



Greater Cambridge – Specialist Accommodation for the Elderly

On behalf of Endurance Estates

February 2020



User Guide

Welcome to the HPC report in respect of the Greater Cambridge Elderly Care Accommodation Sector.

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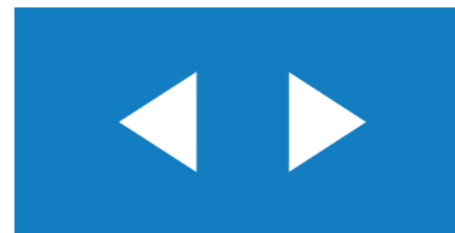
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Instruction

This report has been carried out on the instruction of Endurance Estates (The Client). Instruction was confirmed by way of email correspondence dated 3rd February 2020.

Background

The Greater Cambridge Local Plan is currently being compiled and The Client is seeking advice from HPC for potential use / reference in representations. It is agreed that the advice provided is to be at a strategic level across the relevant geography and ascertain the need and demand for 'Care Villages' within the area.

Geography

With representations to be made in respect of the Greater Cambridge Local Plan, The Client has asked that the geography to be assessed comprise the Local Authority areas of the City of Cambridge and South Cambridgeshire. All commentary within this document refers to this geography unless otherwise detailed.

Content

This document incorporates opinion and analysis in respect of C2 Planning Use – both Care Homes for the Elderly and Housing with Care. Focus (in respect of each category) is upon elderly accommodation rather than specialist accommodation for young adults. For purposes of consistency, we have used the terminology 'Housing with Care' throughout this report as a description for C2 use class accommodation for the elderly with care availability on site. Such concept might also be referred to (or known as) Assisted Living, Extra Care or Enhanced Sheltered Housing.

In line with both initial discussion and subsequent email correspondence, this report commences with a population profile across Greater Cambridge with specific focus upon age breakdown and affluence. These factors are likely to have the most significant impact upon the nature and extent of care development requirements.

Sections 4 and 5 set out a brief overview in respect of current care home and housing with care provision across Greater Cambridge before assessing supply/demand dynamics based upon established market assessment methodologies.

The relevant Local Authorities have had regard to work carried out by the Centre for Regional Economic and Social Research (CRESR), Sheffield Hallam University and the University of Sheffield as commissioned by South Cambridgeshire District Council. Published in November 2017 the document is entitled Older Peoples Housing, Care & Support Needs in Greater Cambridgeshire 2017 to 2036. We have provided comment in respect of the methodology utilised and also compared outcomes with the aforementioned established sector mythologies. Based upon the CRESR study, a tool has been developed for the assessment of need on a local authority area basis nationwide. The tool is known as the Housing for Older People Supply Recommendations (HOPSR).

This report has been prepared by Nigel Newton Taylor, a Director of HPC and Chartered Surveyor with over 30 years experience providing commercial property advice in both the public and private sectors. Specialising in care based property for the past 20 years, he has provided a mix of consultancy, valuation and transactional advice to a wide range of clients including Local Authorities, Lending Institutions, Not for Profit Organisations and Corporate Healthcare Operators.



Setting Standards for Retirement Communities

HPC is an Affiliate of the representative body of retirement community providers in the UK - ARCO (Associated Retirement Community Operators).

Nigel Newton Taylor BSc (Hons) MRICS



20/02/20



Executive Summary

Section 3 to this document provides a brief overview of population across Greater Cambridge. The age profile is interesting, the younger population being proportionately high and yet the level of population in the oldest age band being in line with national expectations. What is crucial, in terms of development planning, is the anticipated population growth across the elderly. The number of persons over the age of 65 is set to increase by 40% over the next 15 years - a rate of growth exceeding national expectations. This huge growth in elderly population is of concern locally to Cambridgeshire County Council (see Section 9 to this report) and also nationally to central government:

'The need to provide housing for older people is critical.....Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems...'

(Housing for Older and Disabled People - Planning Guidance June 2019
Department for Ministry of Housing, Communities & Local Government)

Also crucial to development planning is the way in which the age breakdown differs between the two Local Authorities - City of Cambridge and South Cambridgeshire. Section 3.1 to this report graphically identifies the difference in breakdown with South Cambridgeshire hosting a population tending towards middle and old age whilst the significant student population impacts dramatically on the City of Cambridge.

