltered housing that seem to have been allowed to grow in the past.

To summarise the key findings that emerge from this report:

01 THERE IS A SHORTAGE OF PRIVATE SHELTERED HOUSING IN THE UK

- 39% of prospective residents have had to look further afield to find suitable accommodation as there was not enough in their area;
- 81% of prospective residents believe there should be more private sheltered housing in their area;
- If the rate of demand and provision remain at their current levels, there is likely to be a shortage of around 62,500 private sheltered housing units by 2020.

02 PRIVATE SHELTERED HOUSING HELPS OLDER PEOPLE ENGAGE WITH THE LOCAL COMMUNITY

- 39% of current residents live a more active life in private sheltered housing than they did before they moved there;
- 76% of current residents feel that they are a member of the local community;
- 92% of current residents have contact with friends/family on a regular basis.

03 PRIVATE SHELTERED HOUSING PROMOTES INDEPENDENT LIVING

- Since moving into private sheltered housing, 58% of residents have become less dependent on their children;
- 59% of residents have a more independent lifestyle in private sheltered housing than they did in their previous homes;
- 61% of prospective residents strongly believe that moving to private sheltered housing will help them maintain their independence;
- 83% of current residents believe that living in private sheltered housing helps maintain independence.

04 PRIVATE SHELTERED HOUSING IS A HOME FOR LIFE

- 66% of prospective residents strongly believe that moving into private sheltered housing will enable them to avoid the need to move into assisted living accommodation;
- 66% of current residents believe they will live longer in private sheltered housing;
- 86% of current residents believe that their home is a home for life.

05 “STAY PUT AND ADAPT” IS NOT THE BEST SOLUTION FOR MANY OLDER PEOPLE

- 29% of prospective residents spend more time on their own than they would like to;
- 32% of current residents highlight companionship as the greatest advantage of private sheltered housing;
- 66% of current residents enjoy their lifestyle more living in private sheltered housing than they did in their previous home;
- 78% of prospective residents strongly believe moving into private sheltered housing will increase their security;
- 84% of current residents moved into private sheltered housing to have better access to local shops and facilities. 81% did so to have supervision by a house manager. 60% did so in order to rid themselves of unwanted responsibilities.

06 LOCAL ECONOMIES BENEFIT SIGNIFICANTLY FROM PRIVATE SHELTERED HOUSING SCHEMES

- One in three current residents walk to the local shops each day;
- 45% of current residents buy the bulk of their shopping within one mile of their private sheltered housing scheme, with 65% travelling no further than two miles;
- 62% of private sheltered housing residents prefer to shop in local centres rather than major town centres;
- Each week, a typical private sheltered housing scheme generates £11,735 in resident spending (£610,000 per year), generating an additional £1,750 per week (£92,000 per year) in local spending compared to what would have been generated in a conventional high density housing scheme (deadweight). Over the lifetime of a scheme, this equates to around £2.3 million more in local spending than would have been generated by a conventional scheme.

07 PRIVATE SHELTERED HOUSING SCHEMES ALLEVIATE PRESSURES ON THE NHS

- Only 21% of current residents have received inpatient medical care in the last 12 months. Amongst this group, the average number of nights of inpatient care is 7.4, under half the average for the national population aged 75+. This saves the NHS £2,598 per resident receiving inpatient care per year;
- The average number of visits per annum to a GP by current residents is 4.2 compared to 6 visits amongst the national population aged 75+;
- 41% of residents confirm that their health has improved since moving into private sheltered housing;
- 55% of current residents class their health as very good/ good.

08 PRIVATE SHELTERED HOUSING SCHEMES INCREASE THE AVAILABILITY OF ORDINARY LOCAL HOUSING STOCK

- 23% of those moving into private sheltered housing sell their previous homes to families;
- 43% of those moving into private sheltered housing sell to couples;
- 45% of current residents moved within five miles of their previous homes;
- 85% of those who purchase private sheltered housing flats will downsize from houses to do so.

09 PRIVATE SHELTERED HOUSING OFFERS SUFFICIENT SPACE AND HIGH STANDARD SPECIFICATIONS FOR OLDER PEOPLE

- 71% of prospective residents believe that they do not need to live in a house as big as the one they currently live in;
- 71% of current residents moved to private sheltered housing to meet their specific design and mobility needs.

10 PRIVATE SHELTERED HOUSING TRANSFORMS THE QUALITY OF LIFE OF ITS RESIDENTS

- 64% of current residents feel their sense of wellbeing has improved since they moved into private sheltered housing;
- 78% of current residents believe that private sheltered housing helps to alleviate their worries and anxieties;
- 88% of current residents believe that private sheltered housing helps to improve their personal security. 53% of current residents cite personal security as the biggest advantage of private sheltered housing;
- 92% of current residents would recommend private sheltered housing and their way of life to their friends.

A black and white photograph showing a close-up of hands building a structure with dominoes on a table. The hands are carefully placing a domino into a larger, rectangular frame made of other dominoes. The background is blurred, showing more dominoes and hands, suggesting a collaborative activity.

Chapter One

The Demand for Private Sheltered Housing

"I don't think there is an adequate supply of housing for the elderly. We get a lot of enquiries from elderly people who want to know what housing is available as their housing has become unsuitable for them. One of the benefits of the complexes is that lots of the worry is taken care of because someone else is responsible for maintaining it."

Age Concern, Support & Advice Services

“My husband died nine months ago. I find the garden hard work and there is all the maintenance of the house; that would all be taken care of if I was in a retirement flat. I want to keep a degree of independence and have the manly side of things looked after.”

Female prospective resident, late 70s, Sussex

What is more important than where we live?

It impacts upon our quality of life, our health, our mobility, our independence, our economic vitality and our personal security. Our house not only defines our place in the external community, but it gives us a personal focus for our being. The walls that surround us, at any age, are our privacy, our shelter and, potentially, our prison.

Suitable housing that fits our needs and maximises our quality of life is increasingly a priority throughout our lives. And no more so than as we get older.

Ensuring sufficient and suitable housing across society (from the availability of land to build on, to the provision of special needs and affordable housing) is a key challenge to policy makers at both a national and local level. Ascertaining the housing needs of our society and calculating the value the alternatives bring, are growing problems that will undoubtedly escalate further in the coming years.

Enabling genuine housing choice for older people depends upon a proper assessment and understanding of the needs and aspirations of older people. Such assessments can then underpin appropriate housing strategies and policies. Only then will we ensure the delivery of sustainable housing options.

This Report

This report contains the findings of one of the largest and most detailed studies of UK opinion on the role of sheltered housing and the contribution it makes to the lives of older people and to society as a whole.

This report sets out to examine one vital issue facing housing in the UK today: the provision of private sheltered housing for older people. It aims not only to quantify the demand and need for this housing but to demonstrate the value that such housing brings to the lives of its occupiers and to the communities in which such accommodation is built.

This report is based on the findings of both qualitative and quantitative research conducted amongst older people in the UK and the stakeholders whose professional lives they impact upon – in the local economy, public and voluntary sector and through their social lives.

Throughout the report the views of over 1,500 older people are represented. There are no assumptions made about what this vital group think and how they act; this report represents their opinions, needs, demands and aspirations. Some of the views expressed do not conform to those assumed by opinion formers as typical of older people. In this way, this report emphasises the gap between how older people view their lives and how others in the policy making and opinion forming arenas see them. We hope therefore, that this report informs the wider debate on the housing needs of older people.

The findings published in this report are the results of two quantitative polls carried out by Opinion Research Business (ORB) and 8hwe Ltd in July 2003 and a series of qualitative focus groups and in-depth interviews carried out in June and July 2003. The economic analysis in chapter four was conducted from the findings in the research by Roger Tym & Partners, a leading consultancy that specialises in planning and the economics of regeneration and development and analysis of labour markets.

ORB was established in 1994 and encompasses staff with over thirty years of worldwide market research experience. It is a full service market research company and has conducted research in over sixty five countries. 8hwe is the UK's first dedicated research-led campaigning and issues ownership agency, and works with clients in the political, public and corporate sectors.

The quantitative research was conducted amongst 1,000 residents of McCarthy & Stone retirement housing schemes across the UK and amongst 512 older people who have expressed an interest in retirement housing schemes and were either on an enquiry list or had asked for information about a scheme but who are still living in conventional housing.

“I’m getting old. I need more people around me who are in the same boat.”

Female prospective resident, 79, Cheshire

3,500 self completion questionnaires were sent to a random selection of eighty two McCarthy & Stone schemes throughout England, Scotland and Wales to fulfil the desired number of resident responses. Interviews with prospective residents were conducted by telephone¹.

It should be noted that, whilst these two groups both comprise older people, those already resident in private sheltered housing are proportionately older than the prospective residents. Therefore, in comparing aspects of their lives, (for example mobility, health, marital status), the impact of age and ageing needs to be borne in mind.

The average age of prospective residents in this study is 71.6. This report uses some comparative figures from the UK 2001 Census, for whom the age group over 65 in England and Wales has an average age of 75 years². It is important to note, therefore that our figures comprise aspects of the lives of a comparatively older section of this group. Annex A sets out the key demographics of both groups in this study.

Throughout the report, we feature anonymised quotes and case studies from residents and stakeholders. These are taken from over twenty in-depth interviews and three qualitative focus groups conducted as part of this research. These interviews were based around private sheltered housing developments in:

- Aylesbury, Buckinghamshire
- Gosforth, Newcastle
- Murryfield, Edinburgh
- Walderslade Village, Kent

We are grateful to all those who took part in this research for giving their time to build this comprehensive picture of the needs and priorities of older people today.

What is Private Sheltered Housing?

This report highlights the issues surrounding “category 2” type sheltered housing schemes; that is those where there is a resident warden, an alarm facility and other communal facilities (notably provision of a guest suite, communal lounge and laundry)³.

Whilst the overwhelming majority of category 2 type sheltered housing is provided by local authorities and Registered Social Landlords, the private sector also plays an important role in the provision of this type of accommodation, having delivered

approximately 50,000 units (around 10% of the total sheltered housing stock in the UK). This report is based on evidence collected amongst current and prospective residents of sheltered housing provided by the private sector but many of the issues it raises will be of relevance across the public-private spectrum.

Over the past two decades the spotlight has been placed on the problem of hard-to-let sheltered housing in the public sector. Indeed, the Audit Commission has reported that some eighty seven percent of local authorities have hard-to-let sheltered housing, partly because “better housing stock and rising housing expectations mean that some older people will struggle to remain in their own homes rather than move to sheltered accommodation with shared or poor quality facilities”⁴. Many local authorities have started to tackle the problem of hard-to-let sheltered housing through refurbishment or by changing the use of the scheme to provide extra care for frail older people. Nonetheless, the very existence of this problem means that it is hardly surprising that the phrase “sheltered housing” has negative connotations in the minds of many people.

It is important, however, to remember that the problem of hard-to-let schemes applies to dated public sector stock. It must not be allowed to deflect attention from the demand and enthusiasm for well maintained and conveniently located sheltered housing, across all tenures.

Neither residents nor prospective residents of private sheltered housing identify their personal circumstances with the negative attributes that are often associated with sheltered housing. In fact, evidence from this report shows that older people regard private sheltered housing as a significant means through which they can take charge of later life through maintaining independence. Few residents of the schemes featured in this report would describe themselves as living in “sheltered housing”. To them, their accommodation is:

- “A retirement flat”
- “Retirement living”
- “My house”
- “My home for life”

Nevertheless, this report uses the term “private sheltered housing” to describe the accommodation referred to, as this is the term most commonly used by government, academics and practitioners.

¹ In some charts in this report, percentage responses do not add up to 100%. There are three reasons for this. First, where percentages fall just below or just over 100%, this is likely to be caused by the rounding of numbers. Second, some questions allow respondents to offer more than one response. In these cases, totals may well be significantly higher than 100%. Third, because the residents’ questionnaire was self-completed, residents may not have answered every question. The standard margin of error in the data is + 4.3% (prospective residents) and + 3.1% (residents).

² Office for National Statistics, All people Part 1: Census 2001, National report for England and Wales, (London: The Stationery Office, 2001), Table S001.

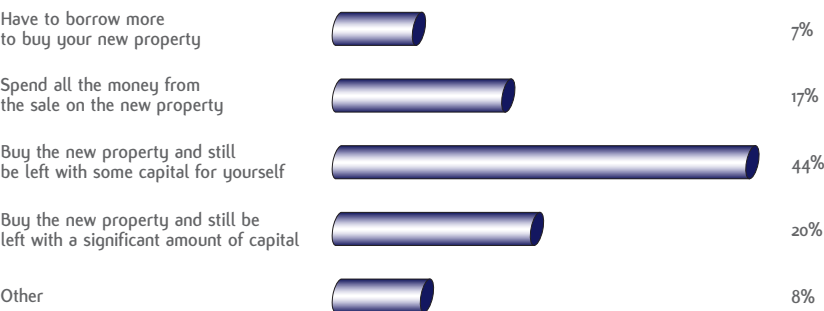
³ The formal distinction between “category 1” type schemes (where there are no communal facilities) and “category 2” type schemes (where there are communal facilities) was originally introduced by the 1969 Ministry of Housing and Local Government Housing circular 82/69.

