ARCO (the Associated Retirement Community Operators) represents UK private and not-for-profit providers of Retirement Communities providing housing, care and support to older people. Retirement Communities sit between care homes (providing highly extensive levels of care) and retirement housing (also known as sheltered housing, where no care services are available).

Our members’ schemes combine high quality housing options for older people with tailored support services. They allow residents to rent or own a property and to maintain their privacy and independence, with the reassurance of 24-hour on-site staff, communal facilities, and optional care and support as needed.

Retirement Communities are also sometimes referred to as retirement villages, extra care housing, housing-with-care, assisted living, or independent living settings. Approximately two thirds of the UK’s housing-with-care stock is currently in the form of ‘extra care housing’ provided by housing associations.

ARCO operates a rigorous, independently assessed self-regulatory framework through its Consumer Code. ARCO’s members use long term business models that go beyond traditional housebuilding, creating operational businesses and schemes that provide housing, care, hospitality and wellbeing services for our ageing population.

a) Would the approach to affordable housing requirements be effective and justified in supporting the delivery of housing for older people? Would the definition of the different types of older persons’ accommodation in terms of use class (class C2 and C3) be effective and justified? Would it be appropriate in a strategic document?

Housing-with-care is vital to meet the housing and care needs of older Londoners. It keeps them out of hospital, creates social care savings, frees up family homes and above all enables older Londoners to lead longer, healthier, happier lives and retain their independence for as long as possible.

As you may be aware, there are extensive health and social care benefits relating specifically to housing-with-care rather than ‘downsizer’ or ‘retirement’ housing, as shown in
the briefing attached. Housing-with-care has been shown to reduce social isolation and loneliness\textsuperscript{1} as well as reduce older people’s use of NHS and social care services\textsuperscript{2}.

Older people living in retirement communities experience lower levels of loneliness and social isolation, and higher measures of quality of life, compared to similar older people living in general needs housing. In one study, 82% of respondents in retirement communities said they hardly or never felt isolated, and only 1% often feel isolated.\textsuperscript{3} Nearly two thirds of respondents living in retirement villages (64%) could be classified as not at all lonely, and over four out of five (82%) said they hardly ever or never felt isolated. Over half (55%) often felt in tune with those around them, and nearly four in five (79%) hardly ever or never felt left out. The study showed that those in retirement communities experienced a statistically significant lower amount of loneliness, and greater sense of control, compared to those in a matched sample outside the community.\textsuperscript{4}

Residents in retirement communities are less likely to enter hospital, and overall likely to spend less time in hospital, compared to those in a matched sample in the community.\textsuperscript{5} In one study, unplanned hospital admissions also reduced from 8-14 days to 1-2 days, enabling the efficient use of hospital beds\textsuperscript{6}, and thus contributing greatly to reducing the severe pressures posed by delayed discharge from hospital.

A recent large study found that NHS costs were reduced by 38% for those moving into retirement village housing, compared to those in a control group. In the study this equates to an average saving of £1,114.94 per person per year.\textsuperscript{7} NHS costs for ‘frail’ residents had reduced by 51.5% after 12 months.

The same study found that local authority social care costs are lower overall as a result of moving into a retirement community, with local authority costs of providing lower and higher level social care being 17.8% (£1,222) and 26% (£4,556) lower respectively on average per person per year than providing the same level of care to those outside retirement communities.\textsuperscript{8}


\url{http://www.ilcuk.org.uk/index.php/publications/publication_details/establishing_the_extra_in_extra_care_perspectives_from_three_extra_care_hou}


\textsuperscript{4} Ibid

\textsuperscript{5} Ibid, p.12

\textsuperscript{6} Holland, C (2015) ‘Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and The ExtraCare Charitable Trust’. Aston University.
\url{http://www.aston.ac.uk/lhs/research/centres-facilities/archa/extracare-project/}

\textsuperscript{7} Holland, C (2015) ‘Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and The ExtraCare Charitable Trust’. Aston University.
\url{http://www.aston.ac.uk/lhs/research/centres-facilities/archa/extracare-project/}

\textsuperscript{8} Ibid p.8
Improved wellbeing reduces the need for social care services for local authorities (or private payers). In one study a significant number (19%) of residents designated as ‘pre-frail’ when they entered a retirement community had returned to a ‘resilient’ state 18 months later. A frail person’s average annual care costs were £4,720.96 at the 12 month point, as compared to £61.40 per year for a pre-frail resident (most receiving no formal care) – underlining the positive impact that retirement communities have by improving and preventing frailty.\(^9\)

Those in retirement communities are around half as likely to enter more expensive institutional accommodation such as residential care homes, compared to those in general needs accommodation also receiving domiciliary care.\(^10\) The cost of living in residential accommodation for one year is approximately £30,000 – whilst the cost of living in a retirement community is significantly less – leading to substantial care cost savings to councils or private payers.