The differential in elderly population growth is noted within the CRESR study behind the HOPSR tool which notes that, by 2036, South Cambridgeshire *'may have twice as many people age 75+ as Cambridge City, but spread across 22 times the area.'* Current supply of both housing with care and registered care homes across Greater Cambridge fails, at present, to reflect that population split. Sections 4.3 and 5.2 to this report provide visual clarity in terms of the location of existing provision. With a strong existing focus upon the population centre of Cambridge, perhaps future development planning should reflect the comparative speed at which the elderly population across South Cambridgeshire is set to increase in comparison to the main city itself.

The CRESR research considers the locality from which residents are drawn to specialist retirement accommodation and confirms *'this evidence reasserts the suggestion that the vast majority of residents of specialist housing are drawn from a very close proximity'* (Section 5.5). Indeed, from a wellbeing perspective, Cambridgeshire County Council underline the need for provision to be appropriately located:

'Without better housing in the community to which people belong, the choice for older people will often lie between getting by in unsuitable accommodation or uprooting to some form of institution home, often removed from familiar surroundings.'
(Older People's Accommodation Strategy)

Affluence indicators across Greater Cambridge are consistently positive, pointing towards the likelihood for increased demand in terms of housing with care owner occupation (as opposed to social renting) and, for the registered care home market, a trend towards self-funding clients.

Having established the fact that the population growth pattern is pointing future development of Housing with Care and Registered Care Homes towards South Cambridgeshire, we turn towards the extent of development required. The relevant Greater Cambridge authorities instructed specific research into the subject and overview is provided in Section 8 to this report. The assessment of demand for specialist elderly accommodation is undoubtedly far from straight forward and CRESR accept that *'measuring demand for older peoples housing is an imprecise science'*. It is therefore unsurprising that, on a number of occasions, their study emphasises the need for the HOPSR tool outcomes to be *'the basis for informed policy making, rather than a replacement for this process.'*

For reasons identified in Section 8.4 to this document, we believe the HOPSR tool to understate demand levels (being a supply based methodology) and incorrectly assess the appropriate split of specialist housing for the elderly and also the mix of tenure. That said, (in line with established LaingBuisson and SHOP@ methodologies) the tool confirms a significant ongoing undersupply of specialist housing for the elderly and also registered care home provision. Indeed, the Executive Summary is clear:

'Addressing the needs of a rapidly ageing population in both SCDC and Cambridge City will require decisive action.....specialist housing plays a critical function in helping those unable to remain in general needs housing'.

In order to ensure the maximum health and wellbeing of the elderly Greater Cambridge population, future development needs to be of the correct form and mix, developed in the appropriate localities. The evidence base points towards Retirement Communities offering a range of specialist accommodation (including varying levels of care) to be located in areas of most significant elderly population growth. To quote Cambridgeshire County Council:

'We know that living in suitable accommodation that is appropriate to someone's needs is a protective factor, and likely to reduce the frequency or severity of people's needs. This includes, in some cases, the need for institutional care. Ensuring there is enough suitable accommodation to meet the needs of the older population is therefore essential to help make sure that the levels of need in the population are manageable with current resources.'
(Older People's Accommodation Strategy)