⁴ Audit Commission, Home Alone: The Role of Housing in Community Care, (Great Britain: Audit Commission, 1998), p.26

“We are getting older and finding it more difficult to look after the house we are in. It would be cheaper living in a retirement flat – it would make life easier for day to day living.”
Male prospective resident, 78, Lincolnshire

Private Sheltered Housing is an Affordable Option

Residents were asked... Q. When you moved into your retirement flat did you...?



Private sheltered housing presents an affordable option for older people to live comfortably, securely and independently.

Older homeowners are likely to have paid off more of their mortgage than younger homeowners. In addition to this, they have benefited from a near doubling of house prices over the past five years.

There is £367 billion in un-mortgaged equity (the difference between size of mortgage and value of property) available to UK pensioners. This equates to about £72,500 per dwelling (Council of Mortgage Lenders, 1997)⁵. Indeed, figures from the Nationwide Building Society suggest that older people have the highest overall stake in their home of any age group with an average equity level of £153,500 in some areas of England⁶.

The average price of a flat in a McCarthy & Stone retirement housing scheme is £122,900⁷. Therefore, far from being the preserve of the rich, private sheltered housing is an affordable option for the majority of older people, of whom sixty one percent own their property outright and nine percent own with a mortgage⁸.

Unfortunately, without the permission to build housing to meet the demand, many thousands of older people will be deprived of the opportunity to live as they wish.

Private sheltered housing is not only within the spending power of the majority of older people but, by selling their existing ordinary housing, its residents free up considerable housing stock locally, providing much needed accommodation on the open market – principally family housing. Indeed, ninety one percent of prospective residents in this report are selling their existing properties in order to purchase private sheltered housing.

A similar proportion of current residents (89%) had done likewise, and sixty four percent had freed up capital in doing so – one in five releasing a significant amount.

“I’m 80 and my husband is 81 and I want something that we can stay in so when one of us dies the other one is staying somewhere comfortable.” Female prospective resident, 80, Axminster

⁵ Ray Forrest and Philip Leather, Ageing, Home Ownership and the Mortgage Market, (Great Britain: Council of Mortgage Lenders, 1997)

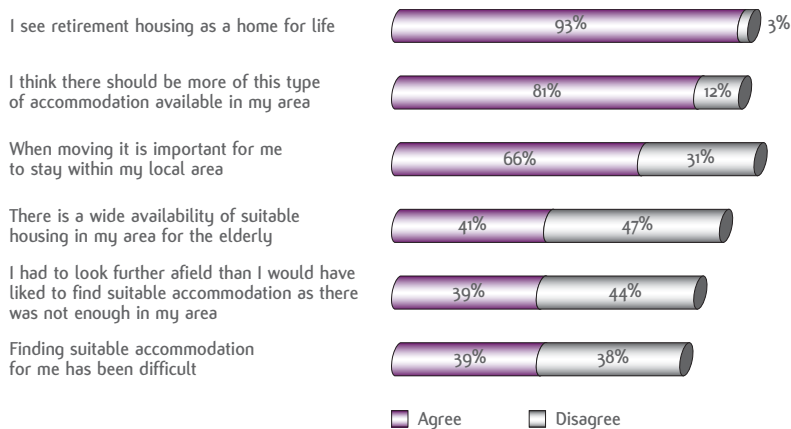
⁶ Nationwide, House Prices – Quarterly Review, (Great Britain, 1st July 2003), Table 2

⁷ McCarthy & Stone Plc, Interim Accounts, (February 2003)

⁸ Opinion Research Business Omnibus Survey amongst a nationally representative sample of 1000 adults aged 18+ throughout England, Scotland and Wales, July 2003

The Urgent Need for Private Sheltered Housing

Prospective Residents were asked... Q. Thinking about when you decided to move out of your home, how strongly do you agree or disagree with the following statements about the availability of suitable accommodation for elderly people?



At present there are only approximately 50,000 private sheltered housing units in the UK which is wholly insufficient to meet demand. For example, 75,000 expressions of interest have been registered with McCarthy & Stone in the past twelve months alone. Thus, existing demand for private sheltered housing units is approximately 125,000.

On average, approximately 3,000 units of private sheltered housing are built each year in the UK⁹.

By 2020, it is estimated that 12.02 million (19.3%) of the UK population will be over 65¹⁰. This is a 28.4% increase on the current 9.36 million people of that age¹¹.

With the projected growth in elderly population, we predict demand for this type of housing will increase by a minimum of 35,500 homes by 2020¹². Assuming the rate of demand remains constant, there will be a shortage of 62,500 units by 2020 if the rate of provision does not increase¹³.

It is important to bear in mind that this is a very conservative estimate, not least because of the effort that local authorities have been making to solve the problem of their hard-to-let accommodation, which will enhance the reputation and demand for sheltered housing in general. In addition, we have assumed the demand for housing from only one private sector

provider (albeit the market leader with around seventy percent of the market).

However, the rate of demand for both private and good quality public sector sheltered housing may well increase and the need will therefore possibly be far higher than this very conservative figure. All in all, this points to a critical shortage of private sheltered housing now and in the future.

The paucity of supply is illustrated by the fact that nearly forty percent (39%) of prospective residents are having difficulty in finding suitable private sheltered housing.

Despite the wishes of two thirds of prospective residents to stay within their local area – thirty seven percent within five miles of their current house – nearly forty percent (39%) have had to look further afield due to the lack of suitable private sheltered housing in their locality. Without growth in supply, some older people will have to move away from their communities if they want the security and independence that private sheltered housing offers.

This concern is widely voiced by prospective residents, 81% of whom believe that there should more private sheltered housing in their area.

“I want to find somewhere suitable for my wife, where she is comfortable if something happens to me, because I have cancer.” Male prospective resident, 60, Reading

⁹ McCarthy & Stone figures

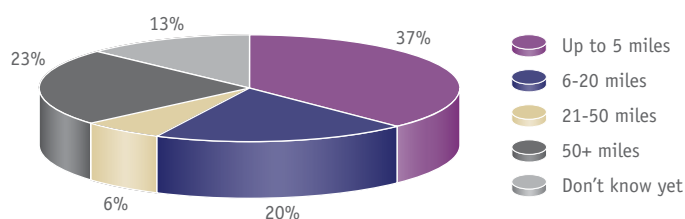
¹⁰ Government Actuary's Department, 2001-based National Population Projections

¹¹ Office for National Statistics, Key Population and Vital Statistics Series VS no.28, PP1 no.24, (London: The Stationery Office, 2001), Table 1

¹² This assumes a proportional increase in demand for private sheltered housing as the UK population over the age of 65 grows by 28.4% from existing demand and supply of 125,000 units.

¹³ Total demand of 160,500 units minus the existing 50,000 units and 3,000 new units pa for period 2004 – 2020.

Prospective Residents were asked... Q. What is the distance you are intending on moving from your current home to retirement accommodation?



The Preferred Choice For Living

The majority of those living in or seeking private sheltered housing are women. Private sheltered housing also attracts a high proportion of widowed people (thirty percent of prospective residents). As we will see later in this report, the provision of security, companionship and the ease of living in a smaller home contribute to making a change in personal circumstances, such as the death of a spouse, easier to adjust to. Amongst current residents, 60% are widowed. Amongst the general population of older people, 47% are widowed, divorced or separated¹⁴.

81% of prospective residents and 74% of current residents have children but their offspring are not seen as an alternative provider of accommodation. Indeed our research shows that a central component in the attractiveness of private sheltered housing is its ability to help older people look after themselves, and thereby avoid being dependent on their families.

This is a theme echoed in the work of academics including Robin Means et al who asked older people what independent living meant to them. First, older people expressed a wish to lead a varied lifestyle outside the home. Second, they wanted to be able to maintain a routine. Finally, they wanted to avoid dependence on others, be they friends, family or the statutory services¹⁵.

Private sheltered housing attracts older people who have reached a stage in their lives where they wish to act to secure their independence. The importance of housing in achieving this is paramount; hence the demand for well located, well designed homes which optimise mobility, security and freedom. 70% of current residents emphasised the importance of the mobility-friendly aspects of the design and the access facilities offered in private sheltered housing in influencing their decision to move.

These key components of independent living are further examined in chapter two.

“We have a very large garden and my husband isn’t very well and there will come a day that we won’t be able to cope. I like the idea that someone is on hand so if he fell down and I couldn’t pick him up, someone will be able to help.” Female prospective resident, 63, Devon

¹⁴ Opinion Research Business Omnibus Survey amongst a nationally representative sample of 1000 adults aged 18+ throughout England, Scotland and Wales July 2005

¹⁵ Robin Means et al, Maintaining Independence in Later Life, (Great Britain: Anchor Trust, 1996), pp.8 – 10

“I got robbed. My daughter doesn’t want me to be on my own . She likes the idea of there being a warden and me being able to socialise.” Female prospective resident, 67, Surrey

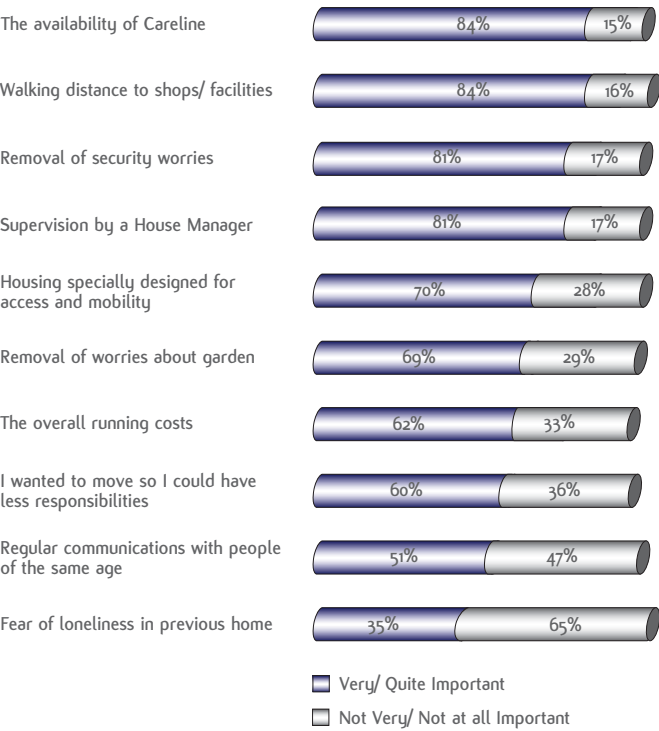
Private Sheltered Housing v
“Stay Put and Adapt”

To be effective for its residents, there are certain criteria that sheltered housing needs to meet. In defining a policy for housing and older people, Government advice highlights the importance of security, distance to shops, amenities, transport links and cultural amenities as well as physical aspects of the housing stock¹⁶.

Our research wholly supports this and, in doing so, highlights one of the key problems with the “Stay Put and Adapt”

argument proffered by some opinion formers: that what older people really need when it comes to housing cannot always be provided by alterations to their existing properties but are wholesale environmental improvements that can only be guaranteed through the provision of quality purpose-built housing, effectively located. That is not to say, of course, that adaptation of existing property does not have an important role to play in ensuring genuine housing choice for older people. It nonetheless ought not to be seen as a panacea.

Residents were asked... Q. How important were each of the following factors in influencing your decision to move into this accommodation? (Percentaged on those giving a response, including don't knows)



¹⁶ DETR, Quality and Choice for Older People’s Housing: a Strategic Framework, (London: DETR, 2001), Chapter 7

Characteristics such as being within walking distance of shops or a doctor's surgery (given a mean score of 9.23 and 9.01 respectively by residents as of utmost importance), lift access (9.14) and links to public transport (8.95) cannot necessarily, or often, be delivered by adapting ordinary housing.

