



Red & Yellow Specialist Extra Care Melliss Avenue - Kew

Planning need assessment
October 2018

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EXECUTIVE SUMMARY

T1: Background

- Red & Yellow are looking to develop a specialist extra care facility containing 89 units, which will comprise one-bed, two-bed and extended two-bed apartments. Carterwood has been asked to prepare a fully updated need assessment for the subject site based on a market catchment area and the London Borough of Richmond upon Thames council boundary.
- Our original need assessment was dated August 2017. This refreshed report dated October 2018 includes the recent planning applications and their potential impact on demand and supply.

T2: National context and key definitions

- Extra care is the term for having 24-hour access to care within a specifically designed residential dwelling that provides a 'home for life'.
- It enables older people to remain independent, with the provision of care available when required.
- Extra care is referred to by a number of different names, i.e. independent living, very sheltered housing and close care.
- The supply of private extra care housing in the UK is many times below that of other English speaking countries, with the vast majority of accommodation provided in either traditional care homes or sheltered housing.
- With the UK's elderly population set to grow substantially over the coming years, there is a national requirement for a variety of care and accommodation options.

T3: Commissioning enquiries

- Local strategy documentation points to the need to provide alternative forms of accommodation to enable older people to remain independent for longer and to reduce admissions to residential care.
- The London Borough of Richmond upon Thames has the highest proportion of older people living alone in Greater London, with over 76 per cent owning their own homes. The London Plan sets out targets for new older persons' housing, with the highest proportion being for market ownership.
- The Retirement Housing Review suggests that the provision and availability of specialist accommodation for older people may provide opportunities and encourage downsizing to more manageable homes.
- The London Borough of Richmond upon Thames currently has only 19 per cent of units for market rent or intermediate sale, with the vast majority being one-bedroom. Kew is identified as an area lacking appropriate provision. The council recommends that 135 units are built in the borough per year to match the growth in the older population and address the current deficit.
- The council's Extra Care Evidence Base recommends 81 units are delivered over the 5-year period to 2020 (report produced to assist Registered Providers so assumed to be social rented units only), with the Retirement Housing Review recommending an additional 145 units are required in this timescale, at least 76 of which being two-bedroom and for market sale.

T4: Indicative need for private leasehold extra care units (2019)

Basis of assessment	Ref	Market (circa 3.5-mile radius)	London Borough of Richmond upon Thames
Need			
Population aged 75 years and above	-	37,155	14,100
Need – based upon ratio of 40 persons per 1,000 population aged 75 years and above	-	1,486	564
Supply			
Current provision of private extra care units	1	0	38
Units pending decision	2	187	204
Units granted permission with a low likelihood of imminent development	3	0	0
Units granted permission and under construction or with a high likelihood of imminent development	4	89	0
Total supply of private extra care units	-	276	242
Indicative shortfall including all planned private units (Supply equates to the sum of references 1, 2, 3 & 4)			
	-	1,210	322
Indicative shortfall including units under construction or with a high likelihood of imminent development (Supply equates to the sum of references 1 & 4 only)			
	-	1,397	526

Source: Census 2011, Government population projections, Housing LIN, Barbour ABI, EGi, relevant planning authorities.

T5: Conclusions and recommendations

- Our analysis shows there to be an exceptional unmet need for private extra care units within both the market catchment area (shaded blue in Section 17) and the local authority area (edged dark blue) when the existing provision and all planned units are included within the analysis.
- Our more realistic assessment of the balance of provision, where only private leasehold extra care units that either are under construction or have a high likelihood of imminent development are included, indicates an even larger unmet need for units within each catchment area.
- This updated need assessment provides clear evidence of the increasing indicative shortfall of private leasehold extra care units in both the market and local authority catchments when only those units that are either under construction or have a high likelihood of imminent development are included. The updated figures to 2019 show an increase in the indicative shortfall of 46 units in the market catchment and 16 units in the local authority catchment since 2018.
- For the purposes of review, we have assumed that all possible proposed leasehold extra care units currently in the planning system would be developed. In the case of the two recent planning applications in the local authority area, it is arguable whether this would actually be the case, even if planning is granted, as the planning applications are flexible in terms of type of development (Stag Brewery) and proposed tenure (Udney Park).
- The London Borough of Richmond upon Thames' commissioning documentation supports our own quantitative analysis and there is a clear local authority policy direction to support the development of additional provision of older people's housing with care provided on site.
- This is also reinforced by the 2015 London Plan with its indicative requirement benchmarks for the provision of specialist accommodation for older people which it requires Local Plans to translate into specific targets. It also focusses on downsizing, with the provision of specialist accommodation enabling the opportunity for people to downsize to more manageable homes to make better use of housing stock.
- We conclude that there is both a compelling quantitative and qualitative need for the proposed specialist extra care scheme for market sale. The provision of extra care housing has been identified by the London Borough of Richmond upon Thames as meeting its commissioning strategy, and current levels of home ownership by older people in the borough indicate the acute latent demand for increased private supply.

1. Response to pre-application concept meeting/policy comments

1.1. Red and Yellow have undertaken pre-application enquiries with Richmond upon Thames' planning department to discuss the development proposals. A number of observations were made by the local planning authority in feedback received, some of which related to a lack of perceived 'need' for the development proposals. We have addressed each observation in turn in this section; much of which draws from a more detailed review contained in the main part of our report. We have summarised below the main points raised and our response.

1.2. This Planning Need Assessment for the site at Melliss Avenue, Kew has identified a significant shortfall of private extra care accommodation in both the London Borough of Richmond upon Thames and the market catchment area. Our analysis has been prepared using an accepted methodology, adopted and relied upon by a number of councils across London and the UK.

1.3. Our review of the relevant policy documentation from both the Borough and Greater London Authority (Section 13), also confirms the need for additional older person's accommodation. However, there are a number of contradicting documents that we have reviewed that make it difficult to make a truly informed decision. The key challenges relate to the amount of extra care required, the timescale over which it should be delivered, and assessing the benefit (rather than conflict) in addressing identified local needs that might arise from its provision.

1.4. We set out below our comments on the pre-application planning policy responses provided by The London Borough of Richmond (17/P0143/PREAPP), as follows:

'The proposal for an extra care facility providing 96 flats is not supported by policies as an identified local need.'

1.5. The housing strategy appears to assess only the supply and need for older persons' accommodation for affordable rent and shared ownership. New provision for market purchase is considered only where there is local need and to cross-subsidise council priorities. **However, the council's own documentation states that over 75 per cent of older people in the borough own their own homes (significantly greater than the UK average). Provision and availability of appropriate high quality older persons' housing for market sale will enable the freeing up of family housing, which is an identified local need. It is also essential that 75 per cent of the residents in Richmond are not excluded from the choice of moving into specialist older people's housing (with all of the wider benefits this provides) due to a policy that does not address these needs.**

'Will it meet local needs?'

1.6. The Retirement Housing Review sets out that less than 20 per cent of existing retirement housing in the Borough is for market rent or intermediate sale, the vast majority having just one bedroom. Although the limited provision is split evenly across the Borough, **Kew is specifically mentioned as an area without a retirement scheme nearby, having only a sheltered scheme with social rented units.** The subject scheme will provide the only private extra care scheme within 3.8 miles of the site, and a much needed resource for local residents.

'The Extra Care 'Housing Evidence Base' suggests a need for at least an additional 81 extra care units provided across two to three areas in the Borough between 2015–2020'.

1.7. This report again focuses predominantly on the requirement for affordable schemes, rather than the majority of older people who own their own homes and have very limited age appropriate housing from which to downsize. Given the evidence that the elderly usually move only a short distance from their original homes, there are few options to enable or promote such a move.

1.8. The numbers suggested (81 units to 2020) are significantly below those proposed in The London Plan 2015. The London Plan's indicative benchmark for Richmond is set at 135 per year to 2025, with 105 being private and 30 for intermediate sale.

1.9. **Provision of extra care housing on a piecemeal basis within small developments and the re-configuration of sheltered housing to provide extra care units does not consider the necessity for economies of scale in such developments. The proposed scheme will enable the long-term provision of personal care into people's homes, together with supporting age appropriate leisure facilities, and assist in preventing a move into residential care, which is an overarching central government objective.**

'The proposed units are significantly in excess of nationally described space standards.'

1.10. The scheme would provide well proportioned, two-bedroom extra care units considered to be suitable for the requirements of those older people who would consider downsizing if such units were available.

- 1.11. The spatial provision of the proposed development enables the units to be wheelchair accessible and adaptable to changing needs, to house residents' treasured lifetime possessions and to enable family members to stay, when required. The attractiveness of the proposal is fundamental to the choice to downsize.
- 1.12. The spatial standards adopted, again, also relate to affordable housing benchmarks. **Developments aimed at the for sale private market have to meet market expectations of the potential purchasers. Accordingly, unit sizes in this very affluent part of London need to be larger. It is important to note that, relatively speaking, the proposed unit sizes are fairly modest compared to other larger care village developments of which we are aware.** Established operators, such as Audley Retirement, Life Care Residences and Richmond Villages provide a range of sizes and styles, but the bulk of their units are two-bed units that typically comprise a minimum of 950 to 1,200 sq. ft.

'Further details should be provided and discussed with Council officers, particularly in Housing Services and Adult Social Services, to assess if the proposal would address local needs and reflect their requirements.'

- 1.13. The applicant would welcome the opportunity to partake in discussions with council officers and is happy to provide further details for the proposed scheme.
- 1.14. The Retirement Housing Review (data from 2014) notes that less than 50 per cent of the occupied beds in care homes in the borough were funded by the local authority. The report considered that the figures reflected the relative affluence of the borough and that a substantial proportion of older people would be able to pay service charges related to retirement accommodation. Despite the fact that a significantly higher proportion of older people would be self-funders within residential care, Social services may consider such residents a lower priority in terms of extra care provision as the borough is not responsible for their care funding.

'The Housing Department anticipates residential use including affordable housing for the site, should continue to guide its redevelopment, so meeting an identified housing need.'

- 1.15. The proposed specialist extra care use on the site will go a long way to addressing the requirement for additional older people's accommodation in the borough. There is considerable evidence that extra care provision will assist in freeing up existing family home stock occupied by elderly homeowners. This forms part of the

local authority's identified need to increase the provision of family homes in the borough.

INTRODUCTION

2. Introduction

- 2.1. Carterwood Chartered Surveyors has been commissioned to prepare a need assessment on behalf of Red & Yellow in relation to a planning application for the development of a specialist extra care facility on the former Biothane site, Melliss Avenue, Kew, London, TW9 4BD.
- 2.2. Red & Yellow are looking to develop a specialist extra care facility containing 89 units, which will comprise one- and two-bed apartments. Carterwood has been asked to prepare a need assessment of the subject site based on a market catchment area as well as the London Borough of Richmond upon Thames council boundary.
- 2.3. In this report, we have considered the national context together with a detailed study of the catchment areas of the proposed development.

3. Sources of information

- 3.1. We have utilised the following sources of information:
 - Census 2011 population statistics;
 - ONS 2016 based population projections;
 - LaingBuisson *Care Homes for Older People UK Market Report (29th Edition)*;
 - www.housingcare.org;
 - Department of Health - www.doh.gov.uk;
 - Relevant planning departments;
 - Land Registry;
 - Barbour ABI;
 - Estates Gazette Interactive (EGi);
 - Housing LIN;
 - The London Borough of Richmond upon Thames council;
 - Tetlow King;
 - The Joseph Rowntree Foundation;
 - Demos.

4. Carterwood

- 4.1. Since launching in 2008, the company has grown from two founding directors to a team of over 25, with active agency and valuation departments, and provides advice across the care sector to a range of operators, developers and other stakeholders.
- 4.2. Carterwood is the only chartered surveying practice dedicated to the care sector, and has become the market leader in preparing consultancy advice in relation to the feasibility of new elderly care developments for both the private and voluntary sectors.
- 4.3. Examples of private sector clients who have regularly commissioned need assessments or site feasibility studies include:

• Gracewell Healthcare	• Octopus
• Legal and General	• Retirement Villages
• Care UK	• LifeCare Residences
• Richmond Villages	• Cinnamon Care Capital
• Signature Senior Lifestyle	• Barchester Healthcare
• Red and Yellow Care	• Audley Retirement
- 4.4. Similarly, examples of Carterwood clients in the not-for-profit sector include:

• Anchor	• Housing and Care 21
• The Royal British Legion	• Places for People
• The Royal Star and Garter	• Jewish Care
• One Housing	• Greensleeves Homes Trust
• Sanctuary Care	• Abbeyfield
- 4.5. Carterwood's client base represents the majority of operators currently seeking to develop new care homes and extra care schemes in the South of England. Accordingly, we are in an almost unique position in the sector, having assessed over 1,000 sites in the past 10 years, with the majority located in the South East of England, for a range of providers and a range of scheme types and care categories.
- 4.6. This report has been prepared by Alex Taylor BSc (Hons) MA MRICS and Jessamy Venables BSc (Hons) MSc MRICS.