Population Profile

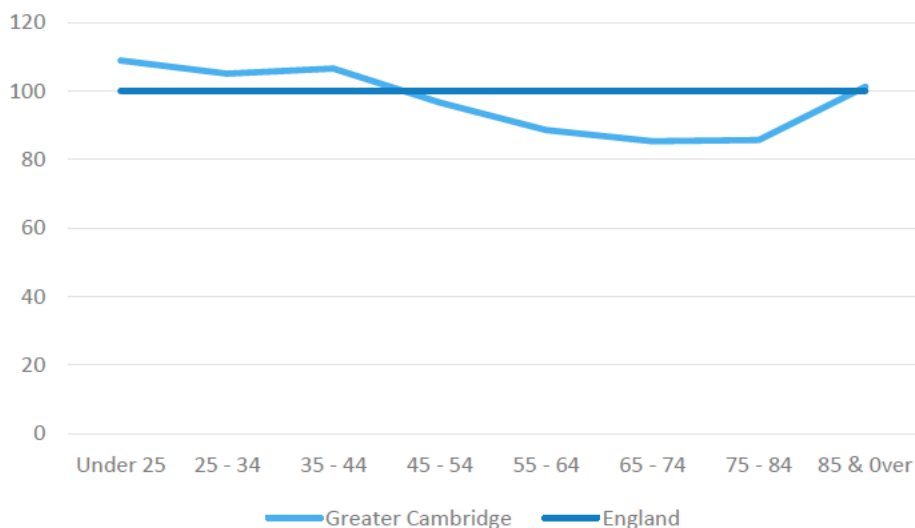
3.1 Age Group Distribution and Growth

The raw data might best be considered graphically. The chart below represents the Index value in order to indicate over or under representation of population band within the Target Area in comparison to national data.

By way of illustration, an index of 100 indicates that the age band has the same representation locally as nationally whilst an index of 120 would show that it has a representation 20% higher than the corresponding national figure.

The Greater Cambridge age breakdown fluctuates around the national profile. A proportionately high level of younger adults can be explained by the significant student population within the city itself.

Age Band	Greater Cambridge
Under 25	102,074
25-34	45,266
35-44	42,661
45-54	40,139
55-64	34,200
65-74	26,603
75-84	16,737
85 & Over	8,318

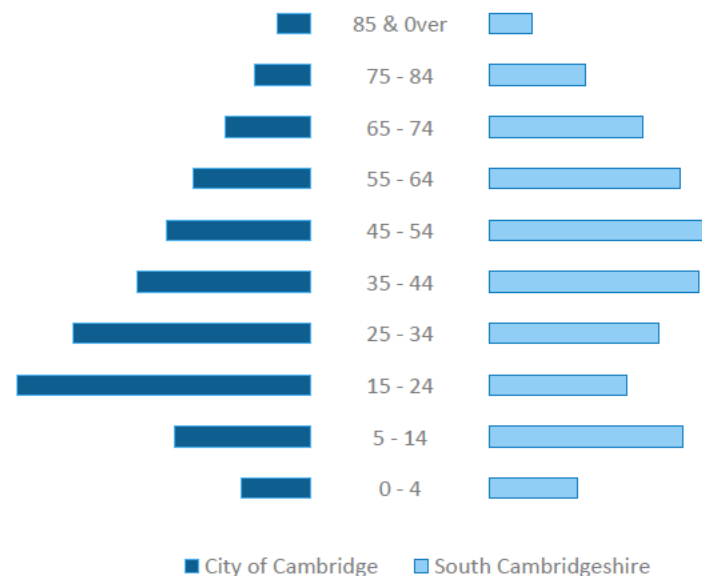


The following table details the projected population change in individuals across Greater Cambridge over the age of 65 between 2020 and 2035:

	2020	2025	2030	2035
Projection	51,658	57,627	65,173	72,326

The cumulative growth rate in respect of over 65's over the forthcoming 15 years is 40% - comfortably ahead of the 36% forecast nationally.

The tornado chart below has been provided to highlight the significant difference in population age breakdown between the two local authorities falling within Greater Cambridge. Whilst Cambridge itself has a young focus, the district of South Cambridgeshire is very much biased towards the middle aged and elderly in comparison – a factor which should be considered in the planning of retirement communities across Greater Cambridge in forthcoming years.