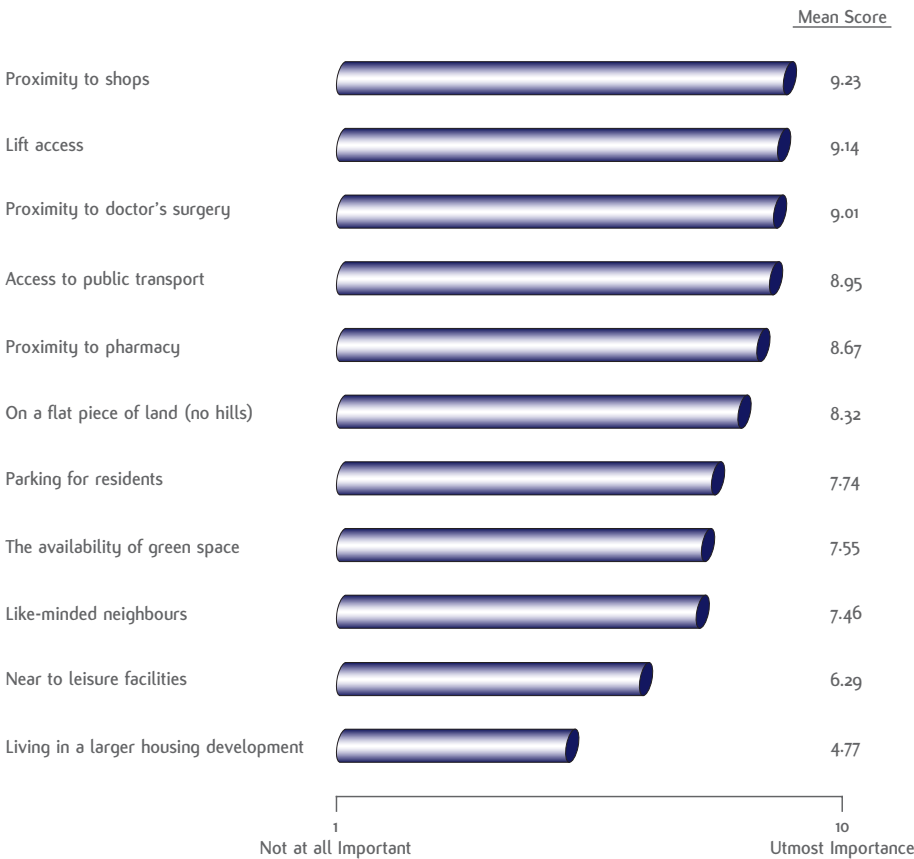
The majority of older people demand housing that is specially designed for access and mobility. And, whilst there have been huge steps forward in the provision of services to older people who remain in ordinary housing, significant doubts remain about the efficacy of it as a solution.

As our research demonstrates, “Stay Put and Adapt” does not necessarily offer older people what they require and demand. As a solution it does not remove concerns about security (of importance to eighty one percent of residents), nor remove responsibility for a garden or the responsibilities of running a house (sixty nine and sixty percent respectively). Neither, of course, does it offer a house manager (deemed important by eighty one percent of residents).

In an age where we have the capacity to offer older people meaningful choices about where they live, it is unfortunate if “Stay Put and Adapt” is promoted as a universally effective option. For many older people, (including the seventy one percent of prospective residents who think their current home is too big), “Stay Put and Adapt” offers little if anything to alleviate the worry and concerns that the responsibility for a larger house causes them.

The issues that influenced older people to move into private sheltered housing 15 years ago remain the major attractions today. In a study from 1989¹⁷, the availability of Careline (77%), the proximity to local shops (75%) and the supervision by a house manager (72%) were major attractions for those seeking this type of housing. **The importance of security remains highest, but as an issue of concern, it has doubled in importance over fifteen years.**

Residents were asked... Q. How important do you think the following characteristics are when considering the location of housing for older people?



Conclusion

Quality private sector sheltered housing is at a premium in the UK. Over the next two decades, demand will significantly increase as our population ages.

Unless this demand is satisfied by increased provision of this type of special needs housing, generations of older people will be denied the security, comfort and independence that they require and deserve.

¹⁷ Harris Research Centre, The Facts and the Future: A Survey on Sheltered Housing for the Elderly, (UK: Harris Research Centre, 1989), p.17



Chapter Two

Independent Living

"I think independence is important to old people and sheltered accommodation is good in this way as it doesn't take away independence. They still have their own front door they can close. But they are also secure and feel safe. They know that someone won't break in at night and so can sleep well." Ward Councillor, Bucks

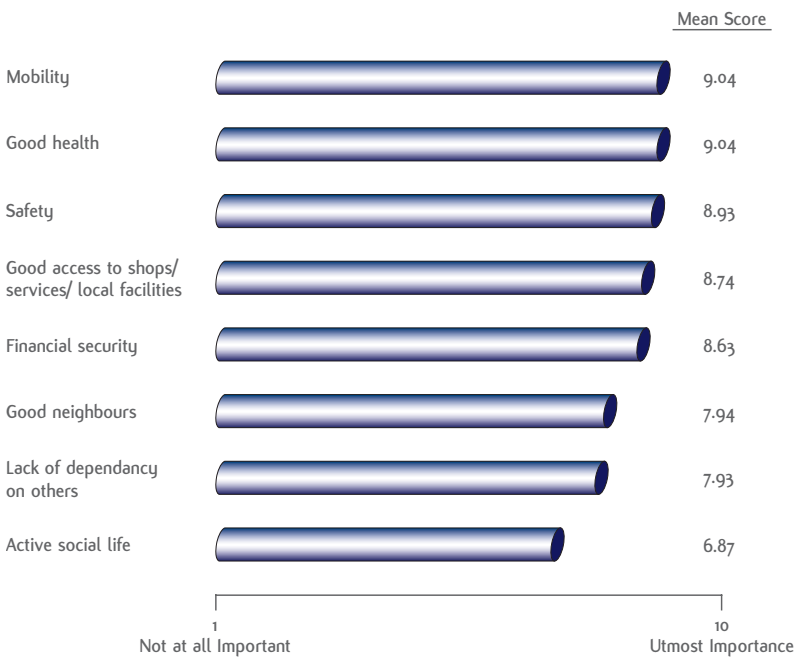
“The elderly fear that they are going to lose their independence if they lose their home, but they’re not. As they get older they aren’t going to be able to cope with their homes and in practicality their independence is going to mean very little, whereas in sheltered accommodation they can maintain their independence for a longer time.” Unit Manager, Meals at Home, North East

The Importance of Independent Living

For both government and for older people themselves, independent living is of vital importance. Why?

Independence is a necessary factor in the ability of older people to enjoy a good quality of life. The Government has argued that “effective housing, allied to the right care, support and wider services, such as good transport and community safety, can be the springboard that enables older people to remain involved and live their lives to the full”¹⁸.

Residents were asked... Q. There are many things that a person of your age says that they need to have in order to enjoy independent living. On a scale of 1 to 10 how important do you think the following are to maintain an independent lifestyle?



Defining Independent Living

Community care policy has tended to assume that remaining in ordinary housing is a prerequisite for independence. However, the complexities of independence are now being acknowledged more frequently. As Roger Clough argues, independent living “has different meanings for different people and demands precision and clarification”¹⁹.

Our research suggests that independent living primarily comprises mobility (including the ability to get to the shops and local amenities), good health, safety and financial security, good neighbours and a lack of dependency on others.

If private sheltered housing is to be given the status and importance that its many proponents believe it merits, it needs to demonstrate its ability to assist older people in achieving this level of independent living. Likewise, as discussed in chapter one, the case for “Stay Put and Adapt” has yet to prove itself as meeting the requirements of all older people, let alone assisting in delivering independent living.

Of course, as people get older, there is often a natural diminution of health and mobility in particular. The challenge for alternative forms of housing is to assist in delaying the onset of these and to assist those suffering from them in optimising their independence.

¹⁸ DETR, Quality and Choice for Older People’s Housing: a Strategic Framework. (London: DETR, 2001), Introduction

¹⁹ Roger Clough, ‘Commentary’ in Keith Summer, editor Our Holmes Lives, (UK: CPA, 2002), p.32

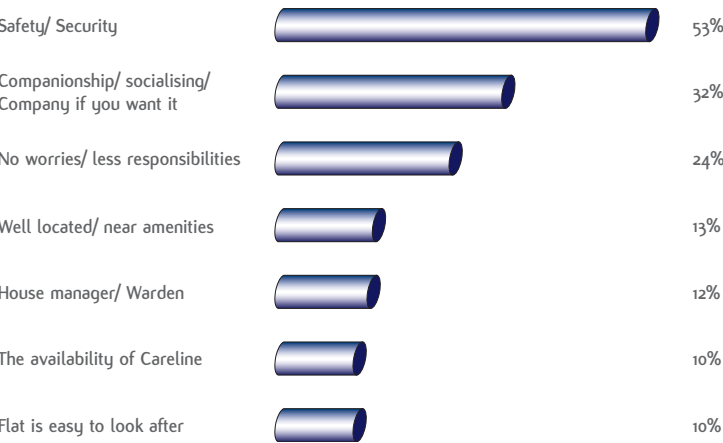
“I have real independence here. I can be on my own but I can also socialise if I want to.”
Female resident, 81, Epsom

Housing and Independent Living

Whilst there have been strides in the bespoke packages of care available to older people who remain in ordinary housing, it is limited in the choices it can offer with regard to social and practical help and, our study suggests, is often insufficient to maintain independent living or maintain a good quality of life.

Over half of all current residents place security as the greatest advantage of their chosen housing (and a key component of independent living). Other key advantages highlighted were the companionship offered in these schemes (32%) and the reduction of worries and responsibilities (24%).

Residents were asked... Q. What do you consider to be the main advantages of this type of housing?
(Spontaneous Responses of 10% Shown)



The real life experience of many older people shows that struggling on in ordinary housing does not necessarily equate to genuine independence. Whilst the personal care needs of older people can be partly catered for in ordinary housing, their need for social and practical support is often left unfulfilled. Any adherence to the assumption that older people need to remain in ordinary housing in order to be independent seems misguided. The views of prospective residents – seeking to escape the inadequacies of ordinary housing and improve their level of independent living – illustrate this.

For residents, these hopes are delivered through the quality of life improvements offered by private sheltered housing. The results of this study demonstrate that residents not only enjoy an easier life with less worries and responsibilities, but also an increase in freedom through time to spend on enjoyable activities, with greater companionship, happiness and security. The capital that is often freed up by the move to private sheltered housing can assist older people in increasing their spending power in their later life.

“We don’t have responsibilities here. We have more independence – more time to do what you want to do. You have a better type of life; you feel relaxed and sleep well at night.” Male resident, 80, Epsom

Achieving Independent Living

Elsewhere in the academic debate, commentators such as Andrew Nocon and Nicholas Pleace emphasise that sheltered housing needs to be looked upon as a resource that can complement community care by helping to cater for the social and practical needs of older people. They argue that sheltered housing is popular with many older people who “like accommodation that is warm, easy to keep clean, of convenient size, secure, and where they do not need to worry about repairs or maintenance. They also appreciate having support from a warden, the company of other people nearby, and being in a quiet location but one that is convenient for local amenities”²⁰.

As this study shows, residents not only agree with this but private sheltered housing also assists them in maintaining their independence, alleviating worry and promoting security. Over half of current residents believe that good health is promoted through their choice of housing and over sixty percent experience enhanced wellbeing.

The evidence indicates that private sheltered housing may go further than Nocon and Pleace suggest by actually mitigating the need for much low level community care. This has the potential to deliver substantial savings to government and the taxpayer whilst improving independent living for generations of older people. This is examined further in chapter five of this report.

To deliver this at a national level, government needs to provide a regulatory framework for building such homes to ensure that this opportunity is not passed by. At a local level, there is scant serious consideration of the need for private sheltered housing; only 6.5% of local authorities have a housing strategy for older people²¹. A further 6.5% intend to produce one in the foreseeable future. There was, however, no meaningful reference found in any existing strategy to the private sector and the role and benefits it can offer in providing choice and satisfying housing needs. The potential for savings in community care that private sheltered housing can offer local authorities will be missed unless this changes.

Conclusion

Independent living comprises mobility, health, security and the freedom from responsibility that allows older people to live the life they choose; not the life that is forced upon them by the restrictions, worries and practical restraints of ordinary housing (however well adapted) and intensive community care.

Private sheltered housing offers, for many older people, the best possible prospect for independent living. It delivers their vision of independent living and optimises their quality of life.



²⁰ Andrew Nocon and Nicholas Pleace, ‘Sheltered Housing and Community Care’ *Social Policy and Administration*, Vol. 35, No.2 (June 1999), p.166

²¹ McCarthy & Stone figures 2002



Chapter Three

The Personal Case for Private
Sheltered Housing

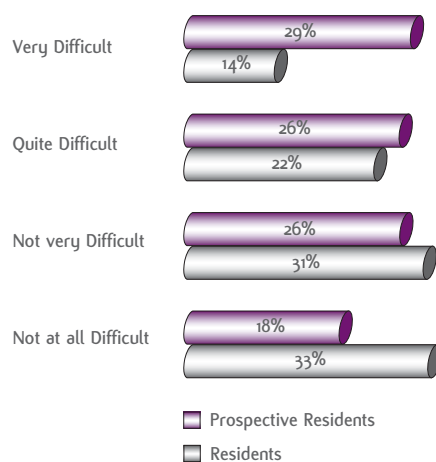
*“Life is so much easier and
happier – financially, emotionally
and physically”*

Male resident, 80, Essex

“The security is very good here. You don’t worry about who is going to knock on your door. I would be fearful living on my own like my sister does. I can go out here and leave my windows open. You lose a lot of worries.” Female resident, 81, Epsom

A Difficult Decision But One Worth Taking

Residents & Prospective Residents were asked... Q. How difficult a decision was it for you to finally decide to leave your previous home?