There needs to be a clearer definition of C2 housing-with-care, including strict criteria that sets the operational nature of housing-with-care apart from traditional retirement housing.

**Housing-with-care is different from traditional retirement/sheltered housing:** it provides additional facilities (including meals provision), but crucially higher levels of care and support, designed to enable older people (with or without care and support needs) to continue to live independently for as long as possible (traditional retirement/sheltered housing – while freeing up family homes - does not have the same capacity to deliver the social care and health benefits that the housing-with-care model brings). They are also different in that they set up long-term operational platforms aimed at delivering services for decades to come, so should not be judged on housebuilder metrics.

In our view, the delivery of housing-with-care schemes in London could be increased considerably if **genuine housing-with-care schemes were clearly placed in the C2 use class.** This would include defining the criteria and services communities would need to deliver in order to qualify for this. We are aware that the draft London Plan sets out for extra care housing to be considered as C3 housing. We believe that this may have serious implications for preventing the necessary expansion of our sector, which aims to meet the housing and care needs of London’s ageing population.

To be clear, we are not advocating for a blanket exemption for all types of age restricted housing. We believe that operators and developers need to make a **lasting and credible commitment to the successful operation** of their retirement community, and that **the capacity to deliver care and support** are vital components of a C2 scheme.

In the long term, we believe that the creation of a national dedicated use class for ‘housing-with-care’ specifically would enable far greater numbers of retirement communities to be built. However, we recognize that new use classes are difficult to implement, which is why we believe that a clarification that housing-with-care developments fall within the existing C2 use class would be both easily achievable and hugely beneficial in ensuring a far greater numbers of retirement communities are built.

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\(^9\) Ibid p.12

http://www.ilcuk.org.uk/index.php/publications/publication_details/establishing_the_extra_in_extra_care_perspect ives_from_three_extra_care_hou
At present not enough people have the choice to live in housing-with-care. Only about 0.6% of over 65s in the UK live in a retirement community, compared to around 5% in countries with a more mature market such as Australia, New Zealand and the US.

This due to a lack of supply, not demand, with ARCO members having long waiting lists for people wanting to move in. In London, the critical issue of supply is well known. Research quoted in previous versions of the London Plan\(^{11}\) found that older Londoners may require between 2,600 – 4,200 new specialist units per annum between 2015 and 2025\(^{12}\). As such, the London Plan set the benchmark for 3,900 new units of specialist housing for older people to be built by 2025\(^{13}\).

- There are currently only approximately 900 units of genuine housing-with-care developments in London for sale or shared ownership
- There are approximately 5,000 units of extra care housing for affordable/social rent in London.
- Overall, this means that approximately 7,500 older Londoners live in a retirement community providing care and support (5,900 x 1.3 for multiple occupancy) – a figure of approx. 0.75%. In other countries, this figure stands at 5% or more.
- Assuming that 2/3 of older Londoners own their own home, this means that less than 0.2% of older homeowners in London live in a retirement community providing care and support and only around 2% of Londoners who are not homeowners live in a retirement community providing care and support.

Overall, this means that the market for affordable housing provision within retirement communities will need to continue to grow. However, the provision of retirement communities providing care and support for older Londoners who may want to buy their own home is lagging far behind the number required, and we would thus argue that the question of providing affordable housing should not be a primary consideration (as this is one of the few sectors of the housing market where affordable provision outstrips provision for those buying privately).

The current London Plan does not recognise these differences sufficiently, and would discourage sufficient numbers to be built (for viability reasons)

In summary we believe that the following steps are required to address the problems identified:

1. **Differentiate:** The London Plan should clearly highlight the difference between housing-with-care developments, and residential and retirement housing developments. Housing-with-care developments are operational, long-term schemes that should not be compared to residential development, and should thus be in the C2 use class (as they fulfil a similar function to care homes).

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\(^{11}\) The London Plan (2016) ‘Chapter Three: London’s People’. P. 112
https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan/london-plan-chapter-three-londons-people


https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan/london-plan-annexes/annex-five-specialist
2. **Define (and monitor):** It should set a clear, criteria-based policy for schemes qualifying for the C2 housing-with-care category. The bar for this should be set high to reflect the operational complexity of operating housing-with-care schemes. Therefore, the criteria should include the availability of 24h staffing on site, the presence of a CQC-registered domiciliary care agency, and the provision of meals. This should also include a mechanism for monitoring that schemes are actually delivering these services in the long term, including mechanisms for penalties if they are not.

3. **Set specific benchmarks (and monitor):** Based on these criteria, the London Plan should set separate benchmarks for C2 housing-with-care developments (based on the criteria defined). This should also reflect a tenure split that is appropriate for the demographic of older homeowners in London.

ARCO is supportive of the Mayor’s desire to update the London Plan and meet the significant need for housing in the capital. However the approach taken to the provision of specialist housing falls short of what is required to meet this pressing need.

Yours sincerely,

Michael Voges

Executive Director, ARCO