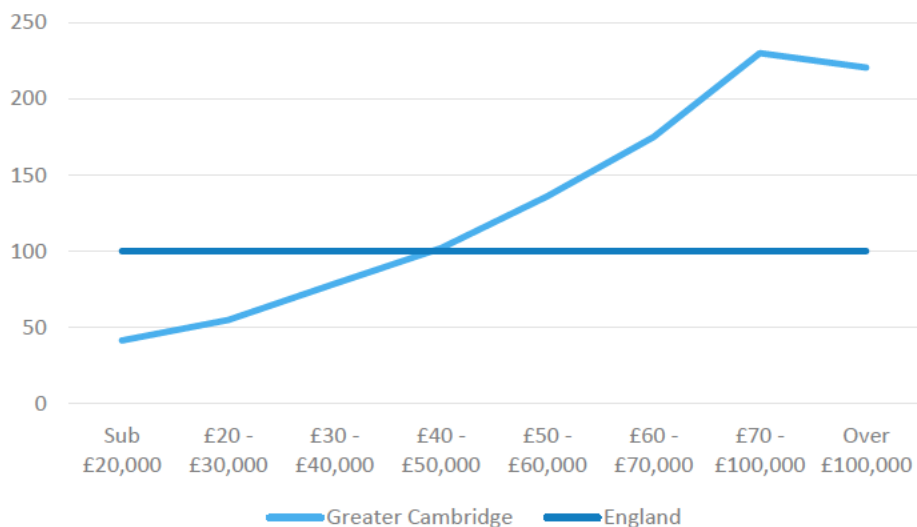


3.2 Affluence – Household Income

The household income illustration below is self explanatory.

A strong bias exists towards the higher income bands with the prevalence of highest earners over double the national level.

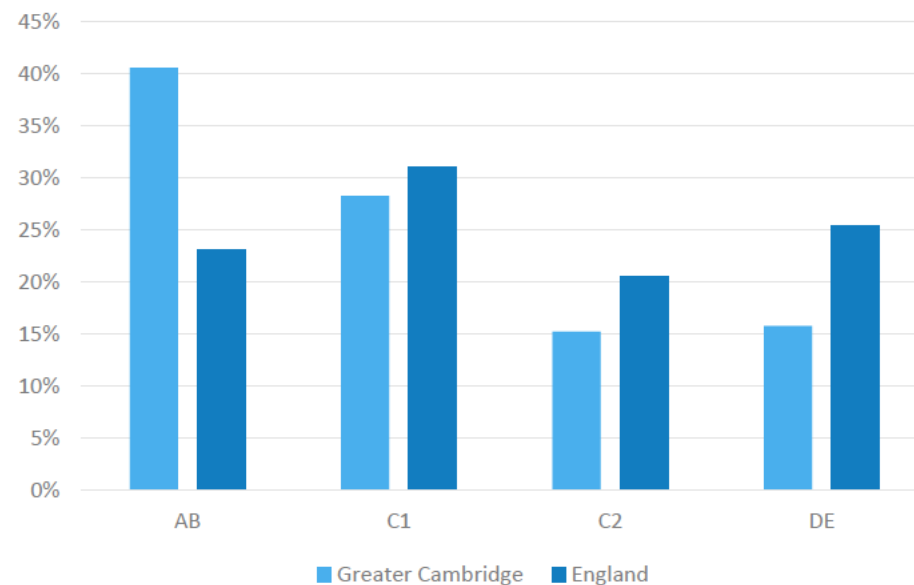
Household Income	Households
Sub £20,000	12,922
£20,000 - £30,000	12,176
£30,000 - £40,000	14,445
£40,000 - £50,000	14,518
£50,000 - £60,000	12,261
£60,000 - £70,000	11,770
£70,000 - £100,000	24,564
Over £100,000	17,842