5. Our approach

- 5.1. Our report is split into sections as follows:

National context and key definitions

- 5.2. We outline some key definitions and background explanatory text for the social care sector. We also consider the national overview of the need and supply factors currently influencing the extra care sector, with an emphasis on the growing demographic pressures in relation to the United Kingdom's ageing population.

The proposal

- 5.3. A description of the proposed scheme, its position on the elderly social care spectrum and research findings in relation to the wider benefits of retirement schemes for older people in the community.

Commissioning overview

- 5.4. We present a review of the relevant strategy documentation from the London Borough of Richmond upon Thames council.

Extra care need

- 5.5. We assess the existing and planned supply of extra care schemes within the market catchment area and the London Borough of Richmond upon Thames council boundary area. We include our methodology and outline the difficulties in assessing the need for extra care units more generally in the private sector.

Conclusions

- 5.6. We provide our overall assessment of the extent of the unmet need for extra care units within the catchment areas. We also provide an overview of the key qualitative and quantitative factors influencing our opinion of need for the proposed scheme.

NATIONAL CONTEXT AND KEY DEFINITIONS

6. Definition of extra care

- 6.1. Accommodation for older people has traditionally been limited to three options:
- Remaining in the family home;
 - Moving into sheltered housing accommodation;
 - Moving into a residential care environment.
- 6.2. Extra care accommodation has evolved in recent years to respond to the growing need from older people for greater choice, quality and independence.
- 6.3. As the supply of extra care has expanded, so has the number of different models and designs, making it difficult to define this form of accommodation. However, the Department of Health (DoH) has identified three common features. These are as follows:
- It is first and foremost a type of residential accommodation. It is a person's own home. It is not a care home or a hospital and this is reflected in the nature of its occupancy through ownership, whether it be lease or tenancy;
 - It is accommodation that has been specifically designed, built or adapted to facilitate the care and support needs of its owners or tenants;
 - Access to care and support is available 24 hours per day.
- 6.4. **Extra care schemes, providing 24-hour on-site care and support, fall within Class C2 ('residential institution') of The Town and Country Planning (Use Classes) Order 1987. This is because they provide both accommodation and care/support on a 24-hour/day basis.**

Extra care models

- 6.5. Extra care (often used as a generic term) is frequently referred to as a concept rather than a type of accommodation, and the term covers a range of accommodation models.
- 6.6. Extra care housing is referred to by a number of different names, again dependent upon whether the accommodation is operated by a provider/developer or social services. Current terms used include independent living, extra care, very sheltered housing, assisted living, category 2.5 accommodation and close care.
- 6.7. The accommodation options offered range from flats or housing to a small village model. The accommodation provided is available on a variety of tenures; shared ownership, long leasehold and rent (social and private).

- 6.8. Central to the philosophy of extra care is that it should provide a 'home for life'. The accommodation element of the scheme will not be registered by the CQC. The care required by the residents will be provided in-house.
- 6.9. All of the above are common traits of all forms of extra care accommodation, but, similar to current market trends, three specific forms have evolved, which are differentiated as follows:
- Extra care – a standalone development of elderly housing with on-site care not operated in conjunction with a care home;
 - Close care – elderly people's accommodation linked to a registered care home;
 - Care/retirement village/CCRC (continuing care retirement community) – large schemes offering an extended range of services for older people; often providing a range of accommodation types and with some including a registered care home on the site (although this is not compulsory).
- 6.10. The proposed specialist extra care scheme will provide units to be sold on a long lease, and the scheme will provide access to care and support 24 hours per day throughout the care development; care is a central part of Red & Yellow's offering.

Other forms of elderly housing

- 6.11. There are other forms of elderly housing accommodation, which fall outside these definitions. The vast majority of elderly housing across the UK is made up of traditional sheltered housing. This, essentially, comprises a flat or apartment, generally one- or sometimes two-bed units in older schemes, where there is limited care and support on site, other than a resident warden and a small communal lounge. The main providers of this accommodation are either housing associations/registered social landlords (RSL) or private developers, amongst the largest of which are McCarthy & Stone and Churchill Retirement Living.
- 6.12. These forms of accommodation are not included within our analysis as they do not provide 24-hour on-site care and are not comparable to the application scheme. McCarthy & Stone do, however, provide an assisted living type service, which is different to the aforementioned sheltered housing and is more akin to extra care, as 24-hour care is available on site.

Typical extra care resident profile

- 6.13.** There is a strong wish amongst elderly Britons to remain independent for as long as possible. Many wish to remain in their own homes and buy in domiciliary care as and when needed. Unfortunately, their existing family homes are often difficult for an elderly person to maintain, have potential security or safety issues, or are not suitably designed for the provision of care.
- 6.14.** Extra care units appeal to this sentiment, given the style and design of the accommodation, and the creation of a valuable legal interest, i.e. sale on a long leasehold basis. The provision of care in one's own home is the important factor. The proposals provide new homes where care can be provided when required, rather than older people having to move into what is often considered to be an institutionalised, residential care home.
- 6.15.** The decision to move into an extra care scheme is often strongly influenced by immediate relatives. The more confused the elderly person, the more this applies. Aspects such as accessibility and convenience for visiting relatives play a major role. Elderly people generally seek to move to care facilities either close to their own homes or close to relatives' homes. Sometimes, therefore, this may involve the resident moving away from his or her own area.
- 6.16.** In operational extra care developments of which we are aware, the residents typically range in age between 70 and 90 years, with an average resident age of around 80 years.
- 6.17.** The key issues leading people to move into extra care are health and care needs, often prompted by the death of a spouse or partner.

7. Elderly population trends

- 7.1.** The elderly UK population is set to grow dramatically over the coming years, with the over 85 years age band, from which the bulk of nursing home referrals are drawn, set to increase by 40 per cent between 2011 and 2021, as illustrated in Figure 1 below. The rapid increase in numbers of 65- to 84-years-olds is likely to continue to drive need for both non-residential care, such as extra care schemes and other accommodation options, as well as care home beds.

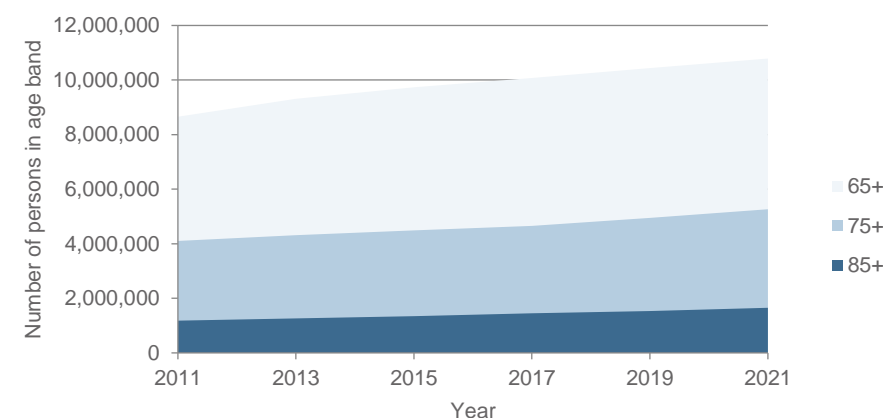


Figure 1: UK population growth, 2011-2021

Source: 2011 Census, government population projections.

- 7.2.** LaingBuisson's *Care of Older People UK Market Report (29th edition)* states that the percentage of the UK population over the age of 85 is projected to multiply more than four times, from 1.6 million in 2018 (2.4 per cent of the population) to 8.5 million in 2111 (10.0 per cent of the population), while the 75- to 84-year-old segment will rise from 4.054 million in 2018 (5.9 per cent of the population) to 7.9 million in 2111 (9.3 per cent of the population).
- 7.3.** The need for care rises dramatically with age. Approximately 0.59 per cent of persons aged 65 to 74 live in a care home or in a long-stay hospital setting, rising to 14.8 per cent for the over-85s.

8. National provision

Extra care

- 8.1. Determining the size of the extra care market is dependent on the definition of 'extra care', which we discussed in detail in Section 6 of this report. According to our database of older people's housing, there are 4,977 schemes for private sale, market rent or shared ownership in the UK. These schemes provide a total of 157,603 units, of which only 22,684 units provide on-site care or facilities/amenities.
- 8.2. The US and Australia have mature extra care markets compared to extra care's comparatively fledgling status in the UK. If we extrapolate the levels of provision in these countries and apply them to the UK market, there is potential need for an estimated further 600,000 extra care units in the UK between 2010 and 2020.

9. Key issues for the sector

- 9.1. The national requirement for the development of new care home beds and extra care schemes is growing. This is due to a number of factors, including:
 - The increasing dependency level of service users;
 - Increasing expectations from regulators and the marketplace;
 - Many existing care homes are converted and are unsuitable for use in their current configuration without physical adaptation of the property;
 - Constantly changing population demographics leading to a much older and more dependent population;
 - The significant and growing increase in the incidence of dementia in older people;
 - Increasing requirement for extra care and other alternative forms of housing accommodation as an alternative to care homes, where suitable for the needs of the residents.
- 9.2. **In response to these changing demographics, market-based and regulatory factors, the subject scheme will meet a wide variety of needs for the population in the area.**

Key finding – national context and key definitions

- Extra care is the term for having 24-hour access to care within a specifically designed residential dwelling that provides a 'home for life'.
- It enables older people to remain independent, with the provision of care available when required.
- Extra care is referred to by a number of different names, i.e. independent living, very sheltered housing and close care.
- The supply of private extra care housing in the UK is many times below that of other English-speaking countries, with the vast majority of accommodation provided in either traditional care homes or sheltered housing.
- With the UK's elderly population set to grow substantially over the coming years, there is a national requirement for a variety of care and accommodation options.

THE PROPOSAL

10. Description of application proposal

- 10.1. The proposed specialist extra care facility will provide 89 extra care units, comprising a mixture of one- and two-bed apartments, designed to respond to the varying dependency levels of older people who need care. In addition, the scheme will include the provision of circa 30 parking spaces for staff, visitors and residents.
- 10.2. It is anticipated that, as a result of this development, a number of new full-time equivalent jobs will be created, across a range of job types, from higher-grade management positions to care workers and ancillary staff.



Figure 2: National map

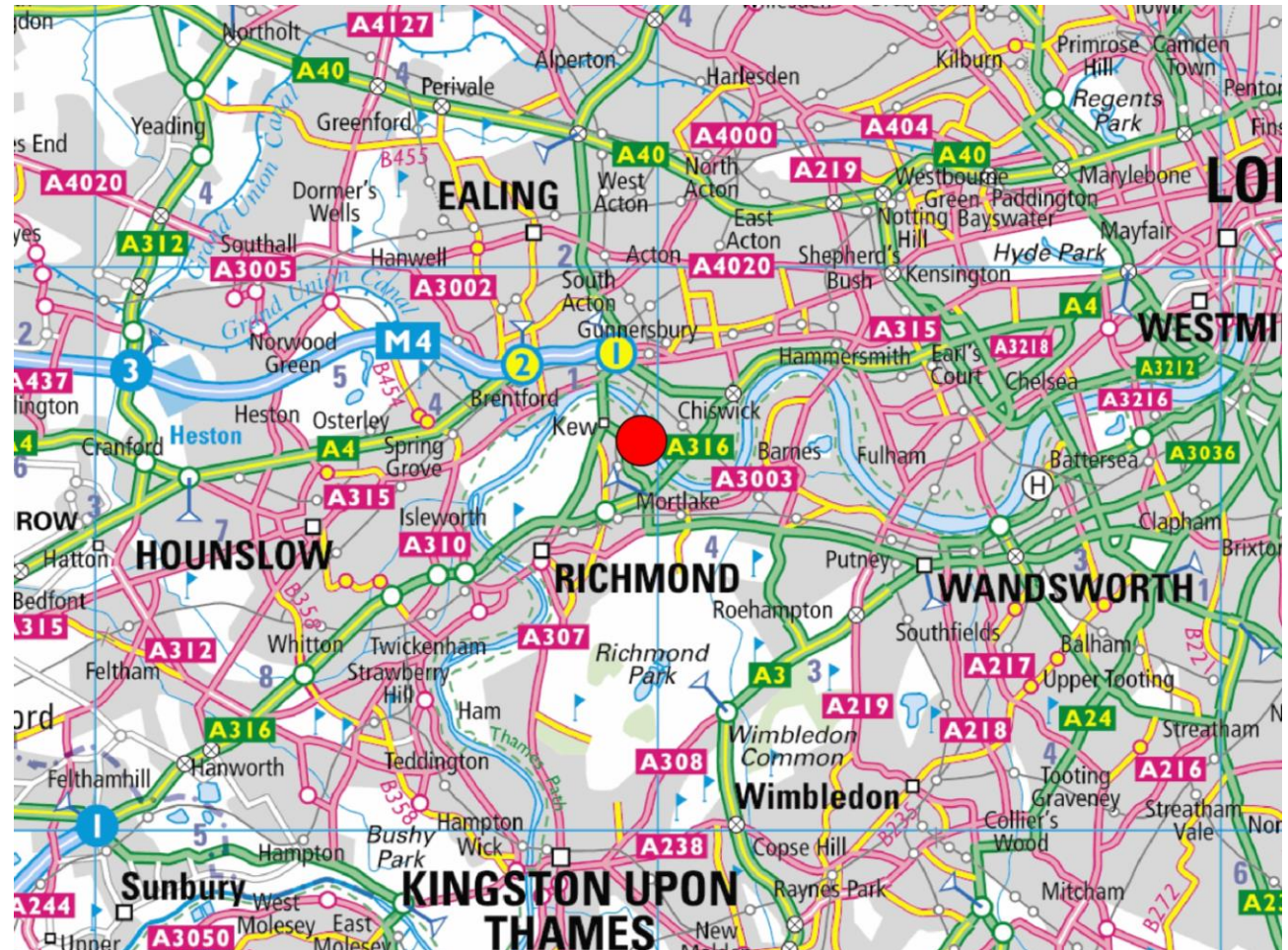


Figure 3: Location map of the subject site

The site is shown by the red dot.