The decision to leave what has often been the family home and downsize is frequently difficult. Older people will do so, however, in order to improve their overall lives and, for just under half of prospective residents, the decision is straightforward. This rises to 64% amongst residents looking back on their decision.

Those prospective residents who are in poor health are significantly more likely to find the decision to move very difficult and, the longer one has lived in a house, the harder the decision.

Prospective residents have, on average, lived in their existing homes for 18.6 years whilst current residents had lived in their previous home for 21.8 years. For many, the move is their first for a generation – over one in four current residents had been living in their previous home for over thirty one years. It is not a decision taken lightly.

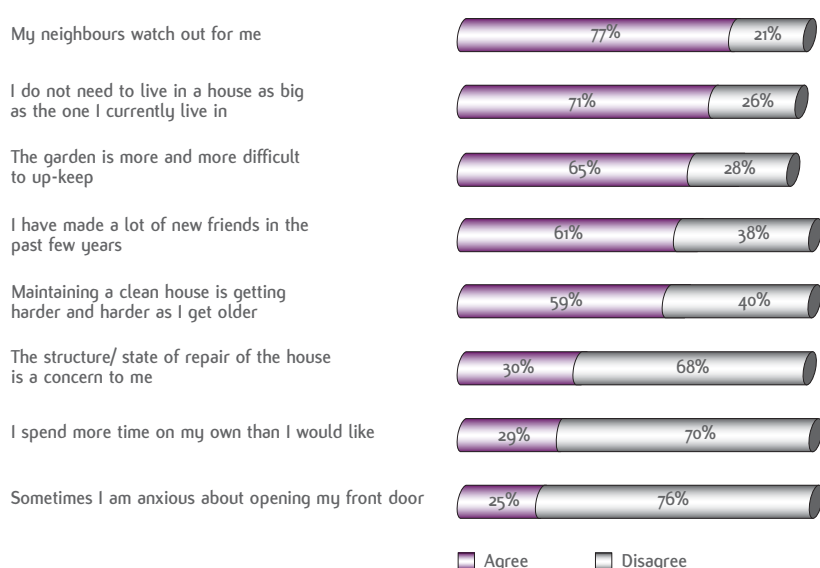
As we saw in chapter one, the decision to move to private sheltered housing becomes more straightforward as the frustrating aspects and worries of living in ordinary housing increase over time. Whilst an event such as the death of a spouse or the onset of disability can prove to be a catalyst for moving, for the vast majority of residents and prospective residents, the decision is caused by an amalgam of factors.



"I have secure and attractive accommodation with well kept public areas and gardens. I am also surrounded by nice people of whom you can see a lot or not very often" Male resident, 80, Hull

The Catalyst for Change

Prospective Residents were asked... Q. How far do you agree or disagree with the following statements about your current home and lifestyle?



Of particular note amongst these factors are the desire for safety and security, the effort needed to continue coping with and worrying about a garden or a large house and the wish to minimise their dependency on others.

These concerns are, evidently, not always resolved by employing a gardener, installing security systems or using fewer rooms in the house. The on-going worry and the continued responsibility needed to maintain ordinary living divert energy away from activities that can promote quality of life and wellbeing.

Over seventy percent of prospective residents believe that they do not need a house as large as they are currently living in and over sixty percent have difficulty with their garden. Nearly sixty percent (59%) assert that maintaining a clean house is harder as they get older. Whilst this is understandably far higher for those over eighty (77%), surprisingly nearly half of those under sixty five also agree (48%).

Sadly, one in four is anxious about opening their front door and almost thirty percent believe they spend more time alone than they would like.

The Attractions of Private Sheltered Housing

For those currently living in ordinary housing, the move to private sheltered housing addresses key concerns and problems with everyday life. The problems solved far outweigh any disadvantage of downsizing – for example only three percent of current residents miss their garden and only seven percent believe they have less privacy than in their previous accommodation.

Whatever the catalyst that leads an older person to decide to downsize, the location and design of private sheltered housing is of vital importance and those who choose to purchase it expect and deserve a genuine choice in what they receive for their investment. Their aspirations for their housing are high. Residents of private sheltered housing are discerning in what they require.

Whatever the reason for deciding to move, current residents of private sheltered housing perceive consistent and effective benefits of living this way.

“Help is at hand if needed, but one can still live an independent life” Female resident, 91, Beaford

The biggest attraction of private sheltered housing for residents is the security it offers. Indeed, it is almost twice as important as any other factor. In deciding to move in, the security offered was further aided by the availability of the Careline alarm system.

The second biggest attraction is the proximity to local shops. Proximity assists mobility and freedom. Moving to housing that is located close to local shops and local amenities allows older people to shop for themselves locally and maintain their lack of dependency on others.

The third key attraction is the size of garden (closely followed by the size of property) that residents are moving into compared to the one they are leaving behind. Typically, moving from a large house into private sheltered housing is a means of removing numerous responsibilities and enjoying a better lifestyle in a more manageable home. Mobility is optimised through purpose built accommodation that suits the needs of older people.

The three key attractions of private sheltered housing (security, proximity to shops and size of property) are vital components of independent living.

The impact on the life of the individual through the move to private sheltered housing cannot be understated.

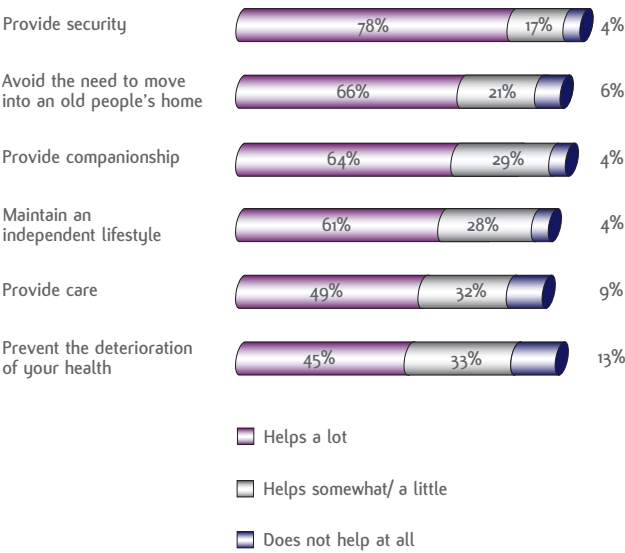
Not only do a large majority have greater freedom and less responsibility than previously and enjoy their lifestyle more than before, eighty eight percent of current residents also believe living there helps promote security. Furthermore, almost eighty percent believe it alleviates worries and anxieties and eighty three percent state that it helps maintain independence.

Over ninety percent of current residents have contact with friends or relatives on a regular basis. And, despite their age and their length of residency, nearly forty percent (39%) have a more active life since they moved into private sheltered housing. An impressive two out of three residents believe they enjoy their lifestyle more than in previous forms of housing.

It is unsurprising, therefore, that an overwhelming majority (92%) of current residents would recommend retirement flats to their friends.

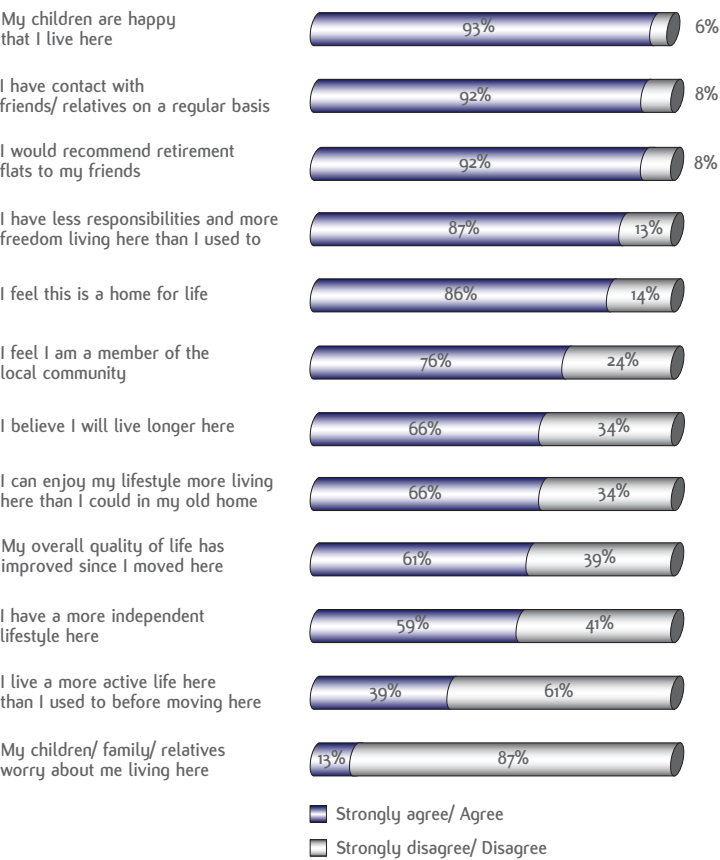
Transforming Your Life Through Private Sheltered Housing

Prospective Residents were asked... Q. How much do you think retirement housing will ...? Does it help a lot, help somewhat, help a little, or does it not help at all?



“There is a lot of companionship and entertainment but at any time you can go to your own flat and shut the door” Female resident, 84, Bucks

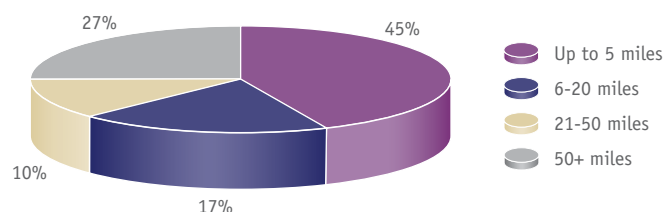
Residents were asked... Q. How strongly do you agree or disagree with the following statements?
(Percentaged On Those Giving A Response, Including Don't Knows)



“We want to move on and downsize from our current position. We want locality and easy access and a support network within the building” Female prospective resident, 66, Yorkshire

i. Family Proximity Not Dependency

Residents were asked... Q. What was the approximate distance you moved from your previous home to your current accomodation?



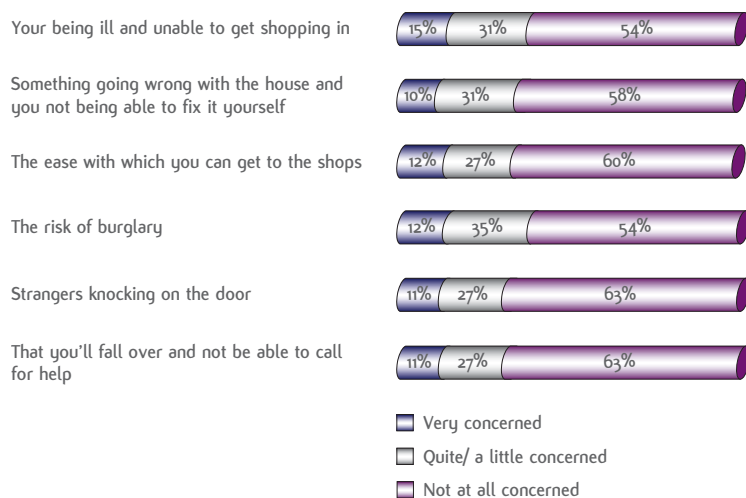
The concerns of family members about older relatives are also an important contributory factor to the decision to move. Nearly half of prospective residents (47%) acknowledge that their children are concerned about them becoming a victim of burglary whilst they remain in ordinary housing. Just under this number are concerned about their parents' ability to fix problems in the house and the ease with which they can get to the shops.

Over a third of prospective residents (38%) believe their children are concerned about them falling over and not being able to get help. The older the person, the greater the concern.

There is a desire on both sides – older people and family members – for older people to live nearer and in a safer environment.

But this does not mean that those moving into private sheltered housing are necessarily moving a long distance. Forty five percent of current residents had moved within a five mile radius of their former home – and almost two thirds within twenty miles.

Prospective Residents were asked... Q. How concerned about the following do you think your children/ younger family are about you and where you currently live? (Base: Those with children)



One in five prospective residents reports a growing dependency on their family members whilst they remain in ordinary housing. This contrasts with current residents, nearly sixty percent (59%) of whom have a more independent lifestyle since they moved into private sheltered housing, despite being, on average, older than prospective residents. Likewise, of those residents who have children, an overwhelming majority (93%) believe their offspring are happy about their parents' housing.

ii. Active Members of the Community

Some critics of private sheltered housing have suggested that residents are isolated from the local community. Our research reveals evidence to the contrary. Firstly, as set out in chapter four, residents are active economic participants in the local community. Secondly, only nineteen percent feel that they are more isolated from the local community than in their previous residence. Over three quarters of residents count themselves as being a member of the local community – only sixty five percent of prospective residents do so.

A key driver for residents in private sheltered housing is the option of the company of others and living in a community with others of a similar age and interest. Just over half of all residents (51%) were influenced in their decision to move by the prospect of regular communication with people of the same age. Ninety three percent of prospective residents believe that moving to private sheltered housing will provide companionship and our survey findings show that this is an issue of particular importance to women.