3.3 Affluence – Social Grade

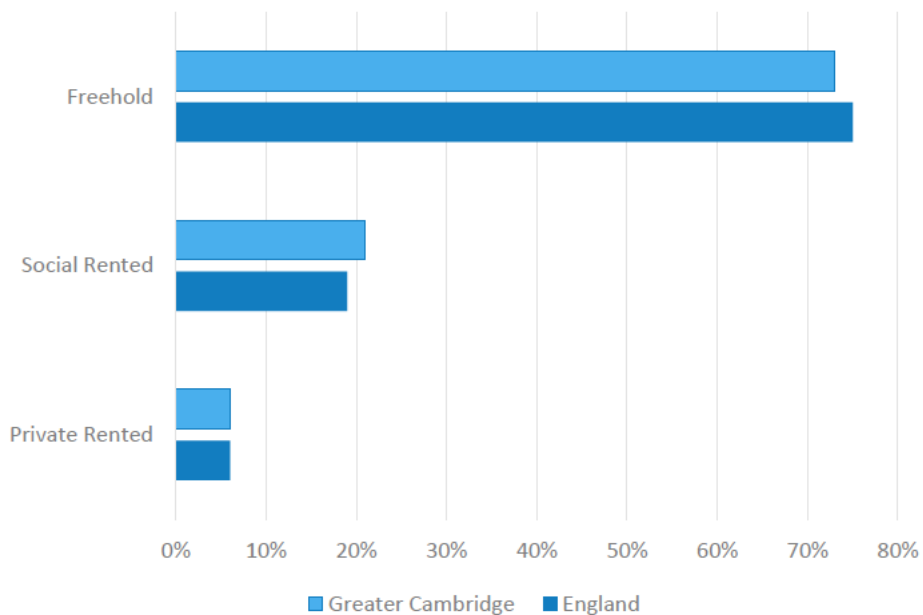
Social Grade	Pop.
AB Higher & Intermediate manage/admin/prof	37,300
C1 Supervisory, cleric, junior, manage/admin/prof	25,982
C2 Skilled manual workers	14,014
DE Semi-skilled and unskilled manual workers; On state benefit, unemployed, lowest grade workers	14,520

Very much supporting the pre-stated household income analysis, there exists a strong social class bias towards the managerial/professional workforce and away from the low grade workforce and unemployed.



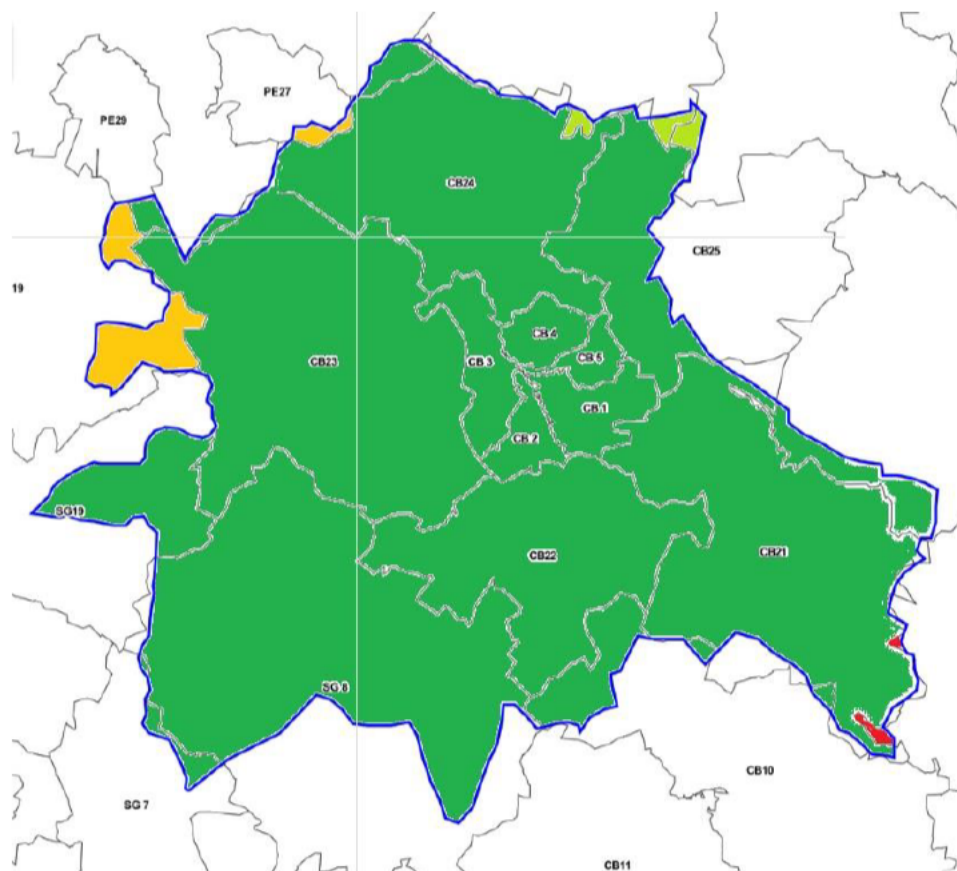
3.4 Affluence – Dwelling Occupation

The following table identifies the tenure split across the 65+ population, comparing the Greater Cambridge geography with England as a whole. Differential is marginal.