11. The proposed scheme – its position in the local market

Elderly care spectrum

- 11.1. To illustrate where we consider the subject scheme lies within the various models of care provided in the UK long-term elderly care market, we have compared the proposed scheme against other accommodation types in respect of care provided, cost of care, accommodation type and regulation. Table T6, below, shows the range of options available within this 'spectrum of care'.
- 11.2. Increasingly, prospective service users delay their decision to move into residential care until later in life, and sometimes the catalyst for a move is a fall or illness causing a short-term hospital stay. Due to the increasing demands placed upon the NHS and hospital beds, as well as the introduction of delayed-discharge legislation, which imposes fines for 'blocked beds' upon local authorities, hospital stays are increasingly shorter, and residential care at this higher level of dependency may be the only short-term option.
- 11.3. A substantial addition to the care provision element of the care spectrum below is informal/family care. An estimated six million people provide significant support to elderly relatives, neighbours and friends. This allows many thousands of people to remain in their own home, particularly when the support is alongside home care and/or day care. The effect is to delay the person's move into a care home, maybe

even to the extent of bypassing care homes altogether, and only moving, when dependency is very high, into a nursing home or hospital. However, the burden placed upon the spouse or primary carer can be phenomenally high and there is very little accommodation available across the UK to meet the needs of this elderly cohort, other than care villages. Thus, a range of care needs and a range of services co-exist, sometimes overlapping considerably.

The proposed scheme

- 11.4. The specialist extra care units within the proposed development will cater for older people with varying dependency levels and will provide an environment that allows people with care needs to maintain their independence for as long as possible. The Red & Yellow model is able to cater for residents with high level dependency needs providing 24 hours nursing care and therefore provides a viable alternative to a care home or care home with nursing. In certain cases averting admission to, and enabling more rapid discharge from, hospital given the scheme will provide lower level hospital functions. At lower dependency levels there is some overlap with enhanced sheltered housing and assisted living.

T6: Elderly care spectrum

Setting	Standard housing	Sheltered housing	Extra care/ Enhanced sheltered housing/independent living/assisted living	Care homes	Care homes with nursing	Hospitals
Care provided	Domiciliary care			Personal care	Nursing and medical care	
Cost of care	Low to medium and highly variable			Medium to high	High	Very high
Accommodation type	Standard housing	Specialist elderly housing		Residential/Institutional setting		
CQC regulation	Regulated only if care provided			Highly regulated – all care and accommodation		
Proposed community			Needs met in the proposed scheme			

12. Tangible benefits for the wider community

Benefits to the housing chain

- 12.1. The care village or extra care development offers a unique combination of independence and security of lifestyle within a socially active and supportive community. Here, older people are able to continue to live in their own space, supported by a comprehensive and flexible network of personal care services and activities.

- 12.2. People moving into a care village/extra care development will release large family homes back into the community, which is key to offering more options for families living locally.

- 12.3. A report (*'The top of the ladder'*, prepared in September 2013) by Demos, the leading cross-party think tank, has considered the above issue in significant detail. We have considered some of the key issues and findings raised as part of this research and reproduced below:

'Retirement properties make up just 2 per cent of the UK housing stock, or 533,000 homes, with just over 100,000 to buy. One in four (25 per cent) over 60s would be interested in buying a retirement property – equating to 3.5 million people nationally.'

- 12.4. The above refers to retirement properties, which covers a broad range of housing types for older people.

'More than half (58 per cent) of people over 60 were interested in moving. More than half (57 per cent) of those interested in moving wanted to downsize by at least one bedroom, rising to 76 per cent among older people currently occupying three-, four- and five-bedroom homes. These figures show that 33 per cent of over 60s want to downsize, which equates to 4.6 million over 60s nationally. More than four in five (83 per cent) of the over 60s living in England (so not Scotland, Wales or Northern Ireland) own their own homes, and 64 per cent own their home without a mortgage. This equates to £1.28 trillion in housing wealth, of which £1.23 trillion is unmortgaged. This is far more than the amount of savings this group has (£769 billion). Therefore the over 60s interested in downsizing specifically are sitting on £400 billion of housing wealth.'

'If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would

release around £356 billion worth of (mainly family-sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes.

'If those wanting to buy a retirement property were able to do so, this would release £307 billion worth of housing.

'Combining New Policy Institute (NPI) analysis of current market chain effects of older people dying and moving each year with our own analysis of ELSA, we can estimate that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move, freeing up 3.29 million properties, including nearly 2 million three-bedroom homes.'

'If just half of those interested in downsizing more generally were able to do so, 4 million older people would be able to move, freeing up 3.5 million homes.'

- 12.5. The report goes on to suggest a number of national policy recommendations to assist in overcoming these problems:

'Giving retirement housing special planning status akin to affordable housing, given its clear and demonstrable social value.'

'Tackling S106 and community infrastructure levy (CIL) planning charges, which make many developments untenable and affect them disproportionately compared with general needs housing developments.'

'Quotas and incentives for reserving land for retirement housing, and linking this to joint strategic needs assessment and health and wellbeing strategies for local areas.'

- 12.6. Whilst, to our knowledge, the above have yet to be implemented through any national or other local government policy, they serve to illustrate some of the hurdles faced by developers of older people's housing across the UK. The report's key conclusions are summed up in the following statement:

'We conclude by reflecting on the fact that the housing needs of our rapidly ageing population (the number of over 85s will double by 2030) is the next

big challenge this government faces. And yet the costs associated with overcoming this are far lower than those related to the effects of the ageing population on health or social care. The money is there already – locked up in over a trillion pounds' worth of assets across the country. Hundreds of millions of pounds could be released to stimulate the housing market if (low-cost) steps were taken to unlock the supply to meet the demand already there – let alone if demand were further stimulated. While there must always be a place for social housing and affordable tenancy for older people, the vast majority of older people can be helped into more appropriate owner-occupied housing without any direct delivery costs incurred by government or local authorities.'

A social hub for older people

- 12.7. At a time when financial constraints are forcing some day care facilities to close, the Red & Yellow facilities will fulfil an increasing need for a welcoming community where older people living locally, who may well be lonely or bored, can enjoy a variety of pursuits and experience activity, friendship and a sense of belonging.
- 12.8. These facilities will be available for use by healthcare professionals and GPs for consultation and services to prescribe or advise on fall prevention, physiotherapy or other care needs residents may have.

A new concept in care

- 12.9. Government and local policy is driving provision of care and support firmly away from traditional residential care home settings towards new alternatives where the individual can remain in their own home. The proposed scheme is the provision of extra care accommodation that is fully in line with this strategy, providing care and support within an individual's own home at whatever level is required.
- 12.10. However, the proposed development concept goes further and allows highly trained staff to offer unparalleled support to those with even the highest dependency needs in small friendly family groups, so that residents, secure in an environment where family involvement is actively promoted, feel encouraged to engage, participate and be independent where possible, and to benefit from quality care that directly responds to their needs when necessary.
- 12.11. Provision of domiciliary care and support to occupants of the extra care units can be provided in much smaller time segments than is possible to achieve in someone's own home in a traditional way. Often visits in traditional home care within a person's own home are limited to a minimum of 30 minutes or even an hour, which is very impractical to meet the needs of the person concerned if they

require a more bespoke service. In the subject scheme, escorting duties and home visits can be offered in time intervals of as little as 10 to 15 minutes to offer a tailored approach to care provision and fully meet the social as well as care-driven needs of the residents across the care dependency spectrum.

The transport service

- 12.12. Residents will benefit from on-site transportation, and an on-site activities coordinator will arrange trips to galleries, historic houses, exhibitions and places of interest.

Impact upon existing health and social services and GPs

- 12.13. In our opinion, the proposed specialist extra care units will not impact adversely upon the local doctors' surgeries, and local GPs will be invited to hold periodic surgeries in-house within the scheme. This serves to reduce the number of GP visits as the requirement for GP input is effectively supervised by on-site qualified nursing staff understanding the clinical requirements for each service user.
- 12.14. An area of the scheme will be made available for a visiting practitioner to hold this in-house surgery. This again will limit the number of visits to GP surgeries significantly as the visiting GP can combine multiple visits into one trip. The presence of on-site care staff also reduces the number of unnecessary trips to GPs, thereby reducing waiting lists rather than increasing them.
- 12.15. The concentration of individuals within one place should also assist in reducing the need for community nurses, and there are obvious economic advantages of having clusters of high dependency patients within one geographic location.
- 12.16. Overall, we consider that the NHS is under an increased and sustained financial and demographic pressure, with GPs increasingly hard to source and retain. However, rather than increasing any burden on existing GP capacity, we consider that by centralising a potentially high risk element of the elderly population with a greater than average likelihood of requiring GP support in one place – the problems relating to capacity can be more easily managed without comprising the personal choice of the patient.

13. Empirical research into benefits of extra care for its residents

- 13.1. The primary purpose of the recent literature on care villages and older people's housing has been to evaluate the success of existing schemes. While the volume of literature has gradually increased, to date there remain only a handful of papers that document and evaluate primary research from UK schemes. Although the subject scheme will provide a standalone extra care facility, the benefits will be similar to a care village scheme.
- 13.2. We have extracted the text below verbatim from a report prepared by Tetlow King, published in 2011, which summarises the empirical evidence available in respect of the benefits of care villages to the individuals who are cared for within the developments.

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

'There are two recent large scale longitudinal studies of CCRCs, one by Bernard et al. (2004) of Berryhill Village operated by the ExtraCare Charitable Trust and the other by Croucher et al. (2003) of Hartrigg Oaks, operated by the Joseph Rowntree Housing Trust.

'Both of these studies offer in depth accounts of living in retirement communities. More recently an evaluation of the first 10 years of Hartrigg Oaks has been produced by the residents and staff (JRF 2009). The other UK based studies cover smaller time frames (e.g. Evans and Means 2007) and so adopt different methods and sample sizes, ranging from around 15 participants to over 100. Another approach by Biggs et al. (2001) adopts a comparative analysis, comparing those within a CCRC to a sample from the wider community. This produces an effective analysis of life within a retirement community as it enables direct comparisons to be drawn. Across these evaluations a number of key themes can be identified.

'Safety and Security

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

'Health

'Within a CCRC, the onsite care provision ensures that all residents are fully cared for and supported. Hayes (2006) acknowledges that this provides residents with peace of mind from knowing that they can stay at home even if their care needs change. Throughout their comparative studies both Croucher (2006) and Biggs et al. (2001) found that the self-reported health status of residents within the village tended to remain much higher than those living outside.'

'Impacts on the wider community

'There are also wider community benefits of such provision. These include much faster discharges from hospital as well as lower admission rates (Idle 2003). Some literature sources describe a negative impact on local GP surgeries with the influx of older people; however in evaluating such evidence, Croucher (2006) expresses that such concerns may be overstated. The benefits to families are also important in terms of relieving them of the pressure to provide care and in particular freeing up for the younger generation larger units of family housing (Phillips et al. 2001; JRF 2009).