In considering the important characteristics of private sheltered housing, having like-minded neighbours was also awarded a mean score of 7.46 by current residents. Thirty

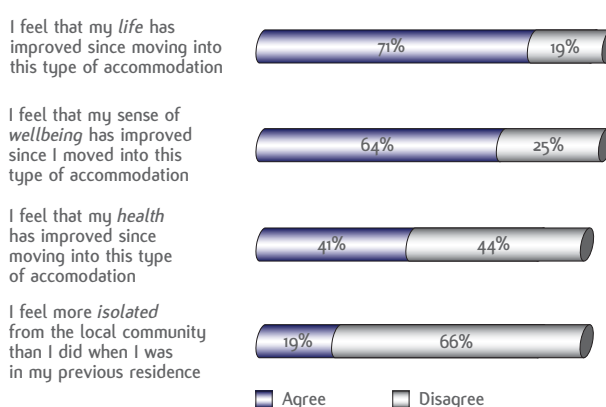
two percent of residents spontaneously identified this as the most important advantage of private sheltered housing. This rises to thirty five percent amongst widows.

Almost forty percent (39%) of residents live a more active life than they did in their previous home. That this figure is so high is both surprising and encouraging considering the fact that they have gotten older since moving into private sheltered housing.

iii. Companionship and an active life

Residents were asked...

Q. How strongly do you agree or disagree with the following statements that people like yourself have made about the way they currently feel?



Over fifty percent (51%) of current residents believe that private sheltered housing helps to promote good health. Amongst those residents who have moved into this housing over the last six months, this rises to sixty three percent. Despite the upheaval involved in moving and settling in to a new home, this clearly indicates the immediate benefit that residents gain from leaving the problems of their previous housing behind.

More than half of all residents (55%) consider their health to be good or very good. Bearing in mind the average age of residents (79.5 yrs), this compares very favourably to the general population of whom only forty one percent of 65-74 year-olds feel their health is good which falls to thirty-two percent of those aged 75+.²²

Amongst the general population aged 75+, thirty one percent describe their health as not good.²³ Only six percent of residents describe their health in this way.

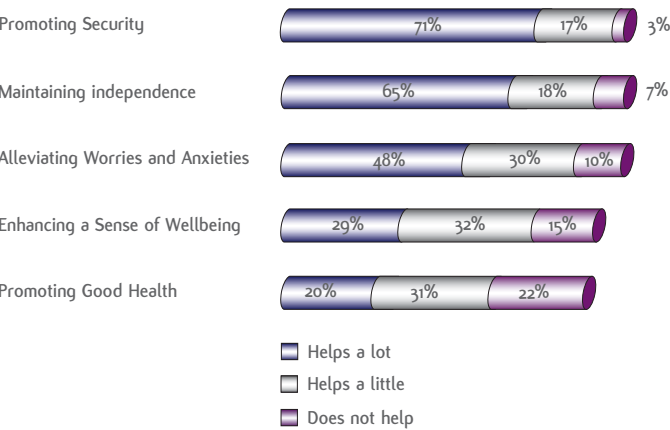
The good health of residents is clear from their use of the National Health Service: only twenty one percent of residents have received inpatient care over the last year. Interestingly, those who have children are significantly more likely than

²² Office for National Statistics, Living in Britain – General Household Survey, (London: The Stationary Office, 2001), table 20

²³ Ibid

“This is an ideal situation, it’s close to shops and we have security” Female resident, 70+, Oxford

Residents were asked... Q. How strongly do you agree or disagree with the following statements that people like yourself have made about the way they currently feel?



those without children to have spent nights in a hospital. Over half (54%) of residents have received no outpatient treatment (of those that did, the mean number of visits is 1.7 times per year); and thirteen percent have not needed to visit their GP in the last year.

Two thirds of residents believe that they will live longer in private sheltered housing than had they remained in their previous accommodation.

In chapter five, the cost savings to the NHS as a result of this good health is examined, demonstrating that it is not only the individual resident who benefits but the taxpayer at large.

iv. In Better Health

Maintaining one’s health is a core component of independent living. The advantages of private sheltered housing in maintaining health and helping residents to manage their health problems emerge through our study. There can be no disputing the positive impact that private sheltered housing has on those that live there. Seventy one percent of residents believe their life has improved as a result of the move.

As older people age, we would not expect their health to improve but forty one percent of residents believe that their health has done so since moving into this type of accommodation. And the average age of residents is 79.5 yrs!

Why? Because residents say they benefit from improved wellbeing; less stress and worry through improved security and the reassurance of Careline; companionship which can reduce depression; and the benefits of living in accommodation that is built to suit their physical needs (e.g. lift access). As they have, typically, left behind the worries of a three bedroom house, this also has a positive impact on their health.

Conclusion

The move into private sheltered housing is primarily determined by a realisation that independence in ordinary housing is becoming more difficult to maintain. In particular, concern over security and the ability to cope with a house bigger than really needed and the demands of a garden lead to the decision to downsize.

Residents in private sheltered housing perceive themselves as benefiting from improved health, less responsibilities and greater freedom than had they remained in ordinary housing. Compared with others of their age, they are healthier.

By moving into private sheltered housing, older people are taking an active decision to secure their quality of life and independent living. Without more private sheltered housing, a generation of older people will be deprived of the opportunity to do likewise.



Chapter Four

The Economic Case For Private Sheltered Housing

*"I think businesses locally
do well because elderly
people shop locally."*
Pharmacist, Aylesbury.

“Older people tend to shop locally, they don’t go into town much, they just come to us for things like groceries.” Newsagent, Gosforth

Vital Contributors to the Local Economy

Private sheltered housing schemes play a vital part in the life of local communities. The propensity of older people to spend locally is high, assuming there is access to local shops which ordinary housing cannot guarantee.

Builders of private sheltered housing seek only to open schemes within walking distance of local amenities. As our study shows, by doing so they are generating substantial revenue for local businesses even when compared to alternative land uses.

By selling houses which, amongst residents, have been lived in for an average of 21.8 years, sixty four percent free up equity in addition to that used to purchase the private sheltered housing. In doing so, they meet the concern of the Royal Commission on Long Term Care which reported that ‘around forty percent of older homeowners are income poor but equity rich’²⁴. By freeing up equity, the ability of older people to spend more on their day to day living is improved.

Over sixty percent (62%) of residents prefer to shop locally – and just over a third (34%) do so on a daily basis. The benefit to local businesses of the arrival of a private sheltered housing scheme is therefore significant. Just under half (45%) of all residents buy the bulk of their shopping within one mile of their scheme. Just under two thirds (65%) travel no further than two miles to shop.

Full Economic Benefit to the Local Economy

Annex B sets out the economic benefits that a private housing scheme can deliver to a local economy. Each week a typical private sheltered housing scheme (of forty five apartments housing around 55 residents, together with a manager’s apartment) generates a weekly spend of £11,735 (£610,000 per year).

Such schemes generate an additional £1,750 per week (£92,000 over a year) in local spending after allowing for leakage, multiplier effects and deducting spending which would have been generated in a conventional housing scheme (deadweight). Over the lifetime of a scheme, this equates to around £2.3 million more in

local spending than would have been generated by a conventional scheme. A conventional housing scheme with the highest level of density was used for comparison to provide the most local economic benefit of the typical alternative uses on McCarthy & Stone sites.

The case studies below set out how local stakeholders believe private sheltered housing benefits their businesses.

Case Studies

(Case Studies contain verbatim comments from a selection of over twenty in-depth interviews)

The Local Pharmacy

“Since the retirement housing scheme opened three years ago, business has definitely increased by ten to twenty percent. Businesses locally do well because elderly people tend to shop locally”.

“It saves us time delivering to people in the retirement home and the customers appreciate it because it saves them walking backwards and forwards. It probably takes twice as long to deliver prescriptions if people aren’t all located in the same place.”

“If we are delivering to ten people it can take ages as we deliver over a very large area, but if we were delivering to ten residents in sheltered accommodation we can save up to three hours. We are quite stretched with our delivery service and so it does make a difference being able to deliver in this way. It saves in terms of time, driver costs and petrol costs. And these all add up.”

“Delivering to a number of people in one block certainly makes it a lot easier for us. It is also much better as they are warden controlled and so even if we can’t get access to the customer we can leave their prescription with the warden. It saves a lot of time.”

“I think the warden is a benefit. It also means that old people are less isolated. It’s better for the elderly people as they have a community and look out for each other whereas if they live a long distance from each other and aren’t very mobile this can be difficult.

It’s also good for local businesses as it brings them a regular stream of customers. Elderly people are always popping into local shops, within a five minute walk for bits and pieces.”

²⁴ Royal Commission on Long Term Care, With Respect to Old Age: Long Term Care – Rights and Responsibilities, (London: The Stationery Office, March 1999), 5.22

“We spend more money locally now whereas before we would have gone further afield”
Female resident, 65, Epsom

The Local Shop and Post Office

“It’s beneficial to us to have the retirement home here as the warden always introduces new customers to us. She always mentions to people when they move in that we do newspaper delivery so we get new customers.”

“It’s better for us having one block with a lot of people living there than people living separately in houses. We deliver fifteen newspapers in the morning and fifteen at night to the scheme – it’s quite a lot of business to bring to a small development. It would take at least twice as long if we were delivering to individual houses.”

“I would guess that twenty percent of our customers are retired. They’re in and out of here all day long; they don’t go into town much. Older people tend to shop more locally than younger people. They always come here first and if we don’t have what they want they then go into town.”

“I think because of this thing going on with government closing post offices down, older people are supporting us more. A few come in every day even if it’s to buy a bar of chocolate. It was a worrying point for us before the retirement housing opened but now it’s better. I started doing home deliveries and it picked up.”

“It saves us time. We have a boy who does the deliveries there and it takes about half an hour to do both. If we were delivering to that many people living in individual houses it would take an hour and a half.”



“Local businesses benefit as the scheme means there are more people in the local area during the daytime. Also, because older people will shop more locally rather than going into Oxford, it benefits the smaller local businesses.” Ward Councillor, Bucks

The Local Service Providers

The Taxi Company

“Lots of the elderly people use us. They go on all sorts of journeys from a short one to Sainsbury’s to longer journeys to the coast. Any housing development for the elderly is perfect for a taxi company as it provides us with more customers. They are less likely to have cars and they make lots of short journeys.”

The Hairdresser

“The Scheme has had a positive impact on my business; I have them all together there. I don’t need to travel; I try to do all their hair in one go. It’s about one afternoon’s work per week.”

Federation of Small Businesses

“Old people don’t really want to drive as much or don’t have cars and so they shop locally. They built the local Scheme close to the High Street so the old people can get there easily and use the shops. The effects of such a development depend on the type of business – a chiropodist, dentist etc would do well from it, as they are services that an elderly person will use. It’s good for business services that come to the customer’s home, as lots of elderly people can’t get out so much.

Retail can do well from it too. Old people have to buy clothes and food – they also tend to shop for their grandchildren, buying toys and gifts. I think local shops selling food do well. Chemists also do well, as they tend to offer a delivery service.

Elderly people are also less likely to do decorating or repairs themselves, and so are going to need decorators etc. There are a whole range of service industries that can gain from them.”

Conclusion

Private sheltered housing schemes have a vital role to play in the success of the local economy. Older people living in such schemes contribute significantly to the revenue of local shops. Private sheltered housing schemes benefit local businesses more than other types of housing.

As chapter five illustrates, these benefits are by no means confined to the private sector.



Chapter Five

The Social Case for Private Sheltered Housing

“I think I’ll live longer living here. It’s the best thing I’ve done since my husband died.”

Female resident, 70, Epsom

“People are living longer so planners and councils need to be ready to adapt to different housing needs. A mixture of both council and private housing for the elderly is needed. Sheltered accommodation is necessary and needed.” Ward Councillor, Bucks

The Benefits to Society

Whilst this study has illustrated the immense benefits to the individual that accrue from living in private sheltered housing, it is not only the individual that benefits. The knock-on effects of the personal improvements in independent living that residents find are substantial in the provision of public services, the environment and in freeing up housing stock for sale to families and younger couples.

Significant Savings for the NHS

Our study shows the personal health benefits that private sheltered housing brings to its residents in terms of improved wellbeing and less need for health and care provision. But, in addition to the undoubted personal benefit that this brings to the individual, the benefit to the Exchequer is also significant.

Whilst less than a quarter (21%) of residents have received inpatient care over the past twelve months, (slightly higher than the seventeen percent of those aged 75+ amongst the general population²⁵), they have remained in care for an average of 7.4 nights, under half the average amongst the general population of 75+ of 17 nights.

This staggering result, made more so by the older average age of residents, illustrates the burden that private sheltered housing removes from the NHS by creating the circumstances and environment in which it is easier to allow patients home rather than keep them in hospital care. Patients recovering from hospital care are more able to look after themselves in private sheltered housing and can be released earlier by medical staff in the full knowledge that they will be able to manage at home because they have the suitable environment and accommodation necessary for recuperation.