3.5 Affluence – House Prices

The dwelling price comparison data is extremely positive. The choropleth map identifies all Postal Districts in Greater Cambridge and confirms the prevalence of comparatively high values. By way of comparison the average sale price for a dwelling across England in 2019 was £306,037.





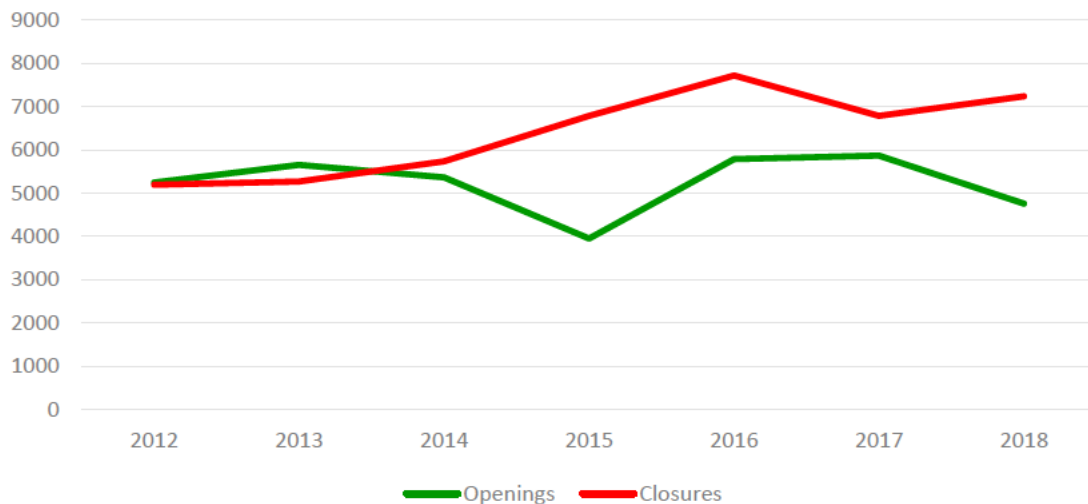
Supply – Care Homes

4.1 Market Movement

4.1.1 The National Picture

Over the past seven years HPC has carried out analysis of elderly care registration data supplied direct by the Care Quality Commission. The data in respect of bed numbers contained within new developments and closed facilities is graphically detailed below on an annual basis.

The net loss/gain has fluctuated over the period with the cumulative outcome being a loss exceeding 8,000 beds. The data below reflects opening / closures and excludes extensions and registration reductions.



In terms of home (rather than bed) numbers, the annual number of newly opened homes is marginally below 100 with the corresponding closure figures exceeding 200. The average size of a new care home development over the past 7 year period is 60 – contrasting with a mere 28 registered beds within homes closing.

With the exception of the extreme South West and North West, the geographic spread of homes opening is relatively even throughout the country. Whilst there is an understandable increase in density towards the larger urban areas, this is surprisingly slight. The comparative density in respect of closure activity around major urban areas (particularly London) is more noticeable with the other significant trend comprising the closure of homes in coastal resorts – specifically along the south coast.