'Social Inclusion

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

The Joseph Rowntree Foundation

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

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

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

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

Retirement Living explained (Housing LIN, Churchill, Newcastle University)

13.5. A new document, entitled *Retirement Living Explained: A Guide for Planning and Design Professionals*, was published in April 2017 by the School of Architecture, Planning and Landscape at Newcastle University in partnership with Churchill Retirement Living and the Housing LIN (Learning and Improvement Network).

13.6. The comprehensive new 68-page guide provides a fresh perspective on exactly how retirement living should be defined, getting to the heart of the changing needs and expectations for this niche sector of development, and illustrating its benefits for individuals, communities and society as a whole.

13.7. The guide represents the culmination of a 3-year PhD project carried out by Newcastle University's Sam Clark under the supervision of Professor Rose Gilroy and Professor Ada Sharr. The project was funded by Churchill Retirement Living, with its developments and owners providing the basis for the research.

13.8. The key benefits of retirement housing are summarised as follows:

- *'Retirement housing offers wide-reaching benefits that met the three pillars of sustainable development – economic, environmental and social;*
- *'Benefits of retirement housing operate at individual, communal and societal levels. Retirement housing regenerates the built environment and supports investment;*
- *'Retirees make important economic contributions through local spending;*
- *'Retirees are active citizens and help to sustain community cohesion;*
- *'Older people make good neighbours.'*

Key finding – the proposal

- New build scheme to provide 89 specialist extra care units to cater for older people with varying dependency levels.
- Older people can live in their own space with a flexible support network of care services and activities.
- Concentration of older individuals in one location with on-site care provision potentially reduces GP surgery visits and community nursing.
- Key advantages for older people in terms of safety and security, health and social inclusion from the development of extra care schemes.

COMMISSIONING ENQUIRIES

14. Documentation review

- 14.1. We have undertaken a review of the strategy documentation within the London Borough of Richmond upon Thames and Greater London and have provided relevant extracts verbatim below. We have then set out our own review of the documentation on Page 41.

Joint Strategic Needs Assessment (JSNA) London Borough of Richmond upon Thames

- 14.2. *'The population is ageing; the number of people aged 65 or over is projected to increase by almost 60% in the next 20 years (from 28,900 in 2015 to 46,000 in 2035), three times the growth of the overall population, and with this comes the challenge of caring for increasing numbers of people living with multiple long-term conditions.'*

Extra Care Housing Evidence Base, December 2015 London Borough of Richmond upon Thames

- 14.3. *'At a regional level the Revised London Housing Strategy (2014) sets out (Policy 33) the need for increased provision of older people's housing including the need to deliver a range of products (including shared equity), in mixed tenure developments. The strategy also highlights the benefits of new supply to the London housing market, in encouraging down-sizing.'*
- 14.4. *'Richmond's Out of Hospital Care Strategy 2014–2017 sets out plans to provide services that are personalised, integrated and closer to home, i.e. in community settings. The strategy identifies the scope for extra care housing to reduce the number of admissions to residential care.'*
- 14.5. *'Office for National Statistics (ONS) projections confirm that the older borough population will increase in the next five years with 80+ age cohort increasing from 7,700 to 8,900 older people. An ageing population and higher number of residents aged 80+ is likely to increase demand for the provision of extra care housing' (Page 6).*
- 14.6. *'Richmond has the highest proportion of older people living alone in Greater London and the JSNA estimates numbers of older people aged 75+ will increase from 6,397 in 2014 to 7,259 in 2020. Extra care housing has been shown to meet the needs of and provide a good quality of life for many people with dementia, enabling them to live in a community setting and retaining their independence as long as possible' (page 7).*

- 14.7. *'The majority of older people in Richmond upon Thames own their own home (76.5%) whilst just over 16% rent from a housing association and 4.9% rent privately. Research highlights older owner occupiers are unlikely to choose to downsize into properties without at least two bedrooms. There are a number of personal and social reasons for this including rooms for family and friends to stay, storage space and room for hobbies. The research found that 87% of moves by older people downsizing in the private sector over the last five years were into properties with at least two bedrooms. This may influence the bedroom 'mix' of shared equity units provided by RPs, with the market requiring more two bedroom units' (page 11).*

- 14.8. *'Whilst the majority of older people in Richmond upon Thames are owner occupiers, demand for extra care is likely to be slightly higher from the housing associations and slightly lower from the owner occupied sector. As such it is recommended the tenure split of 40% shared equity and 60% rented units be used for extra care schemes rather than the existing 20% (intermediate) and 80% (rented) affordable housing tenure ratio. Extra care schemes should provide two bedroom as well as one bedroom units' (page 12).*

- 14.9. *'In regard to specialist accommodation for older persons, a need for between 61-75 units per annum is identified. This forms part of the C3 need for housing. This would include provision of extra-care and sheltered accommodation. However, decisions about types of specialist housing that are required will need to be taken at a local level taking account of specific needs and existing supply.'*

- 14.10. *'Taking a pragmatic approach to assessing the need for new extra care provision locally, there is an estimated need for at least an additional 81 extra care units in Richmond upon Thames provided over two to three areas. Again, a pragmatic timescale for provision is the period 2015 to 2020. RPs should consider their existing sheltered housing offer when developing their plans' (page 19).*

Older Londoners and the London Plan: Looking to 2050 (2015) Greater London Authority

- 14.11. *'Most boroughs seek to provide housing for older people but only the London Boroughs of Camden, Harrow, Hillingdon, Islington, Merton and Tower Hamlets have specific policies that directly address older peoples housing need. The remaining boroughs that refer to older persons housing do so in the context of wider housing choice or group the housing needs of older people together with other vulnerable groups such as those with mental health issues. This raises two specific issues with regard to how older persons housing is dealt with by individual*

boroughs: the level of older persons housing required and how older persons housing is defined.'

14.12. *'For the first time, the 2015 London Plan introduces indicative requirement benchmarks for the provision of housing for older people which it requires Local Plans to translate into specific targets. The plans identify that the population of over 64s is set to increase by two thirds to 1.5 million by 2036, including almost 90,000 who will be over 90 and notes an insufficient supply of purpose built older people's housing.'*

14.13. *'The London Plan sets out a target for purpose built housing for older people comprising: 2,600 market, 1,000 shared ownership and 300 affordable homes per annum. Boroughs are required to demonstrate in their Local Development Framework (LDF) and other plans and strategies how they have addressed their benchmarks for market, shared ownership and affordable requirements for older persons housing as set out in Annex 5 of the London Plan. As these benchmarks were only published in 2015, this information would not have been available for the drafting of most of the borough plans. It is reasonable to assume that these figures will be taken into consideration as existing local plans are updated or new plans drafted.'*

14.14. *'The second issue relates to how older persons' housing is defined. Across the boroughs, older persons housing is referred to as 'specialist', 'supported', 'sheltered', 'care homes', 'special residential accommodation', 'residential accommodation for care' and so on. Each of these can mean different types of accommodation, meeting different types of need. While this document does not seek to define older persons housing, it is recommended that a standardised approach is taken by all boroughs in terms of the types of accommodation covered, following that used within the London Plan.'*

14.15. *'The London Plan, for example, uses 'Specialist Accommodation for Older People' as the overarching description and this is broken down into three categories of accommodation: • Sheltered Accommodation comprising self-contained accommodation specifically designed and managed for older people in need of no or a low level of support. • Extra Care accommodation (also known as close care, assisted living, very sheltered or continuing care housing) comprising self-contained accommodation and associated facilities designed and managed to meet the needs and aspirations of people who by reason of age or vulnerability have an existing or foreseeable physical, sensory, cognitive or mental health impairment. • Residential/ Nursing Care (including end of life/ hospice care and dementia care) comprising nursing or residential care homes providing non self-contained residential accommodation for people who by reason of age or illness have*

physical, sensory or mental impairment, including high levels of dementia. These categories broadly cover the different types of older person housing accommodation available and their inclusion within planning policy will both help boroughs identify and meet need.'

14.16. *'Linked to both the level and type of older persons' housing is the issue of downsizing. The majority of older people will remain in their own homes as they get older but the provision and availability of specialist accommodation for older people may provide opportunities for people to downsize to more manageable homes. which could, in turn, free up larger properties thus enabling mobility within the wider housing market to make better use of housing stock in a city with a constrained land supply. The Mayor's Housing Strategy seeks to encourage downsizing by improving the choice and quality of such products.'*

Local Plan - Health Impact Assessment (December 2016) London Borough of Richmond upon Thames

14.17. *'13.5% of the population of Richmond borough are older people aged 65+ (compared to an average of 11% across London); by 2025 it is anticipated that there will be an additional 8,400 people over the age of 65. Over the next 5 to 10 years, there will be significant numbers of people moving into the 75+ age bracket which is likely to lead to an increase in demand on services. 2.1% of the population are aged 85 and over.'*

14.18. *'Housing policies also consider the need of the older population. LP35 seeks to ensure that homes are accessible, adaptable or wheelchair-friendly meeting the higher optional Building Regulations and also recognises that some older people are seeking opportunities to downsize. Policy LP37 seeks to ensure provision of housing to meet specific community needs including sheltered housing with care support, staffed hostels, residential care homes/nursing homes and extra-care housing.'*

Retirement Housing Review – Adult Social Care (October 2016) London Borough of Richmond upon Thames

14.19. *'Locally, the Council's Housing Strategy 2013-17 outlines the current priorities for meeting the needs of older people in the Borough. These include ensuring that there is adequate provision of high-quality accommodation for older residents, promoting shared equity products to meet aspirations of older people in the Borough and providing opportunities for older people to downsize to more suitable accommodation. The Council has been working closely with RPs in the Borough to remodel and redevelop existing units and schemes to update them to modern standards' (page 4).*

- 14.20. *'The majority of older people in Richmond upon Thames are homeowners. 76.6% of people who are 65 and over in LB Richmond are owner occupiers compared to just 16.3% who are in the social rented sector and 7.1% in the private rented sector or living rent free.'*
- 14.21. ***'A recent report on the self-funding population in care homes in London Borough of Richmond upon Thames further demonstrates the relative affluence of the Borough. Self-funders are people who arrange and fund their own care and support. When the report was written in 2014, 51% of the occupied beds in care homes in Richmond were occupied by self-funders. This is noticeably higher than the figure projected for the UK by healthcare researchers LaingBuisson of 41%. Although the sheltered housing and residential care home markets are not directly comparable, these figures again reflect the relative affluence of older people in Richmond upon Thames and indicate that a substantial proportion of older people will most likely to be able to pay services charges related to retirement accommodation' (page 11).***
- 14.22. *'The first HAPPI inquiry identified 10 overarching features which should underpin retirement housing and reiterated them in the third HAPPI report published in 2016. These standards include: Generous internal space standards; Plenty of natural light in the home and in circulation spaces; Balconies and outdoor space, avoiding internal corridors and single-aspect flats; Adaptability and 'care aware' design which is ready for emerging telecare and tele-healthcare technologies; Circulation spaces that encourage interaction and avoids an "institutional feel"; Shared facilities and community "hubs" where these are lacking in the neighbourhood; Plants, trees, and the natural environment.'*
- 14.23. *'Providers of retirement housing should try to ensure that retirement housing in LB Richmond takes inspiration from these design standards.'*
- 14.24. ***'Research studies have found that the majority of older owner downsizers are likely to want at least two bedrooms. A Demos study found that most older downsizers surveyed said that their preferred move would be to a two-bed property. In addition, a report by the Joseph Rowntree Foundation found that the majority of older people wanted at least two bedrooms to have space for visitors, carers, storage or hobbies. This is indicative of the aspirations of older people and, specifically, owner occupiers.'***
- 14.25. *'The views of older people in LB Richmond are also aligned with much of the research into the size of homes to which people wish to retire. This means that providers of retirement housing targeting the owner occupier market should consider building at least half of their units with two bedrooms.'*
- 14.26. *'There are 1,404 units of retirement housing in LB Richmond, of which 81% are available at social rent and 19% of units are for market rate or intermediate sale. The vast majority of the retirement housing provision is formed of one bedroom accommodation with approximately 890 units of this kind. There are also significant numbers of studio flats (240), 71 of which with shared bathing facilities. In comparison, there are rather small numbers of units with more than two bedrooms (166).'*
- 14.27. *'The provision of retirement housing in the Borough is distributed relatively evenly across the Borough, with few areas without retirement schemes nearby. There is, however, only one development in Kew, a sheltered scheme with only social rented units available' (page 20).*
- 14.28. *'RPs should consider continuing to remodel and modernise accommodation which is deemed to be unsuitable to ensure that the retirement housing available is high quality. Approximately half of the older people's housing units for sale in LB Richmond have two or more bedrooms.'*
- 14.29. *'The GLA's paper estimates that there are approximately 1,210 units of older people's housing in Richmond Borough. The GLA's recommendations also assume that 50% of stock is currently unfit for purpose and discounts this proportion from its calculations. This figure is short of the 1,404 units identified by our paper. The GLA's paper estimates there to be 1,692 older households wanting to live in retirement housing in LB Richmond in 2015 rising to 2,234 by 2025 as this is 15% of households aged 75 and over and 2.5% of households aged 65-74.'*
- 14.30. *'Based on predicted population growth and the assumptions outlined above, the GLA paper recommends that 135 units of older people's housing is built in the London Borough of Richmond per year in order to match the growth in the population of older people and address the current deficit. It estimates this figure by calculating the supply which is fit for purpose (50% of affordable rented units and 100% of for sale units) and deducting it from the demand in 2015 and 2025 (15% of households aged 75 and over and 2.5% of households aged 65-74). It then takes an average of the surplus or deficit to derive an annual target for the provision of housing for older people. The GLA's paper then calculates the required tenure types by assuming that 80% of owner occupiers will want a unit for market sale.'*
- 14.31. *'Factoring in the 196 additional retirement units that our review has identified, our estimates revise this figure down to 113 units per year for the next two years based on the methodology outlined above. Deducting the recommendations made in the Council's Extra Care Evidence Base to deliver at least 81 extra care units over the next five years, this paper recommends that there could be a need for an additional 145 retirement housing units across 3 or 4 schemes in the Borough. This figure*

should be reviewed again in 2018/19 but this should provide sufficient guidance on provision for the period up to 2020.'