Delayed discharges from hospital are estimated to cost the NHS around £170 million a year and account for 1.7 million lost bed days annually. Reducing delays is now a major Government priority, with a new cross-charging system in place to try to end widespread bed-blocking by 2004. However, a recent report by the Public Accounts Select Committee concluded that a long term solution to the problem would only be found if NHS Trusts and Primary Care Trusts “involve independent providers” and the public and private sectors worked together to achieve the right post-hospital living and care arrangements for older patients.²⁶

This research has shown that sheltered housing provided by the private sector has a significant role to play in shortening stays in hospital for older patients, a role that should be accounted for by local health authorities. At present, we calculate that private sector sheltered housing saves the NHS £2,598 per resident receiving inpatient care per year²⁷.

For Primary Care Trusts, the figures are likewise encouraging. On average over a year, residents visit their GP only 4.2 times and their practice nurse 2.5 times. This is far lower than amongst the general population in that age group. People aged 65-74 had an average of five NHS GP consultations a year in 2001 and six consultations per year for those aged over 75²⁸. In 2001, twelve percent of those aged over 65 had consulted a practice nurse. This was done on average four times that year²⁹. The average cost to the NHS of a visit to a GP is £18³⁰.

On average, each private sheltered housing resident is saving the NHS £14.40 per year (rising to £32.40 for those over 75) in costs to primary care practices in visits to GPs alone. For a typical forty five unit private sheltered housing scheme, this would produce savings of £1,782 per year.



²⁵ Office for National Statistics, Living in Britain – General Household Survey, (London: The Stationary Office, 2001) Table 7.32)

²⁶ House of Commons Public Accounts Select Committee, 33rd Report, Ensuring the effective discharge of older patients from NHS acute hospitals HC459

²⁷ Based on Annual Financial Returns of NHS Trusts Y/E 31/03/2002 which estimate a cost per night of inpatient care of £270.64

²⁸ Office for National Statistics, Living in Britain – General Household Survey, (London: The Stationary Office, 2001) Table 7.19

²⁹ Office for National Statistics, Living in Britain – General Household Survey, (London: The Stationary Office, 2001) Table 7.27

³⁰ R. E. Cooley et al, A Ready Reckoner of Staff Costs in the NHS, Volume 1, (UK: PSSRU, December 1998)

“You’ve got peace of mind. You’ve got an environment in which people are in the same situation as you. Everyone in that unit knows what you’re going through, whereas if you live independently your neighbours tend to be off at work all day and so don’t know your needs. It’s only if you work with old people or you are elderly that you understand – it’s difficult to explain how lonely it can be.”

Client Services Manager, Age Concern, Kent

Cost Savings For Home Visits, But Less Need

As our case studies show, significant savings in time and cost are available to care providers by visiting a number of residents at one time in a scheme. Three out of four residents, however, have not required a GP to visit them at home in the past twelve months; and less than a fifth (18%) have required a practice nurse to do so.

By living in safe, purpose-built accommodation and by the lifestyle advantages and wellbeing improvements that their independence gives them, residents have less need for the NHS than those living in ordinary housing.

Many of those in private sheltered housing look increasingly to the private sector to achieve their aspirations and, as set out in chapter four, the revenue for small local service providers are considerable. For public service providers, working with residents in private sheltered housing schemes makes their job easier and assists flexibility and choice.

This is echoed by the words of Chris Mullin MP when Parliamentary Under-Secretary of State for the Environment, Transport and the Regions, “older people’s aspirations are rising. Individuals increasingly expect services to respond to their specific needs and preferences. Quite rightly, they are no longer prepared to put up with ‘one size fits all’ services. Flexibility, choice, independence, information and involvement are the key issues raised by older people in relation to the accommodation and services that they receive.”³¹

The case studies below set out, in their own words, how care providers feel private sheltered housing benefits their work and society as a whole.

Case Studies

The Social Worker

“I work for Social Services and we deal with elderly people. Our aim is to provide them with services so they can stay in their own houses rather than go into care. People are generally happier if they can stay in their own house.

Deteriorating health is a problem for the elderly which, as a consequence, causes difficulties for people in caring for themselves and being mobile. Housing has a significant impact on health. This is especially true if they have deteriorating health such as Parkinson’s or a similar disease, when you have to look ahead to their needs a few years down the line.

Unfortunately, people often don’t want to move from their homes and their community as it may not improve their quality of life if they lose the social contacts that are important to them.

But retirement housing allows elderly people to continue living in their local area. It provides them with some sort of social support network there which means they might not need our help.

If you have a warden on site who can provide a meal in a dining area, or even just some sort of social interaction, it is really useful. And likewise if they can just keep an eye on people every morning or help with medication it is very helpful for us. They are also important in flagging up problems to the relevant professionals like GPs. They have an important monitoring role.

We can provide more effective care assistance to people in retirement housing and sheltered accommodation. Instead of having one Social Worker going to an individual’s house for half an hour regardless of whether they are ready to see us or not, with retirement housing we can have carers visiting more frequently. It means the services offered to these people are better and more flexible.

I hope you get an idea from this research about how the options for older people are changing. I hope that people like developers take into account all the new ideas and technologies that exist so that people can have choices about their housing.”

³¹ H. C Deb, Vol. 351, Col. 271WH

“Sheltered accommodation makes it easier to disseminate information to the elderly. I can think of future campaigns that we will be running – you go in and you’ve got a ready made audience there. It’s great for this sort of work. We don’t exclude people that don’t live in sheltered accommodation, but it certainly does make it more practical and easier in lots of ways.”

Support & Advice Services Manager, Age Concern

The Meals At Home Unit Manager

“We provide hot and cold chilled meals delivered to the door of the elderly. We can have real problems gaining access to a property due to people with hearing difficulties; they don’t hear the doorbell or the intercom system. Hearing difficulties are our biggest problem.

Obviously, delivering to retirement accommodation is easiest in situations when you can’t gain immediate access. They usually have a warden or you can ring on a neighbour’s door. There are people around to help you. It also certainly saves us time and money. If you were doing sheltered accommodation with ten people next to each other, you’re talking about half an hour there and back but, in individual houses, you could be talking four hours. So delivering to locations with multiple clients is a lot quicker and you save quite a lot of money. About 10% of the people we deliver to currently live this way.

From the experience I’ve had in dealing with them, I think the advantages for the elderly are tremendous, because they are with people of their own generation and have access to help if they need it. This is in direct contrast to the extreme of living alone.

These retirement homes are modern, with all mod cons, whereas in their own houses, people could be dealing with equipment that is years and years old. I think also these houses are second to none for social advantages – it stops people possibly becoming incarcerated in their own homes.

The elderly fear they are going to lose their independence if they lose their home, but they’re not. As they get older, they aren’t going to be able to cope with their homes and their independence is going to mean very little, whereas in retirement housing they can maintain their independence for a longer time.”

Combating Loneliness and Depression

Polling conducted by MORI on behalf of Help the Aged shows that more than a million people over the age of sixty five feel trapped in their own home. In the twelve months prior to that survey, seven percent of older people had felt like nobody knew they existed³². Older people need and deserve to be given independent living opportunities, so that they can avoid isolation and loneliness.

The presence of an in-built community offers residents of private sheltered housing the option of company and a social life should they choose it. Just as important, the reduction in household responsibilities (e.g. in managing a large house and garden) that comes with downsizing to private sheltered housing increases the independence and quality of life of residents.

In terms of mental health, the Audit Commission identified depression as the most prevalent mental health problem in older people, especially amongst women³³. Our research suggests that private sheltered housing can act to reduce this. The availability of companionship was the second most important advantage highlighted by residents of moving to private sheltered housing, emphasising the importance residents place on avoiding loneliness and depression. Amongst prospective widowed residents, nearly half (48%) say they spend more time on their own than they would like to.

³² Mori/ Help the Aged British Gas Partnership (Great Britain, October 2000)

³³ Audit Commission, Forget Me Not: Mental Health Services for Older People (Great Britain Audit Commission, 2000), p.12

“I would have thought it increases market choice and in terms of housing facilities you’d actually release housing. When elderly people move home they are probably releasing three bedroomed semi detached houses in fairly good areas of the city. People would presumably be trading down so it would release a stock of family accommodation.” Housing and Strategy Officer, North East

A Home for Life

The overwhelming majority of respondents to this report (ninety three percent of prospective residents and eighty six percent of residents) believe that private sheltered housing is a home for life. It is not a stepping-stone to long term care or assisted living.

Eighty seven percent of prospective residents believe that moving into private sheltered housing will alleviate the need to move later into a form of assisted living accommodation.

The average age of residents is 79.5 years. This compares with a current life expectancy amongst the general population of 75.3 years for men and 80.1 years for women³⁴. In the year 2000, a man reaching 75 years could expect to live for another 9.4 years. A female of the same age could expect to live for another 11.6 years³⁵.

Whilst some residents will of course end their lives in hospitals, the vast majority will see out their days in their homes. For two thirds of residents, the move to private sheltered housing is the last they will ever make.³⁶ Living and dying in private sheltered housing offers a more comfortable and dignified end to life for residents and places less pressure on health and social services.

Annex B sets out the full economic model for public sector cost savings in delivering care in private sheltered housing as opposed to public sector assisted living schemes. **It illustrates that, by building private sector housing to suit the needs of the older population, there are potential savings of £15,000 to £25,000 for every year that a resident is delayed in going into residential care.**



³⁴ Government Actuary's Department, Interim Life Tables 1999 – 2001

³⁵ Ibid.

³⁶ McCarthy & Stone figures

“When there’s only two of us in a five bedroom house, we need something smaller.”

Female prospective resident, 60, Cambridgeshire

Freeing Up Housing Stock for Others

By moving into private sheltered housing, older people are freeing up a substantial amount of housing stock which can then be used by families, young couples and first time buyers seeking to enter the housing market.

The majority (66%) of those seeking to move into private sheltered housing are looking to do so within their local community. In doing so, over half (56%) are freeing up family sized houses whilst a further thirty percent are making bungalows available to smaller families or others downsizing from larger houses. The twelve percent selling flats do likewise or bring housing onto the market for first time buyers.

These figures are similar for residents, forty five percent of whom sold their properties to families or young couples. Seventy one percent of widowed residents sold their properties directly to couples or families thereby at least doubling the occupancy of the housing stock. Of course, this doesn’t include those who sold their properties to developers or in part exchange.

When faced with planning applications for private sheltered housing, it is naïve and inaccurate of local authority planning committees to assume that this type of housing fails to benefit either the local economy or the supply of larger housing stock in a locality. There is a distinct and measurable benefit that private sheltered housing brings regardless of the huge benefits it brings to older people whose lives are transformed by it.

Conclusion

The residents of private sheltered housing are healthier, live longer and have less call on the state than those who remain in ordinary housing.

The decision to downsize frees up both family-sized housing, and flats and bungalows, creating a better use of housing space within a locality.



Chapter Six

The Case for Private Sheltered Housing

“I have less responsibilities regarding the maintenance of my old property and all the worries that are associated with that” Male resident, 82, Rye

“I have independence in my own flat yet I am surrounded with people” Female resident, 90, Oxford

In chapter two of this report, older people defined independent living as comprising mobility, good health, financial security, safety in the home, and a lack of dependency on others.

This study has shown the full extent to which each of these factors can be delivered through private sheltered housing and the importance that residents place in it to deliver independent living.

Mobility is assisted through the benefits of being able to shop locally and the provision of purpose built housing with lift access. Within the home, the design assists residents to maximise their mobility and fully utilise all rooms in the flat.

Good health is proven not only by residents’ confidence in their health and wellbeing but their propensity to seek less medical help in comparison with others their age. As a result, residents maintain an active life, frequently improving their health compared to in their previous accommodation.

Financial security is delivered through the freeing up of equity when downsizing and the removal of concerns and worries associated with the upkeep of a larger property.

More than any other characteristic, residents benefit from an improved perception of safety and security. The combination of the presence of a warden, communal entrances to schemes and being surrounded by like-minded individuals they trust, give residents an overwhelming sense of security. Having others nearby and a panic button in the home fully removes the fear of falling and being unable to summon help.

Finally, living in an environment in which they are able to manage themselves and which is built to their requirements removes the dependency on others that many in ordinary housing increasingly have as they get older.

These reasons combine to demonstrate why an overwhelming majority of prospective residents believe that moving to private sheltered housing will help maintain their independent living.

And why eighty three percent of residents believe that living in private sheltered housing maintains their independence.

The Solution

This report has set out the pressing demand for private sheltered housing and demonstrated the significant lifestyle benefits it delivers to the independent living of residents whilst delivering a proportionately higher revenue for local businesses and dramatic cost savings for public services.

The future for private sector housing is in the hands of politicians who face a myriad of conflicting demands – for example with key worker housing – and whose understanding of the scale of need and the benefits accrued has, until now, been limited.