- 14.32. *'This paper recommends that 76 of the additional units are for sale at market levels with 35 of the units being available for intermediate sale. This will provide older people with a wider range of choice regarding retirement housing. The paper identifies a need for approximately 34 additional social rented units.'*
- 14.33. *'Providers of retirement housing should refer to the maps included in this paper to ensure that their proposals are located where there is a need for the type of housing they are planning to offer whilst also considering access to shops, transport links and community facilities. For example, Kew has just one retirement housing scheme with few close alternatives despite having the third largest proportion of older people out of 18 wards in the Borough' (page 22).*
- 14.34. *'Due to the affluence of the Borough and the relatively high number of older owner occupiers, providers of for sale units should make the majority of these homes two bedroom units with fewer one bedroom homes. This would be in line with the aspirations and higher expectations of older people in the Borough' (page 23).*

Strategic Housing Market Assessment (December 2016) London Borough of Richmond upon Thames

- 14.35. *'In regard to specialist accommodation for older persons, a need for between 61-75 units per annum is identified. A constrained housing delivery position is likely to see a significant ageing of the population and indeed population losses in younger age groups (particularly people aged under 50). Providing appropriate housing for older households to downsize may also release larger family homes within the existing stock.'*
- 14.36. *'Many older households are equity rich and are able to exercise housing choice; A move away from residential institutions towards providing care support in someone's home through adaptation and visiting support; and an increased diversity of specialist housing to reflect different levels of care support' (page 166).*
- 14.37. *'The London Plan 2015 set indicative requirement benchmarks for specialist housing for older people 2015–2025 (Annex A5, Table A5.1) to inform local expression of strategic needs. For Richmond the annual indicative benchmark is 135 – of which 105 private and 30 intermediate sale.'*
- 14.38. *'The Council expressed concern that the Assessment of Potential Demand has fundamental limitations including the assumption that 50% of affordable housing stock is not fit for purpose and that a specific proportion of elderly will choose this*

type of housing when there is a wide choice of accessible easy to run flats available' (page 167).

- 14.39. *'We have used 2011 Census data to explore in more detail the characteristics of older person households in Richmond-upon-Thames (based on the population aged 65 and over). The data shows that in 2011 around 17% of households were comprised entirely of people aged 65 and over. This is notably above the figure for London (14%) but some way below the equivalent figure for England (21%). The data for Richmond also identifies a particularly high proportion of single older person households.'*
- 14.40. *'Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs.'*
- 14.41. *'In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement (or may move away from the area); however, we would expect many older households to want to retain family housing with space to allow friends and relatives to come to stay. Data about household ages and the sizes of homes occupied in the previous section does indicate that some households do typically downsize, however, a cautious view should be taken about the willingness of households to move to smaller homes and the extent to which this can be influenced through policy.'*
- 14.42. *'The current supply of specialist housing for older people is at present estimated to be just under 1,200 units; this is equivalent to 94 units per 1,000 people aged 75 and over. The analysis shows a higher proportion of the stock is in the affordable than the market sector (80% vs. 20%).'*
- 14.43. *'A toolkit has been developed by Housing LIN, in association with the Elderly Accommodation Council and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model future range of housing and care provision. It suggests that there should be around 170 units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years. The analysis shows a potential need for 1,154–1,418 units – 61–75 per annum, depending on the base projection used for analysis.'*

- 14.44. *'Moving forward we would suggest that additional specialist housing should be split roughly 50:50 between the market and affordable sectors. This reflects the likely 'market' for specialist housing products as well as the current tenure profile of older person households (including the likely increase in the number of single person older households where levels of home ownership are slightly lower).'*

Local Plan – Adopted July 2018

London Borough of Richmond upon Thames

- 14.45. *'Extra Care' housing provides self-contained accommodation with care available on site. The Council's Extra Care Housing Evidence Base (2015) suggests there is an estimated need for at least an additional 81 extra care units in the borough provided across two to three areas in the period 2015 to 2020.'* (9.4.6)
- 14.46. *'The Council's Retirement Housing Review (2016) recommends that 145 additional units (76 should be sold at market rates, 35 units for intermediate sale and 34 social rented units) are delivered across 3 or 4 schemes in the borough and sets a timeframe of 2020 for the delivery of these units. These figures include remodelling of existing stock. It identifies potential gaps in provision in Kew, Whitton and Heathfield. It states developers of retirement housing should engage with the Council to ensure that they bring forward retirement housing products which are viable and meet local needs in relation to housing and infrastructure.'*
- 14.47. *'The Market Position Statement 2015-16 sets out the current and potential future demand and supply for adult social care services and outlines the investment that the Council and its partners have made in local services, to inform evidence based commissioning.'* (9.4.7)
- 14.48. *'Further work on the strategic approach to future commission and delivery options for older people is underway.'* (9.4.8)
- 14.49. *'The Local Plan ensures that developments will provide for a choice in housing types and sizes. Generally, the Spatial Strategy is to seek family sized accommodation in the borough, particularly within the residential areas; in the borough's centres, a higher proportion of small units would be appropriate. Opportunities for younger people to get on the housing ladder and downsizing for older people to smaller units were identified in consultations with local communities. Therefore, the Local Plan will ensure that developments provide an appropriate housing mix that reflects local needs and which is appropriate to the location in which the development is proposed.'* (3.1.31)

Market Position Statement 2018–2019

London Borough of Richmond upon Thames

- 14.50. *'28,900 people aged 65+ in Richmond-upon-Thames (15% of total population). • This is predicted to increase by 55% to 46,800 people by 2035 (19% of total predicted population)³. This is the major area of demographic change'.*
- 14.51. *'There was a 4% reduction in the number people aged over 65 accessing social care services funded by the council in the last between 2014/15 - 2016/7. • There was a 9% reduction in numbers of people residing in care homes between 2014/15-2016/17'.*
- 14.52. *'The council will continue to explore alternative accommodation options to minimise placements in residential care settings, (where appropriate), to support independence. • The council anticipates that demand for home care will continue to increase as people receive community-based support rather than residential care'.*
- 14.53. *'Market Overview: The Care Act 2014 sets out a future in which local authorities have a central role in shaping and developing a high quality, diverse and affordable social care market. For providers, this means a shift away from the council directly purchasing care, to a greater diversity of individually purchased services by self-funders and those with personalised budgets to receive services that best suit their need. Providers need to rise to this challenge to offer flexible, responsive and innovative services that are adaptable to meet the needs of everyone, not just those whose care and support is directly funded by the council. Self-funders are estimated to account for 57% of the local care home market. This is the third highest proportion of self-funders among London local authorities'.*
- 14.54. *'Between 2014/15 – 2016/17, the total number of service users in care homes reduced by 4%, whilst those receiving community-based support has increased by 5%'.*
- 14.55. *'We will support older people to remain independent for as long as possible so that our older residents can stay active in both their decision making and in terms of their lifestyle. Active ageing helps to ensure longer healthy life expectancy and quality of life for all people as they age. We will bring together a more co-ordinated 'offer' so older people know about the wide range of support available to them'.*
- 14.56. *'The council wishes to see a general move away from intensive support models such as residential care to care packages that encourage greater independence and delay the requirement for more intensive support. We are also committed to supporting more people to live at home for longer. However, it has been noted that demand for residential and nursing care may increase further in the future due to*

demographic changes. Therefore, the council will ensure that provision of these services meets demand levels going forward.'

14.57. 'Extra care Supply: In Richmond-upon-Thames, the council is actively promoting extra care housing as an alternative to residential care. The aim of extra care is to promote independence with people being able to access support for personal care needs whilst living in a self-contained flat. There are currently two extra care schemes within Richmond-upon-Thames comprising a total of 66 self-contained flats. Extra care housing provision can be created through altering existing provision such as sheltered accommodation, with this option being considered going forward'.

14.58. 'The council also believes that development of extra care housing should be in line with the care needs of the community rather than purely based on factors such as age, and will be considering how this approach can be implemented. Current Use: In 2016/17, 42 service users living in extra care accommodation had their placements funded by the council. 35 (83%) of these service users were aged 65 or over.'

14.59. 'Between 2014/15 and 2016/17 there was an 8% decrease in the number of service users aged over 65 living in extra care accommodation. However, there was 13% increase in the number people aged between 65 and 84 accessing this service, suggesting that demand for extra care accommodation is relatively stable. If future uptake of extra care accommodation is in line with projected population increases the number of older people living in extra care accommodation by 2020 will remain fairly static.'

14.60. • 'Richmond-upon-Thames has a high proportion of older people within its population (15% aged over 65), compared to London as a whole (12% aged over 65). However, the proportion of older people in Richmond-upon-Thames is lower than levels for England as a whole (18%). • The amount of people aged 65 and over is expected to increase in the coming years and by 2035 older people are predicted to make up 19% of the borough's population (equating to a 55% increase in numbers of over 65s). • This is greater than the percentage increase in the over 65 population in England which is predicted to be 44%, but less than the total predicted percentage increase for London as a whole which is estimated to be 58%.'

Richmond Housing and Homelessness Strategy 2018–2023

14.61. Objective to 'Support opportunities which will improve the housing offer for older people, including those with care and support needs and extra care housing'.

14.62. 'As set out in the Council's Extra Care evidence base there is a demand for affordable extra care accommodation, providing rented and shared equity housing in the Borough. The research identified that many older people with care needs want to remain in their own home but would consider moving to an extra care scheme especially if it is near where they currently live and was well designed to meet their needs including, where appropriate, wheelchair access.

14.63. 'The Retirement Housing Review also confirmed the growing need for a range of suitable housing for older people across a mix of tenures. The research estimates that 145 additional units of retirement housing are required to address the shortage, in addition to the 81 units of extra care housing by 2020. The research notes that some of these additional retirement units can be achieved through re-modelling existing sheltered accommodation that is no longer fit for purpose. In the case of Extra Care Housing the research also recognises that where this is located within the Borough it is important to ensure there is a geographical spread.'

Key finding – commissioning enquiries

- Local strategy documentation points to the need to provide alternative forms of accommodation to enable older people to remain independent for longer and reduce admissions to residential care.
- The London Borough of Richmond upon Thames has the highest proportion of older people living alone in Greater London, with over 76 per cent owning their own homes. The London Plan sets out targets for new older persons' housing, with the highest proportion being for market ownership.
- The Retirement Housing Review suggests the provision and availability of specialist accommodation for older people may provide opportunities and encourage downsizing to more manageable homes.
- The London Borough of Richmond upon Thames currently has only 19 per cent of units for market rent or intermediate sale, with the vast majority being one-bedroom. Kew is identified as an area lacking appropriate provision. It recommends 135 units be built in the borough per year to match the growth in the older population and address the current deficit.
- The council's Extra Care Evidence Base recommends 81 units be delivered over the 5-year period to 2020, with the Retirement Housing Review recommending an additional 145 units are required in this timescale, at least 76 of which being two-bedroom and for market sale.

NEED ASSESSMENT FOR PROPOSED EXTRA CARE

15. Difficulties in assessing need for extra care

- 15.1. Extra care housing in its current form is a relatively new concept and there is a lack of an industry-recognised measure, equivalent to LaingBuisson's Age Standardised Demand model, of estimating need for care home beds.
- 15.2. There are a number of demographic factors that are likely to influence need, as follows:
- an expansion of the older population;
 - a reduction in the pool of young adults available for training as nurses or care assistants to work in the community or care homes;
 - an increase in the number of middle-aged people looking after children and a parent;
 - an increase in the proportion of older people with a living child;
 - changes in the health and dependency levels of older people;
 - changes in the patterns of immigration by potential care workers and emigration by trained care staff.
- 15.3. The difficulty in trying to accurately assess need for extra care housing is that, due to the relatively new nature of the product, there is no position of over-supply upon which to assess a position of balance.
- 15.4. Notwithstanding the difficulties identified above, we have utilised a number of key assumptions to identify a potential market size for prospective purchasers of a private leasehold extra care unit.

16. Methodology to determine shortfall of extra care

- 16.1. Taking into account some of the difficulties in assessing demand for extra care we have, in our assessment of need for extra care units, utilised a toolkit for producing accommodation strategies for older people which is detailed below.

Need

- 16.2. In 2011, the Housing Learning and Improvement Network (LIN) first published the Strategic Housing for Older People Resource Pack (SHOP). The SHOP analysis tool is a method used to forecast the demand for specialist housing for older people in England and Wales. It is endorsed by the Department of Health and Care Services and the Welsh Government and provides data on the likely requirement for specialist housing for older people and care home bedspaces. It is used by local authorities' planning and social care teams in order to understand their existing supply and enable informed decisions to be made with regard to current and future need for appropriate care and housing provision for older people.
- 16.3. The approach used in SHOP seeks to balance the conventional estimates of need against the direction of policy (for example, in relation to enhanced sheltered and extra care forms of accommodation) and need in the market (in relation to ownership options) in all forms of specialised provision for older people. The key factors include: the substantial increase in the elderly population demographic, the high proportion of those aged over 65 living in property that they own (although this is not always suitable) and the rapidly increasing cost of caring for the elderly population.
- 16.4. It also considers that understanding the pace and scale of growth of the elderly demographic in a particular locality is not the same as predicting future demand for particular types of accommodation and/or care. Although residential care homes and nursing homes were traditionally seen as the main option for those with increasing care needs, demand for residential care beds has started to decline due to local funding policies and the availability of new forms of accommodation and care.
- 16.5. Until recently, new forms of provision such as 'housing and care' were not widely recognised as providing an alternative to residential care. Such accommodation is becoming more sought after; maintaining an individual's independence within their own, specifically designed property, the provision of a range of services and, most importantly, where increasing levels of care can be bought in as needs change. The report considers the factors involved in this change including: longevity, drugs and treatments, accessibility/availability, wealth, attitude to risk and information about services.

- 16.6. SHOP asks, 'What accommodation do people want?' The report provides a breakdown of people's preferences should they need care. The highest percentage (62%) chose to stay in their own home with care and support from friends and family. However, it questions whether this decision may have been heavily influenced by limited choice rather than real preference. Furthermore, it cites that an individual's choice is influenced by their care professionals, family and friends and the choice comes down to what is actually available in the local community with a decision often taken following an event (a fall, crisis or illness etc), when need is greatest.
- 16.7. SHOP suggests indicative levels of provision of various forms of accommodation for older people, including private extra care available for sale on a long leasehold basis. According to this approach, the toolkit indicates the ratio of required units per 1,000 of the population aged 75 years and above for private leasehold extra care is 30 units. Essentially this suggests that a total of 3 per cent of the elderly population will require an extra care housing unit in any given area. It also suggests that a further 10 units per 1,000 of the population over 75 years of enhanced sheltered housing for sale are required (defined as provision with some care needs or provision of on-site amenities/facilities for residents), which we have included within our analysis.
- 16.8. Projections of demand for the various forms of care and accommodation are therefore not easy and depend on a number of factors in each locality. The estimates of demand for sheltered housing, enhanced sheltered housing and extracare per thousand of the relevant 75+ population used in SHOP were based on evidence of elderly persons' preferences in 2011.
- 16.9. During the past seven years there has been considerable change with regard to the availability of funding and local authorities are seeking alternative, more cost effective means of providing care and accommodation. There has also been a significant increase in the development of extra care housing and the wider recognition of the many benefits of this form of accommodation and care by the elderly population.
- 16.10. The Housing LIN recently announced that they are in the process of updating their SHOP analysis resource pack as a result of the Government's Social Care White Paper 'Caring for our future'. The Paper is committed to providing support to help local authorities develop their market capacity to provide greater choice for users and drive up quality in care standards. Since the first edition of the SHOP toolkit we consider that the increasing availability and knowledge of new forms of accommodation and care is likely to have increased demand for these schemes set against a decline in demand for residential care.
- 16.11. There are many reasons for promoting the development of a wide range of care and accommodation for older people and its availability can reduce the demand for community care and support. Research from Aston University has recently shown that the NHS saved more than £1,000 per year on each resident living in Extra Care Charitable Trust's schemes between 2012 and 2015. It also frees up family housing at the time when the level of under-utilisation is often at its greatest and can enable older people to retain their housing equity whilst benefitting from the improvements in design, economy and security that such schemes can offer.
- 16.12. Given the national and local agendas to support people in the community within their own homes or extra care accommodation, it is expected that the future requirement for extracare provision will increase due to the increasing awareness of the benefits of extracare. We await a response from the Housing LIN with regard to timescales for their review of the SHOP toolkit which we understand will include future prevalence rate projections that reflect market aspirations and commissioning intent and will also take into account varying leasehold percentages depending upon the relative affluence of the locality.
- 16.13. Please refer to the Strategic Housing for Older People (SHOP) Resource Pack on the Housing LIN website for full details of the methodology.
- 16.14. Carterwood has been involved in several successful planning applications and has submitted need assessments using an identical methodology to that prepared as part of these submissions, where the need case has been accepted by the relevant local authority during the application process. Recent examples are:
- Land at Parklands, Bittams Lane, Chertsey, Surrey, KT16 9RG (planning reference: RU.14/0085): Development to provide a two-and-a-half-storey building for use as a 70-bed care home and a three-and-a-half-storey building for use as 50 extra care apartments (revised description 22/01/14);
 - Former Redwood Lodge Hotel, Beggar Bush Lane, Failand, Bristol, BS8 3TG (planning reference: 15/P/0574/F): Demolition of existing Hotel (Use Class C1) and erection of a retirement care community (Use Class C2 - Residential Institutions) consisting of 124 apartments with associated communal facilities, including restaurant, spa and library. Alterations to landscaping including a significant reduction in the hard landscaping for the car parking area;
 - Land adjacent to Harper Fields, 724 Kenilworth Road, Balsall Common, Coventry, CV7 7HD (planning reference: PL/2014/00602/FULM): Erection of 39 extra care units comprising four one-bedroom and 19 two-bedroom apartments along with 12 two-bedroom and four three-bedroom bungalows, with associated access parking and landscaping;

- Land adjacent to Penarth House, Otterbourne Hill, Otterbourne, Winchester, SO21 2HJ (planning reference: F/15/77022): Erection of dementia care centre comprising 64 care beds and 20 one- and two-bed extra care apartments, with associated access off Otterbourne Hill, car parking, amenity space, boundary treatments and landscaping;
- Former Brunel University Site, President Hall, Coopers Hill Lane, Englefield Green, Egham, TW20 0LB (planning reference: RU.16/1812): Part demolition and part retention of existing building to create 78 two-bedroom extra care apartments, with associated landscaping, parking and works.

16.15. In each instance, the SHOP toolkit was accepted by each respective council. However, this method of assessing need is a relative rather than absolute measure of need and therefore cannot be considered as a definitive assessment of need. This notwithstanding, we consider this method provides as good a basis of assessment as any other indication of the current balance between the potential need for extra care units and current supply, and have therefore conducted our analysis on this basis. We consider this method to provide the minimum need within the adopted catchment area.

Existing supply

16.16. We have reviewed the Elderly Accommodation Counsel's (EAC) website, www.housingcare.org, to determine the current supply of extra care accommodation within the market and local authority catchments.

16.17. We have researched all schemes classified as follows:

- Extra care/assisted living;
- Close care;
- Care village.

16.18. We have conducted some additional research to ensure that each scheme conforms to the recognised definition of extra care, namely that 24-hour on-site care is provided. We have not included any registered social landlord schemes and have only included schemes catering to the private market.

16.19. We have specifically not considered any traditional sheltered housing or other housing with support schemes in our analysis of current supply.

16.20. We have provided some analysis in respect of tenure, age, unit size and distance from the subject site in our analysis of current provision overleaf.

Planned supply

16.21. We assess planned supply by conducting a review of schemes in the planning system with an application submitted for additional extra care schemes.

16.22. From our data sources, Barbour ABI ('ABI') and Estates Gazette Interactive ('EGi'), we have reviewed all the planning applications that have been granted, refused, withdrawn or are pending decision. This has been cross-referenced against the online planning website for the relevant local authority and, where an anomaly exists, we have contacted the planning officer if required.

16.23. We have made enquiries with the relevant local authority and used our own data information sources and market knowledge to determine the number of planned units, either in the planning process or under construction. Additional units in the area are of key importance, as they are likely to be of a high standard and provide significant competition to the proposed development once completed and trading. We have searched for planning applications submitted over the past 3 years.

16.24. Where an application has been refused or withdrawn, we have entered the postcode into the local authority online planning facility to identify if a subsequent application or appeal application has been submitted. The results of this are included within the report.

16.25. Where a planning application is granted, we have cross-referenced the postcode against our existing supply to ascertain if the scheme is operational. If it is, we have included it within the operational provision and not within the planning table.

16.26. We would note that the planning registers that we subscribe to are not definitive and may exclude some applications as they rely upon each local authority for provision of the information.

16.27. We have excluded any sheltered housing, category II sheltered housing schemes or affordable extra care schemes from our analysis.

17. Bases of assessment

- 17.1. In collaboration with the Associated Retirement Community Operations (ARCO) and its members, Carterwood conducted a national research project to calculate the distance travelled by extra care housing residents from their last residence.
- 17.2. **The research concluded that the average resident travelled 5.1 miles to a leasehold scheme and that the distance reduced the more urban the location.**
- 17.3. We have based our detailed assessment of the balance of provision of the proposed scheme on a market catchment area extending to a radius of circa 3.5 miles from the subject site, shaded blue in the map opposite, given the geography of the area, density of population and proposed specification of the subject scheme.
- 17.4. We have also prepared an analysis based upon the London Borough of Richmond upon Thames local authority area, as edged dark blue.

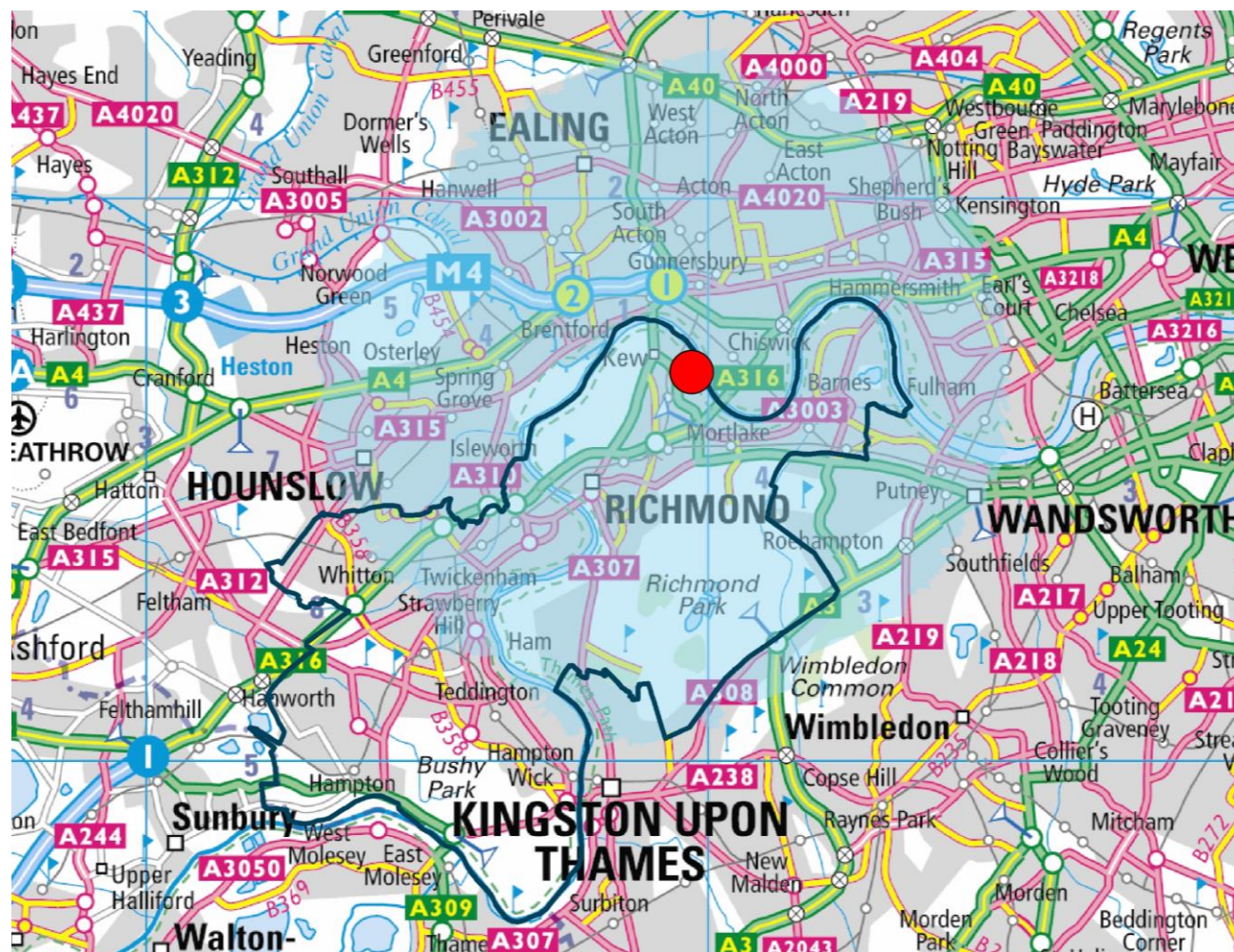


Figure 4: Extra care bases of assessment

The red spot shows the approximate location of the proposed specialist extra care scheme. The light blue shaded area illustrates the market catchment area, whilst The London Borough of Richmond upon Thames Council local authority area is edged dark blue.