The private sector (in the form of house builders, small service sector businesses and retailers) is primed to meet the urgent demand for this type of housing. Until, however, local planning authorities and central government act to encourage it, the potential it offers society and the dramatic difference it makes to the independent living of older people will not be realised. Moreover, the needs and aspirations of generations of older people will continue to go unmet.

“I have friendship, security, and I do not need to make another move” Female resident, 66, Surrey

Annex A – Demographics

Sample (1000 Residents)

Gender	%	Previous Tenure	%	Marital Status	%
Male	29	Still Mortgaged	9	Married/cohabiting	21
Female	68	Owned Outright	83	Divorced/Seperated	4
		Private Rented	2	Widowed	60
		Other	2	Single	9
Age	%	Region	%	Presence of Children	%
Up to 65 yrs	5	South West	19	Yes	74
66-70 yrs	8	South East	28	No	22
71-75 yrs	14	North West	5		
76-80 yrs	25	North East	4		
81-85 yrs	26	Midlands	13		
86-90 yrs	15	Western	7		
91+ yrs	5	Scotland	5		
Mean Age	79.5	Not specified	20		
				Type of Flat	%
				1 bedroom	63
				2 bedroom	33

Sample (512 Prospective Residents)

Gender	%	Current Tenure%		Marital Status	%
Male	36	Still Mortgaged	9	Married/cohabiting	57
Female	64	Owned Outright	85	Divorced/Seperated	5
		Private Rented	1	Widowed	30
		Other	2	Single	6
Age	%	Region	%	Presence of Children	%
Up to 60 yrs	10	South West	30	Yes	81
61-65 yrs	13	South East	27	No	18
66-70 yrs	21	North West	13		
71-75 yrs	23	North East	7		
76-80 yrs	18	Midlands	15		
81-85 yrs	11	Scotland	7		
86+ yrs	2				
Mean Age	71.57				

Annex B – Economic Assessment

A Report for ORB

Residential Economic Impact Assessment

By Roger Tym & Partners

Introduction

ORB employed the services of Roger Tym & Partners, a firm of development economists and planners, to estimate the economic impact of a typical McCarthy & Stone scheme on the local economy. Roger Tym & Partners have an established track record in estimating the economic impacts of commercial and housing schemes. The brief required a short study based on research acquired from an ORB survey of McCarthy & Stone residents, with reliance to a large extent on existing material and on the professional judgments of the consultants to estimate economic benefits.

The principal requirement was to consider economic benefits through:

- The *Local Income Effect* from additional expenditure generated in the local economy; and
- *Public Sector Cost Savings* from economies in the provision of health and social services by bringing people with similar needs (i.e. over 65 age group, into one location and providing suitable living accommodation).

Local Income Effect

The benefits of the typical McCarthy & Stone development scheme will be realised through additional expenditure generated in the local economy. This expenditure by residents will lead to increased income in the local area followed by the multiplier effects of successive rounds of expenditure. We assume that this expenditure will be a net increase spending in the locality because more than half (54 per cent) of the residents will have moved from 6 or more miles away; and in any event those dwellings vacated by McCarthy & Stone residents will typically be filled by larger and younger households whose expenditure is unlikely to be less than that of their predecessors.

Resident Spending in a McCarthy & Stone Scheme

To derive an estimate of Income Effect, we look at the additional income brought into an area through the spending profile of McCarthy & Stone residents. Average spend of the study group is based on household expenditure figures from ORB's survey of McCarthy & Stone residents, shown in Table 1.

Table 1: Average weekly McCarthy & Stone household expenditure

	(£), 2003 Prices
Sample No.	1,000
No. of Responses	724
Housing	60.37
Fuel and power	12.67
Food and non-alcoholic drinks	35.62
Alcoholic drink	4.72
Tobacco	1.23
Clothing and footwear	13.02
Household goods	31.62
Household services	14.05
Personal goods and services	9.60
Motoring	22.86
Fares and other travel costs	7.60
Leisure goods	5.33
Leisure services	16.47
Miscellaneous	14.87
Total household expenditure	250.00
Average weekly expenditure per person	203.40

Table 1 shows that the average McCarthy & Stone resident household will spend £250 per week.

We use the weekly spend figure per person to aggregate the spend generated by a typical McCarthy & Stone scheme. Such a scheme is usually located close to a town or local centre for ease of access by elderly residents. The land area coverage of a typical scheme is 0.4 hectares (1 acre), providing around 45 retirement apartments and housing around 55 residents; together with a house manager's apartment. On the basis of these calculations, the typical McCarthy & Stone scheme generates a weekly spend of £11,250 by the residents. In addition, the manager's household expenditure, assuming a two person household, is £485 per week,³⁷ bringing the weekly total to £11,735.

³⁷ Based on ONS Family Expenditure Survey figures for non-retired households with one man and one woman.

Resident Spending from a Conventional Housing Scheme

To assess the additionality of this spend (i.e. the difference from what would have happened in the absence of the McCarthy & Stone scheme), we compare it with the spending generated by a conventional housing scheme on a site of 0.4 hectares. We set out a conventional scheme based on Government guidance to form a benchmark against which the local income benefits of a McCarthy & Stone scheme can be identified.

In its Planning Policy Guidance for Housing (PPG3), 2000, the Government sets out that planning authorities should encourage no fewer than 30 dwellings per hectare for housing developments, and encourage densities of between 30 and 50 dwellings per hectare. Given that most McCarthy & Stone schemes are on the edge of town centres, it is likely that higher densities will be required by the planning authorities. For the counterfactual comparison we therefore take the Government's higher average figure of 50 dwellings per hectare (i.e. 20 dwellings on a site of 0.4 hectares). We assume that each dwelling houses one household of 2.4 people based on the average size of a household in England & Wales (Census 2001).

To estimate the average spending generated in a conventional scheme, we use the information from the Family Expenditure Survey (FES) for the financial year April 2000 to March 2001.³⁸ This estimates an average weekly household expenditure of £390. It ranged from £130 a week in the lowest of the ten income groups to £850 a week in the highest. The average size of household was 2.4 persons, which is consistent with the finding in the 2001 Census.

FES expenditure figures are based on the April 2000 to March 2001 period, while the McCarthy & Stone survey figures are in current prices (i.e. 2003). We therefore factor up the FES results by an annual growth of 2.2 per cent over two years, which is equivalent to the Retail Price Index (RPI) annual rate of change between July 2001 and July 2003. This gives an average household spend in 2003 of £403 (£168 per person).

With a conventional scheme of 20 houses on a typical McCarthy & Stone site, assuming 20 households, this provides a total weekly spend of £8,060, and £420,000 per year. The alternative McCarthy & Stone scheme of 45 apartments, housing around 55 residents and house manager (two person household), is estimated to produce a weekly spend of £11,735 (£610,000 per year).

McCarthy & Stone sites have a myriad of previous uses but we felt it was appropriate to use a conventional housing scheme with the highest level of density for comparison. This is likely to provide the highest local economic benefit of the typical alternative uses on McCarthy & Stone sites. Other typical uses include edge of town centre employment uses such as car showrooms, petrol stations, public houses and sometimes light industry. The benefits to the local economy of these former uses are largely derived through local jobs and these jobs result in some local spend. However, given the low employment density associated with these uses, they are only likely to generate around two to three jobs and very low aggregate spend. Also, the nature of their products (the supply of cars, petrol, etc.) is likely to result in very high to complete leakage of spending on suppliers.

McCarthy & Stone Resident Spending v. Counterfactual Spending

A typical lifetime of a new housing scheme is commonly estimated at 60 years for accounting purposes. To assess the total impact in terms of spending we multiply the spending over the lifetime of a housing scheme in Table 2, and then adjust this to present values. Present value measures the value of a future pound (i.e. the benefits) set by a discount rate. Without discounting, the assessment process is distorted. As we do not know the future value of a pound today we rely on the annual discount rate of 3.5 per cent set by the Government in its Green Book (the Government's set Guidance for Economic Appraisal of development projects).

³⁸ The FES is a survey of a random sample of private households in the United Kingdom carried out by the Office for National Statistics (ONS). It provides a wealth of information about household expenditure and household income. In 2000-01 6, 637 households took part in the FES. The response rate was 59% in Great Britain and 56% in Northern Ireland.

Table 2: Additionality of Spending over the Lifetime of a MS Scheme (£)

	MS Scheme (A)	Conventional Scheme (B)	Additionality (A-B)
Annual spending of residents	610,300	420,000	190,300
Spending over lifetime of scheme	36,616,600	25,200,000	11,416,600
Present value of spending over lifetime of scheme	15,757,000	10,844,00	4,913,000

As illustrated in Table 2, the total present value of additional spending over the lifetime of a McCarthy & Stone scheme is likely to be around £5 million above the counterfactual, conventional housing scheme.

Quantifying Local Economic Benefits

The local income impact derives from two sources:

- Resident spending – spending by residents to the benefit of the local economy.
- Induced effects – the multiplier effect of successive rounds of expenditure. This depends on assumptions about leakage from the local area, taxation rates and the propensity to consume.

Local benefit is secured through reducing the level of leakage associated with the goods and commodities on which residents spend their money. Leakage is the proportion of spending which benefits those outside of the study area. In other words, we want to know how much of a McCarthy & Stone resident's spending is spent in the local area and not outside.

To estimate the local benefit of a McCarthy & Stone scheme against a conventional scheme we firstly look at the breakdown of the weekly spend by commodity and service types to establish how much might be retained in the local economy. We disaggregate spending by the FES classification, shown in Table 3, and judge the level of local leakage associated with each commodity/ service. We base this on differing levels of leakage³⁹ in calculating economic impact of expenditure within a typical local authority area. We consider that defining the local economy in terms of the local authority area is appropriate in this case.

³⁸ English Partnerships, *Additionally: A Full Guide* (July 2002)

Leakage	Description	Leakage Factor
None	All of the spending goes to local business and people living in the local area	0%
Low	The majority of the spending goes to local businesses and people	25%
Medium	A reasonably high proportion of the spending will be retained within the area	50%
High	Many of the benefits will go to people living outside the area of benefit	75%
Very high	A significant proportion of those benefiting live outside of the area of benefit	90%
Total	All of the benefits go to businesses and people living outside of the area of benefit	100%

Table 3: Local Leakage of Spending by Commodities

Commodities/ Services	Leakage	Leakage Factor
Housing (e.g. mortgage, council tax)	Very High	90%
Fuel and power	Very High	90%
Food and non-alcoholic drinks	Low	25%
Alcoholic drinks	High	75%
Tobacco	High	75%
Clothing & footwear	Medium	50%
Household goods (e.g. toilet paper, furniture)	Medium	50%
Household services (e.g. Contents insurance, personal cleaner, home help)	Low	25%
Personal goods & services (e.g. jewellery, toiletries, medicines, hairdressing)	Low	25%
Motoring (e.g. car purchase, repairs, petrol, tax etc.)	Very High	90%
Fares and other travel costs (e.g. bus, rail, taxi, aeroplane, coach)	Medium	50%
Leisure goods (e.g. books, magazines, toys, newspapers etc.)	Medium	50%
Leisure services (e.g. cinema, shows, bingo, holiday etc.)	Medium	50%
Miscellaneous/ other expenditure	Medium	50%

On the basis of the assumed leakage associated with spending on different commodity/ services in Table 3, we estimate the direct impact in the local economy in Table 4. This shows an estimated 40 per cent of total spending by McCarthy & Stone residents to be injected into a local economy. A conventional scheme results in a marginally higher (41 per cent) proportion.

Table 4 shows no significant difference between the two schemes in terms of proportion of resident spending in the local economy based on assumptions given to spending type. However, McCarthy & Stone residents as a group are less likely to own a car and more likely to spend in the immediate local area.

The McCarthy & Stone residents' survey shows 62 per cent prefer to shop in a local centre compared with 19 per cent in a major town centre and just 10 per cent in an out of town retail park; 84 per cent consider the walking distance to shops and local facilities to be important in choosing their accommodation; and 65 per cent walk to the local shops at least every other day (34 per cent visit daily). These statistics indicate a high propensity to spend in the local centre closest to the scheme. While it is difficult to ascertain what the pattern would be for an average household in a conventional scheme, the likelihood is that more money is spent outside this area owing to higher probabilities of residents working elsewhere and having access to a car.

Table 4: Retained Weekly Resident Spending by Scheme

	Before Leakage		After Leakage	
	McCarthy & Stone Scheme	Conventional Scheme	McCarthy & Stone Scheme	Conventional Scheme
Total Weekly Expenditure (£)	11,600	8,100	4,600	3,300
% of Spend Retained			40%	41%

Table 5: Total Weekly Impact of Resident Spending by Scheme

	Factor	MS Scheme (£)	Conventional Scheme (£)
Total spend		11,700	8,100
Local Spend	40%/41%	4,700	3,300
Local spending multiplier	1.3	1,400	1,000
Total local spend		6,100	4,300

Having obtained a reasonable estimate of direct spending, we are able to look at the additional impact through the expenditure multiplier in the local economy. The multiplier effect measures further economic activity, or in the case of a residential development, further spending associated with additional local income and local supplier purchases. The additional spend is generated by local shops, suppliers, services, etc., further along the supply chain. For example, purchase of a haircut provides income to the barber, some of which he will then go on to spend in the locality.