18. Demographics

- 18.1. We have assessed need based upon Census 2011 population statistics and have extrapolated expected elderly population growth rates for the London Borough of Richmond upon Thames local authority area to determine current and future need for extra care units.
- 18.2. The total projected population for the market catchment area as at 2019 is 681,314 with the population within the London Borough of Richmond upon Thames local authority area projected to be 200,200.
- 18.3. The graph opposite shows the growth of the population over the coming years to 2031 within the market catchment area, which indicates that the 85+ cohort is 1 per cent lower than the respective national average for England and Wales.
- 18.4. Our assessment of need for extra care units, as at 2019, is 1,486 and 564 units within the market and council catchments respectively.

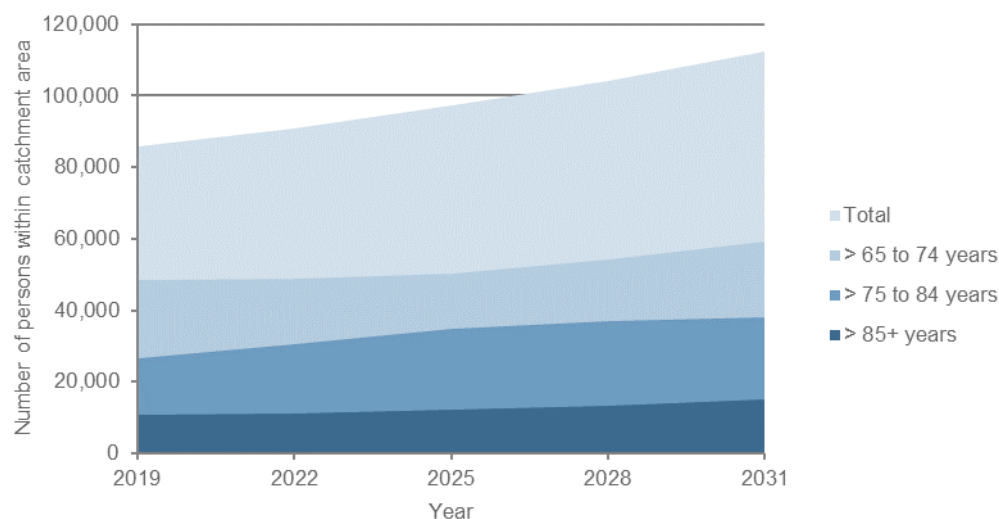


Figure 5: Population of older people by age band within the market catchment area

T7: Key demographic indicators (2019)		
Persons	Market catchment area	London Borough of Richmond upon Thames Council
Population indicators		
Total population	681,314	200,200
Total population aged 75 and above	37,155	14,100
Percentage of persons aged 75 years and above (%)	5.5	7.0
Need		
Predicted need for extra care units	1,486	564

Source: Census 2011, ONS Population Projections.

19. Existing private extra care schemes

19.1. We have analysed current supply using the EAC Housing Option website, www.housingcare.org.uk. We have included within our analysis any scheme in the catchment that seeks to provide 24-hour on-site care and support (where the accommodation is not intended to be registered as a care home with CQC) and seeking to sell the units on long leasehold basis at market rates. The EAC website breaks down the type of accommodation into three main sub-groups, within the criteria of close care, extra care, and care villages.

19.2. There is only one private leasehold extra care scheme located within the London Borough of Richmond upon Thames Council area. The scheme is located 4.2 miles distant, provides 38 units, and was developed in 1998. The analysis indicates a significant lack of existing private leasehold provision within the area.

19.3. There are no existing schemes within the market catchment area.

T8: Summary of competing schemes

Map ref.	Catchment area	Name and address	Manager/operator	Total no. of units	Private no units	Distance from subject site (miles)	Year of construction	Scheme type	Notes
1	London Borough of Richmond upon Thames council only	Fullerton Court, 27 Udney Park Road, Teddington, Middlesex, TW11 9BF	Retirement Security Ltd	38	38	4.2	1998	Enhanced sheltered housing	-

Source: EAC Housing Options, operator websites.

20. Planned private supply

- 20.1. We have cross-checked all planning applications submitted for new extra care units, from the Barbour ABI and EGi planning databases, against the relevant local authority planning departments' online planning registers. We have looked at all planning applications submitted within the last 3 years. This research was carried out on 20 September 2018.
- 20.2. We have identified four applications for additional private leasehold extra care units, one of which is granted and the other three are pending decision.**
- 20.3. We have provided our opinion of the stage of development based upon publicly available documentation, inspection of the sites and our own knowledge of the schemes. We have graded a scheme as having a high likelihood of imminent development if there is some indication, either through an operator's or developer's website, that the scheme is progressing or, naturally, if construction has commenced on site.
- 20.4. Scheme A is due to commence with properties from the residential element of the development already on sale. Schemes B, C and D are pending decision and therefore development has not commenced.
- 20.5. Within this revised need assessment, we have had specific regard to the two planning applications for schemes within the local authority catchment; Scheme B at the Former Stag Brewery, Mortlake and Scheme D at the former Imperial College Private Ground at Udney Park Road.
- 20.6. We understand that the wider residential element of Scheme A, 195 Warwick Road, West Kensington is under development and the units are for sale. We have contacted the sales office, who indicated that development of the extra care units is due to commence imminently.
- 20.7. Scheme B at the former Stag Brewery includes 150 proposed assisted living apartments and we have included all of these in our assessment below. We note, however, that the application states that it is to include *'up to 150 units of flexible living accommodation for either assisted living or residential use'*. The proposed use of these 150 units for assisted living is not therefore a fixed proposition and could be subject to change in favour of a residential use. This application is currently noted as being at 'assessment stage' on the London Borough of Richmond upon Thames website.
- 20.8. We note that it was recommended planning permission is granted for the proposed development of Scheme C, Nazareth House at the Planning Committee meeting on 13 June 2018. Permission would be subject to conditions and a legal agreement being in place. Its status remains as 'pending decision' on the London Borough of Hammersmith and Fulham website.
- 20.9. We have included 50 per cent of the proposed 107 extra care apartments at Scheme D, The former Imperial College Private Ground, in our analysis of planned provision. The documentation accompanying the planning application sets out that *'it is proposed 50 per cent will be sold under the shared ownership tenure. The remaining 50 per cent will be available to potential residents as shared ownership or for outright purchase'*. On this basis the 54 units we have included in planned provision is a flexible figure and is only likely to reduce from this maximum number for a possible market sale.
- 20.10. The application is contentious due in part to its proposed development of a sports ground. The application was scheduled to go to Planning Committee on 26 September 2018 however an appeal was submitted prior to this due to non-determination. We note that the Planning Committee Agenda stated *'had an appeal against non-determination not been made the Council resolves that the application would have been refused planning permission'*.

T9: Summary of all planned provision

Map ref.	Catchment area	Site address	Applicant	Scheme	Net extra care units	Development commenced	Distance from subject scheme (miles)	Planning ref./date granted
A	Market catchment only	195 Warwick Road, West Kensington, W14 8PU	Berkeley Homes East Thames	Demolition and redevelopment of the site to provide up to 32,192 sq. m of use class C3 (Up to 243 units); Up to 12,700 sq. m of use class C2 (Up to 89 units); up to 430 sq. m of flexible commercial/community use (Use classes A1/A2/A3/A4/D1/B1), hard and soft landscaping works; highway and infrastructure works; engineering works including basement and lower basement excavation works; Plant and equipment and all necessary associated ancillary works. (Major Development).	89	Yes – under development	3.4	PP/10/02817 - 20/03/2012
B	Market and local authority catchment	Former The Stag Brewery, Lower Richmond Road, Mortlake, SW14 7ET	The Stag Brewery	Mixed use development comprising of 224 flats and 150 assisted living apartments, an 80-bed care home and 3-7 storey buildings for retail and commercial use with associated landscaping, access and car parking.	150	No – pending decision	0.8	18/0547/FUL
C	Market catchment only	Nazareth House, 169–175 Hammersmith Road, Hammersmith, W6 8DB	Sisters of Nazareth	Erection of a five-storey building at the south east corner of the site to provide 37 units of specialist care accommodation for older people (Class C2); for the erection of three (Class C3) part two-/part three-storey high terrace dwelling houses adjoining and to the north of no.36 Shortlands Terrace; minor external alterations to Nazareth House forming new care home entrance and removing later additions; alterations to the entranceway including modifications to the boundary wall and partial demolition of reception block; creation of car parking, new landscaping and associated works.	37	No - pending decision	2.7	2017/00392/FUL
D	Local authority catchment only	Former Imperial College Private Ground, Udney Park Road, Teddington, TW11 9BB	Quantum Homes	Erection of a new extra-care community, with new public open space and improved sports facilities, comprising: 107 extra-care apartments (Class C2 Use), visitor suites, and associated car parking; GP surgery (Class D1 use) and associated car parking; new public open space including a public park, and a community orchard; improved sports facilities (Class D2 use) comprising a 3G pitch, turf pitch, MUGA, playground, pavilion and community space, and associated parking (68 spaces); paddock for horses; and a new pedestrian crossing at Cromwell Road; and all other associated works.	54	No - pending appeal	4.2	18/0151/FUL

Source: Barbour ABI, EGi, relevant planning departments.

21. Competition map

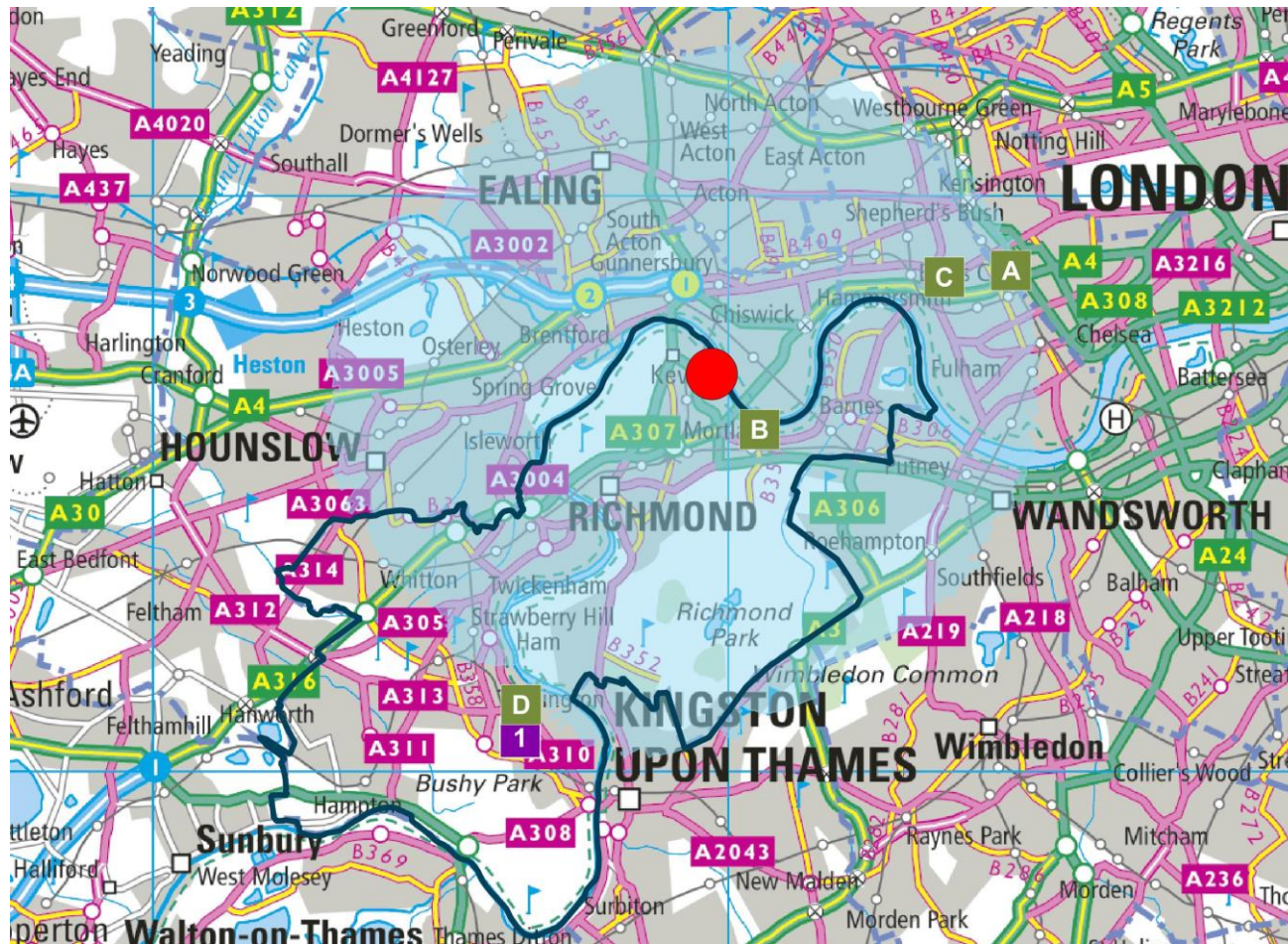


Figure 6: Existing private and planned extra care provision within the catchment areas.

Key:

- The proposed specialist extra care scheme
- Existing private extra care schemes
- Planned private extra care schemes

The map references relate to Tables T8: and T9: above.

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

Key finding – need assessment for proposed extra care

- Our assessment of need for all tenure forms of extra care as at 2019, is 1,486 units within the market catchment area and 564 units within the London Borough of Richmond.
- There is only one private enhanced sheltered housing scheme located within the council area. This is 4.2 miles from the proposed development and provides 38 units.
- One proposed new scheme for 89 units has planning permission and is under development. This is over 3 miles from the subject scheme. Three other schemes, with a total of 241 units, located between 0.8 and 4.2 miles from the subject scheme, are pending a planning decision.

CONCLUSIONS

22. Balance of provision

22.1. By applying our need methodology to the catchment areas, we have calculated the potential pool of need for private leasehold extra care units from people aged 75 years and above.

22.2. Our analysis, assuming all planned units have been developed and are operational, indicates that there would remain an enormous shortfall of 1,210 private extra care units within the market catchment area and 322 within the London Borough of Richmond upon Thames council local authority area. **With specific regard to the proposed schemes currently pending planning and pending appeal respectively, at the former Stag Brewery (market and local authority catchments) and at Udney Park Road (local authority catchment), it should be highlighted that these planning applications are flexible in terms of the absolute numbers of proposed private extra care units. For the purposes of our analysis we have assumed that all possible private extra care units are developed. The shortfalls set out above should therefore be considered as minimum numbers and will increase if the assumed private extra care units in these schemes do not materialise.**

22.3. Our more realistic assessment of the balance of provision, where only private leasehold extra care units that are under construction are included, indicates a 1,397-unit shortfall within the market catchment area as one of the planned schemes is pending decision, whilst there is a shortfall of 526 in the local authority area as there are two planned schemes pending decision.

22.4. We therefore consider that there is a critical undersupply of extra care accommodation for

private leasehold sale within both catchment areas.

22.5. This undersupply is likely to persist for many years, given the lead-in time for extra care schemes to be developed.

22.6. Our own analysis using the Housing LIN SHOP toolkit indicates that there is a substantial unmet need for private extra care units in the area, with more than sufficient need to support the proposed 89 extra care units.

T10: Indicative need for private leasehold extra care units – 2019

Basis of assessment	Ref	Market catchment area	London Borough of Richmond upon Thames council
Need			
Population aged 75 years and above	-	37,155	14,100
Need – based upon ratio of 40 persons per 1,000 population aged 75 years and above	-	1,486	564
Supply			
Current provision of private extra care units	1	0	38
Units pending decision	2	187	204
Units granted permission with a low likelihood of imminent development	3	0	0
Units granted permission and under construction or with a high likelihood of imminent development	4	89	0
Total supply of private extra care units	-	276	242
Balance of provision			
Indicative need including all planned private units (supply equates to the sum of references 1, 2, 3 & 4)	-	1,210	322
Indicative need including units under construction or with a high likelihood of imminent development (supply equates to the sum of references 1 & 4 only)	-	1,397	526

Source: Census 2011, Government population projections, Housing LIN, Barbour ABI, EGi, relevant planning authorities.

22.7. We consider the site to be ideally suited to the development of specialist extra care units and able to fill a major shortfall of need for such accommodation in the area. Sourcing a suitable, developable site in Richmond upon Thames is highly challenging and this represents a superb opportunity to develop extra care accommodation, with all of its well-recognised benefits, in the borough.

23. Market growth

- 23.1. Shortfall growth in the future is determined using 2016-based ONS projected population figures for older people until 2025, and assumes that the need for extra care units, which is based upon the Housing LIN SHOP tool, will remain at the same rate in the future.
- 23.2. Our analysis below illustrates the shortfall assuming the existing provision remains equal and that all the planned units are developed.

T11: Indicative need for private leasehold extra care units

Catchment	2019	2022	2025
Market catchment area	1,210	1,396	1,599
London Borough of Richmond upon Thames council area	322	390	466

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

- 23.3. Our analysis estimates that the shortfalls will rise to 1,599 and 466 private extra care units in 2025 for the market catchment area and the London Borough of Richmond upon Thames council local authority, respectively, given the demographic profile and growth rates of the area.
- 23.4. The unmet need for private extra care units will therefore continue to grow and create a sustained level of unmet need in the respective catchment areas.
- 23.5. Overall, this analysis assumes that prevalence rates remain the same for Housing LIN rates and as alternatives to traditional residential care are developed then we would expect these prevalence rates to **rise** in line with historic norms – it is, however, impossible to tell how future supply/commissioning/other changes will materialise over such a long time frame. Nevertheless, the figures reported above are likely to **underestimate** the potential under-supply of extra care units.

24. Qualitative aspects

- 24.1. In addition to the quantitative need identified within our report, the proposed scheme brings qualitative benefits, as follows:
- State-of-the-art facilities;
 - Use of a suitable and sustainable site;
 - Releasing family housing;
 - Wider intangible benefits to the community;
 - The ability to care for people with a variety of levels of need, covering a range of dependency levels on the spectrum of care;
 - Reduce the reliance on residential care for older people and prevent admission to the health system;
 - Reduce GP workloads through proactive management of any medical conditions and clustering of older people in one setting enabling economies of scale in co-ordination of health needs.
- 24.2. The proposed scheme provides specialist extra care accommodation, which has been identified by the local authority as meeting its future commissioning strategy and requirements – as highlighted in our own review of the commissioning documentation, which we have summarised overleaf.
- 24.3. We therefore conclude that there is both a compelling quantitative and qualitative need for the proposed development in providing a unique care environment. In our view, significant weight should be given to this need in the assessment of the planning application by the local authority.

25. Local policy direction

- 25.1. Our strategy review of the London Borough of Richmond upon Thames clarifies the position that additional older people's housing is required. The amount expected to be required varies considerably and includes the proposed remodelling of existing substandard sheltered accommodation to assist in meeting need.
- 25.2. The appropriate tenure for new development is unclear and the proposed percentages of market, affordable rent and shared ownership provision vary. What is evident is that there is increasing need for well-designed accommodation suitable for the provision of care as an alternative to a move into residential care.
- 25.3. The Housing Strategy appears to favour additional older persons' accommodation being within affordable rent and shared ownership provision. Although it mentions the outright purchase of accommodation to meet elderly needs, it states that it 'may be included' in a mixed tenure scheme 'where justified' on the basis of local evidential need/where required to cross subsidise the council's priorities. It is therefore not considered a priority, even though this would enable downsizing and thus assist the council priority to increase the availability of family housing
- 25.4. With the majority of older people in Richmond (76.5 per cent) owning their own home, they are unlikely to choose to downsize to a property smaller than two beds. The type of new provision is recommended to be decided at local level and take account of specific needs and existing supply. In addition, homeowners comprising the bulk of households in the borough will not meet housing list criteria and will not be eligible for 'affordable' housing developments. It is therefore critical that additional private supply is made available to meet the needs of the borough.
- 25.5. The London Plan sets a target for 66 per cent of purpose built housing for older people to be 'market housing' and that it is reasonable for these figures to be taken into consideration as new local plans are drafted. The indicative benchmark for Richmond is to provide 105 private and 30 intermediate sale homes per annum. This figure is a much more realistic assessment of potential requirement for extra care housing, given the housing profile of Richmond.
- 25.6. The report further states that provision and availability of quality older persons' housing along with choice with regard to facilities and care provision will promote downsizing.
- 25.7. There is an additional cost required to provide spacious, older people's accommodation, suitable for the provision of care and with the level of care provision and supporting leisure facilities expected. On this basis, and to address local need, it is more cost effective to provide such a scheme on a single site rather than being developed in multiple locations.
- 25.8. The Retirement Housing Review considers that the affluence of the London Borough of Richmond means that high spatial standards and quality accommodation are required. Kew is mentioned specifically as an area lacking in retirement schemes, with just one social rented scheme. This is not reflective of the level of home ownership in the area.
- 25.9. Although the London Borough of Richmond upon Thames was concerned that 50 per cent of older persons' affordable housing was not considered fit for purpose within the Strategic Housing Market Assessment, this should not detract from the fact that there is a significant undersupply of older persons' 'market housing' and the requirement is expected to increase significantly to 2030.
- 25.10. The review considers there could be a need for an additional 145 retirement housing units across three or four schemes in the borough, with at least 50 per cent for private sale, which we consider, given the other evidence bases presented and our own assessment using Housing LIN methodology, to be a significant underestimate of the actual requirement.
- 25.11. It is not in doubt that the London Borough of Richmond upon Thames has a requirement for additional older people's housing. The question that the above documentation raises is the amount that needs to be developed both to satisfy current and future need.
- 25.12. The subject scheme will seek to address the expectations of the majority of older homeowners within the borough and provide them with a high quality accommodation option in order to consider downsizing from their existing home. Given the vagaries of the planning system and challenge of finding suitable and affordable development land for extra care, it is essential that when sites are made available they are developed as expeditiously as possible in order to bridge the clear gap in provision.

Key finding – need assessment for proposed extra care

- A single scheme with appropriate numbers to be cost effective, will enable the required level of facilities and care offering to provide choice and availability of high quality extra care for market sale.
- Extra care housing has been identified by the local authority as meeting its future commissioning strategy and local home ownership indicates the acute demand for private supply.
- Carterwood's analysis indicates an exceptional unmet need of 1,210 private extra care units in the market catchment and 322 in the local authority catchment. Our analysis includes all planned schemes.
- This shortfall is more than sufficient to accommodate the proposed 89 specialist extra care units, particularly given that the shortage is predicted to rise substantially over the 6 years to 2025.

APPENDICES

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B: DEFINITIONS AND RESERVATIONS

Timing of advice

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

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

Data analysis and sources of information

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

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

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

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

Our report makes reference to 'Carterwood analytics'. This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented. We do not accept responsibility for the underlying data.

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

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

Where we have prepared advice on a 'desktop' or 'headline' basis, we have conducted a higher level and less detailed review of the market. All our headline advice is subject to the results of comprehensive analysis before finalising the decision-making process. Where we have provided 'comprehensive' advice, we have used reasonable skill and endeavours in our analysis of primary (for example, site inspections, mystery shopping exercise, etc.) and secondary (for example, Census, Land Registry, etc.) data sources, but we remain reliant upon the quality of information from third parties, and all references above to accuracy, statistics and market analytics remain valid.

Purpose and use

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

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

This report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus,

agreement or other document without prior consent, which will not be unreasonably withheld.

Validity

As is customary with market studies, our findings should be regarded as valid as at the date of the report and should be subject to examination at regular intervals.

Intellectual property

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