In Government guidance on assessing regeneration projects,⁴⁰ local authority area multipliers are shown to range from 1.21 to 1.38 depending on the type of project intervention (no example is given for a residential scheme). Studies have been undertaken elsewhere which attempt to calculate multiplier levels in local areas, however, there remains a paucity of information on spending multipliers from residential schemes. The closest assessment is visitor spend as this will be spending brought into a local area albeit through a different conduit: that of tourism. Stephen Wanhill's⁴¹ study of different multiplier techniques found that income multipliers for UK cities and towns ranged between 1.19 to 1.40 in seven studies he looked at, with a mean multiplier value of 1.28. Research by RTP⁴² on the impact of visitor spending in Brighton & Hove district found an income multiplier of 1.38 in the local economy.

The multiplier will differ for each local authority, so while we are unable to provide a specific multiplier we assume a conservative figure of 1.3, based on the evidence set out above. So for every £1 spent locally there is an additional 30 pence injected into the local economy from further rounds of spending.

Applying this multiplier to the direct spending derived above, we are able to estimate the total impact on local economies from a McCarthy & Stone scheme compared with a conventional scheme in Table 5.

Local Benefits from McCarthy & Stone Resident Spending v. Counterfactual Spending

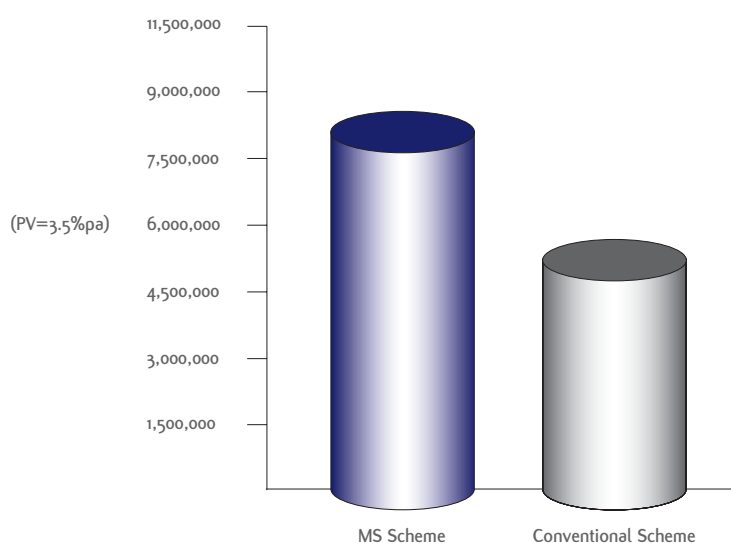
The annual income a McCarthy & Stone scheme will inject into a local economy additional to what might have happened, ie the counterfactual, is estimated to be around £1,750 per week (£92,000 per year). However, it is also appropriate to examine the total impact over the lifetime of a scheme. In Figure 1 we compare the local impact over a 60 year period, the average life of a standard built modern home, which is discounted to present value. This shows a McCarthy & Stone scheme impact to be £8 million, which is £2.3 million above what a conventional scheme is likely to deliver.

⁴⁰ The ODP, Draft 3R (Draft Final, April 2005) and EGRUP (1995) Documents

⁴¹ Stephen Wanhill, The Measurement of Tourist Income Multipliers, Tourism Management, 15(4), pp281-283

⁴² Roger Tym & Partners, Economic Impact Assessment of the Brighton Centre (2002)

Figure 1. Lifetime Local Spending Impacts of Schemes (£ Present Value)



Public Sector Cost Savings

Introduction

An additional impact of a McCarthy & Stone scheme is the savings in public sector service delivery costs to the residents. Generally, the need for health and social care services increases with age, as does the burden on public services to meet this need. There will be time and cost savings for doctors, health care assistants, etc., where needs are concentrated in a smaller geographical area. In addition, residents of McCarthy & Stone developments are likely to move into residential care later than residents of non-specialised dwellings. And if admitted to hospital they have a greater chance of earlier release from hospital or temporary care, thereby freeing up space and reducing delays for other patients.

The difficulty is in identifying what the likely savings are from a typical McCarthy & Stone scheme. We therefore refer to research that looks into the economic savings and benefits from developments of schemes like McCarthy & Stone's to illustrate potential economic benefits.

Research into Costs Savings

A Pidea (1997)⁴³ report found that if homes were adapted so more people would be able to cope with the tasks of daily living in their own home, then more people might not need to move into specialist housing, or would delay such a move. Specialist housing costs may well fall on the spending of local health authorities.

The study sought to quantify this based on annual cost savings that accrue from a delayed move into residential care. Figures used in the report are taken from the Personal Social Services Unit at the University of Kent for 1994/5; however, we have obtained updated figures for 2000/01, which are shown in Table 6.

Table 6: Average Care Costs for Elderly People, 2000/01

Provider	Costs per person per week (£)
Private	303
Voluntary	296
Local Authority	471

Source: PSSRU, Unit Costs of Health and Social Care, 2001

⁴³ Pidea PLC, A Cost Benefit Analysis of Lifetime Homes (1997)

Table 6 shows the costs of different forms of care. The costs of ordinary residential care range from £300 in private and voluntary residential homes to £470 in local authority homes. Therefore, the annual cost saving in delaying a move into residential care is in the range of £15,000 to £25,000 per person per year.

Pieda (1997) also refers to a report by the Department of Environment (1994)⁴⁴ which concluded that:

“At all levels of dependency and assessed need, staying at home options for elderly are considerably cheaper than a move to specialised accommodation. For low-dependency level elderly people, the specialised housing option available to them – specially designed accommodation without warden support – is approximately £1,100 more expensive per person per annum than staying at home.”

The NHS modernisation agenda is seeking to promote older people's independence and reduce the number of delayed discharges from hospital as a result of older people having inadequate living arrangements. An article by Property People (May 2003)⁴⁵, notes that following last year's Comprehensive Spending Review the Department of Health, as part of their Public Service Agreement, has to:

“Improve the quality of life and independence of older people so that they can live at home wherever possible, by increasing by March 2006 the number of those supported intensively to live at home to 30% of the total being supported by social services at home or in residential care.”

Housing providers such as McCarthy & Stone play an important role here by helping to deliver this increase in care closer to a home-based and non-institutional setting. While not all McCarthy & Stone residents would have entered residential care in the absence of the scheme, a proportion without adequate facilities in their own home are likely to have eventually done so. The quality of McCarthy & Stone homes, which are specifically adapted to the needs of the older population, will at least delay any such moves into residential care, and therefore bring a public sector cost saving and increase the provision for others in need.

Other Research into Economic Benefits of Retirement Schemes

Moor (1996) in an article in Planning Week reported findings from analyst Mintel, that the 50 to 75 year-old age group owns 80 per cent of Britain's private wealth. This is also a growing age group.

An article by Idle (2003) found evidence of property values rising in the vicinity of a retirement village scheme in Warrington, Cheshire. Local residents have seen the value of their properties rise steadily since the start of building work for the scheme. The article noted the role this scheme, and others like it, can play in regeneration programmes for areas in decline.

Retirement villages are common in the US, where according to a journal article in CUED Economic Developments (1996) the City of Hattiesburg, Mississippi has been proactively marketing its community to retirees, owing to retirees being identified as an economically attractive group. A study by the City of Hattiesburg found that the 230 retiree households relocating to Hattiesburg at the time of the study brought an economic impact of 851 jobs and investment capital of \$57 million (£37 million). In particular, the influx of retirees has had a beneficial impact on the City's retail and restaurant businesses.

In addition, retirees bring virtually no crime and a high rate of volunteerism. The Hattiesburg study considers one of the reasons for a \$75 million (£48 million) Advanced Manufacturing Distribution Center deciding to increase production at its Hattiesburg plant while reducing production in all its other plants by 50 per cent, was because of the liveability of the city, which has a crime rate 35 per cent lower than the national average. The high number of retirees were partly considered as the reason for improved liveability in the City.

Conclusion

In this section we have estimated the economic benefits of a McCarthy & Stone scheme. Firstly we show that such schemes generate resident spending of £11,735 per week (£610,000 per year). The additionality of this spending after allowing for leakage, multiplier effects and deducting spending which would have been generated in a conventional scheme (deadweight), is estimated to add £1,750 to the local economy per week (£92,000 over a year). Over the lifetime of a residential scheme, and applying an annual discount rate of 3.5 per cent, the additional local spending amounts to £8 million, which is £2.3 million more than the spending associated with a conventional scheme.

While benefits in public sector cost savings are not easily quantifiable in the scope of this study, we have illustrated potential savings in delivering care closer to a home-based and non-institutional setting. Owing to the design of McCarthy & Stone schemes to suit the needs of the older population, there are potential savings of £15,000 to £25,000 for every year an elderly resident is delayed in going into residential care. In addition there is the social benefit in freeing up hospital and residential care bed spaces.

Lastly, other studies show economic benefits from encouraging retirement communities to local areas. These studies refer to the benefits such as higher local spend, and the increasing liveability of areas owing to the lower crime and greater volunteerism associated with retiree communities.

⁴⁴ McCafferty, P., Living Independently: A Study of the Housing Needs of Elderly and Disabled People, Department of Environment (1994)

⁴⁵ Property People, Helping Housing Help the NHS, pp10-11, (29 May 2003)

⁴⁶ Moor, N., Preparing for the dawn of the 'Third Age', Planning Week, Vol. 4 No. 12, pp12-13 (21 Mar 1996)

⁴⁷ CUED Economic Developments, Retirement Attraction as an Economic Development Strategy, Vol .XXI No.22, pp3-4 (1 Dec 1996)

Annex C – Bibliography

- Audit Commission. Forget Me Not: Mental Health Services for Older People. (Great Britain: Audit Commission, 2000)
- Audit Commission. Home Alone: The Role of Housing in Community Care. (Great Britain: Audit Commission, 1998)
- Circular 82/69. Housing Standards and Costs: Accommodation Specially Designed for Old people. (London: Ministry of Housing and Local Government, 1969)
- Cooley, R. E. et al. A Ready Reckoner of Staff Costs in the NHS, Volume I. (UK: PSSRU, December 1998)
- CUED Economic Developments, Retirement Attraction as an Economic Development Strategy, Vol. XXI, No. 22 (1 December 1996)
- DETR. Quality and Choice for Older People's Housing: a Strategic Framework. (London: DETR, 2001)
- English Partnerships. Additionality: A Full Guide. (July 2000)
- Forrest, R and Leather, P. Ageing, Home Ownership and the Mortgage Market. (Great Britain: Council of Mortgage Lenders, 1997)
- Government Actuary's Department. 2001 – based on National Population Projections
- Government Actuary's Department. Interim Life Tables 1999 – 2001
- Harris Research Centre. The Facts and the Future: A Survey on Sheltered Housing for the Elderly. (UK: Harris Research Centre, 1989)
- 'Helping Housing Help the NHS' in Property People. (29th May 2003)
- McCafferty, P. Living Independently: a Study of the Housing Needs of Elderly and Disabled People (Great Britain: Department of Environment, 1994)
- McCarthy & Stone. Interim Accounts. (February 2003)
- Means, R et al. Maintaining Independence in Later Life. (Great Britain: Anchor Trust, 1996)
- Moor, N. 'Preparing for the Dawn of the Third Age', Planning Week. (Vol. 4, No. 12 (March 1996)
- MORI/ Help the Aged British Gas Partnership (Great Britain, October 2000)
- Mullin, Chris. H.C. Deb., Vol. 351, Col. 271WH
- Nationwide. House Prices – Quarterly Review. (Great Britain, 1st July 2003)
- Nocon, A and Pleace, N. 'Sheltered Housing and Community Care', Social Policy and Administration. Vol. 33, No.2 (June 1999)
- Office of the Deputy Prime Minister. Draft 3R. (Draft Final, April 2003)
- Office of the Deputy Prime Minister. EGRUP. (1995)
- Office for National Statistics, Key Population and Vital Statistics Series VS no.28, PP1 no.24. (London: The Stationery Office, 2001)
- Office for National Statistics. Census 2001. (London: The Stationery Office, 2001)
- Office for National Statistics. Family Expenditure Survey. (London: The Stationery Office, 2001)
- Office for National Statistics. Living in Britain – General Household Survey. (London: The Stationery Office, 2001)
- Pida PLC, A Cost Benefit Analysis of Lifestyle Homes(1997)
- Roger Tym & Partners. Economic Impact Assessment of the Brighton Centre (2002)

Crown copyright material is reproduced with the permission of the Controller of HMSO.

None of the contents of this report may be published without McCarthy & Stone's prior written consent. Such consent would only normally be refused on the grounds of inaccuracy or misinterpretation of results.