● Openings ● Closures

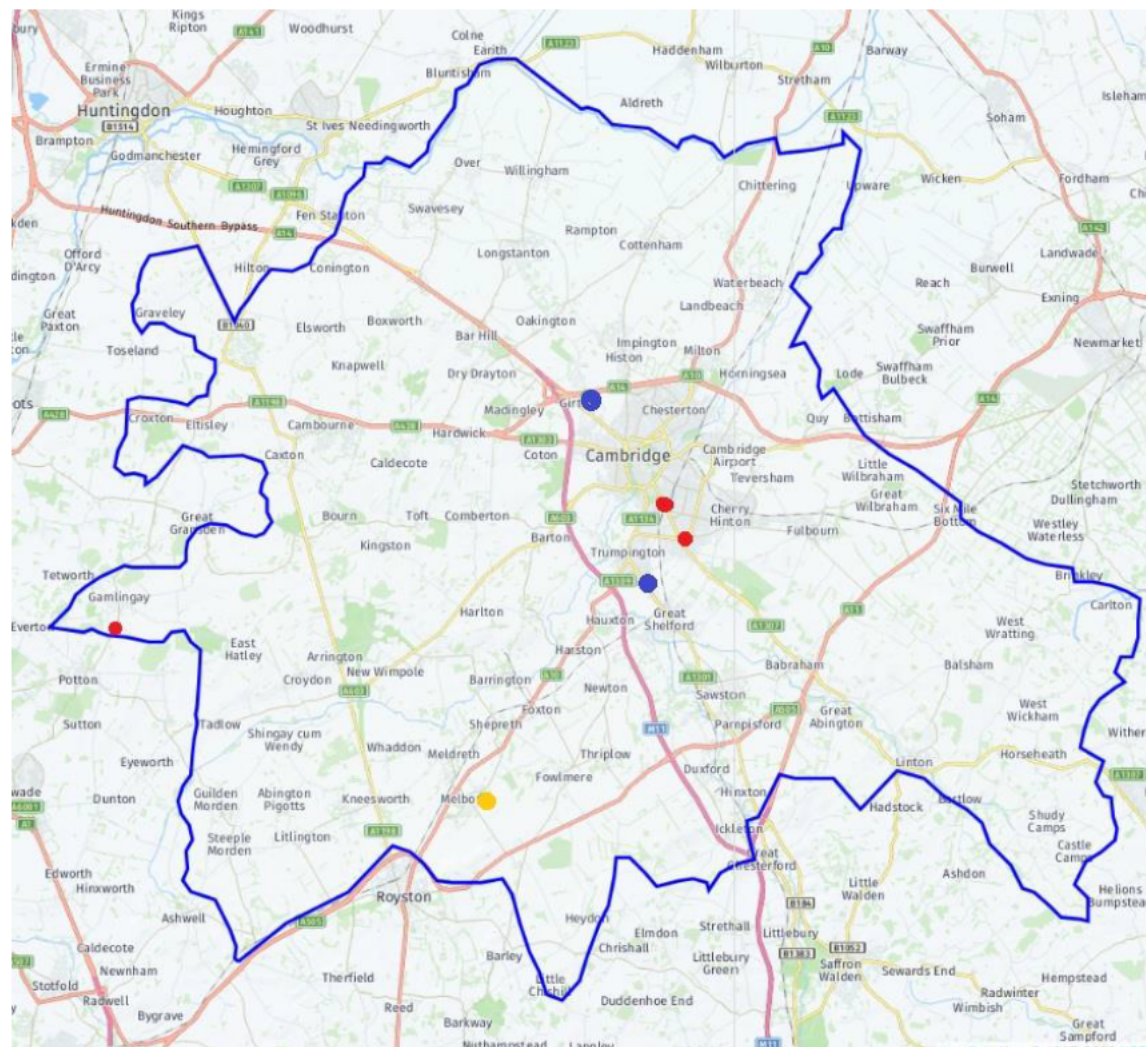
4.1 Market Movement

4.1.2 Greater Cambridge

The way in which the Care Quality Commission logs new registrations and home closures can easily lead to confusion and error in assessing activity. We have, however, given considerable analysis to recent CQC data across the Greater Cambridge area over the 5 year period ending 31st December 2019. The map alongside details relevant activity with key as follows:

- Red – Care home closures
- Blue – New care home registrations
- Amber – A virtual like for like swap with care home closure 2015 and refurbishment/reopening 2019

Given the extent of geography and level of population it is fair to say that activity across the past 5 year period has been comparatively limited. The three care home openings have added 197 registered beds to the local care home estate, comfortably offsetting the 145 beds lost across the four facilities closing.



4.2 Existing Care Homes - Scheduled

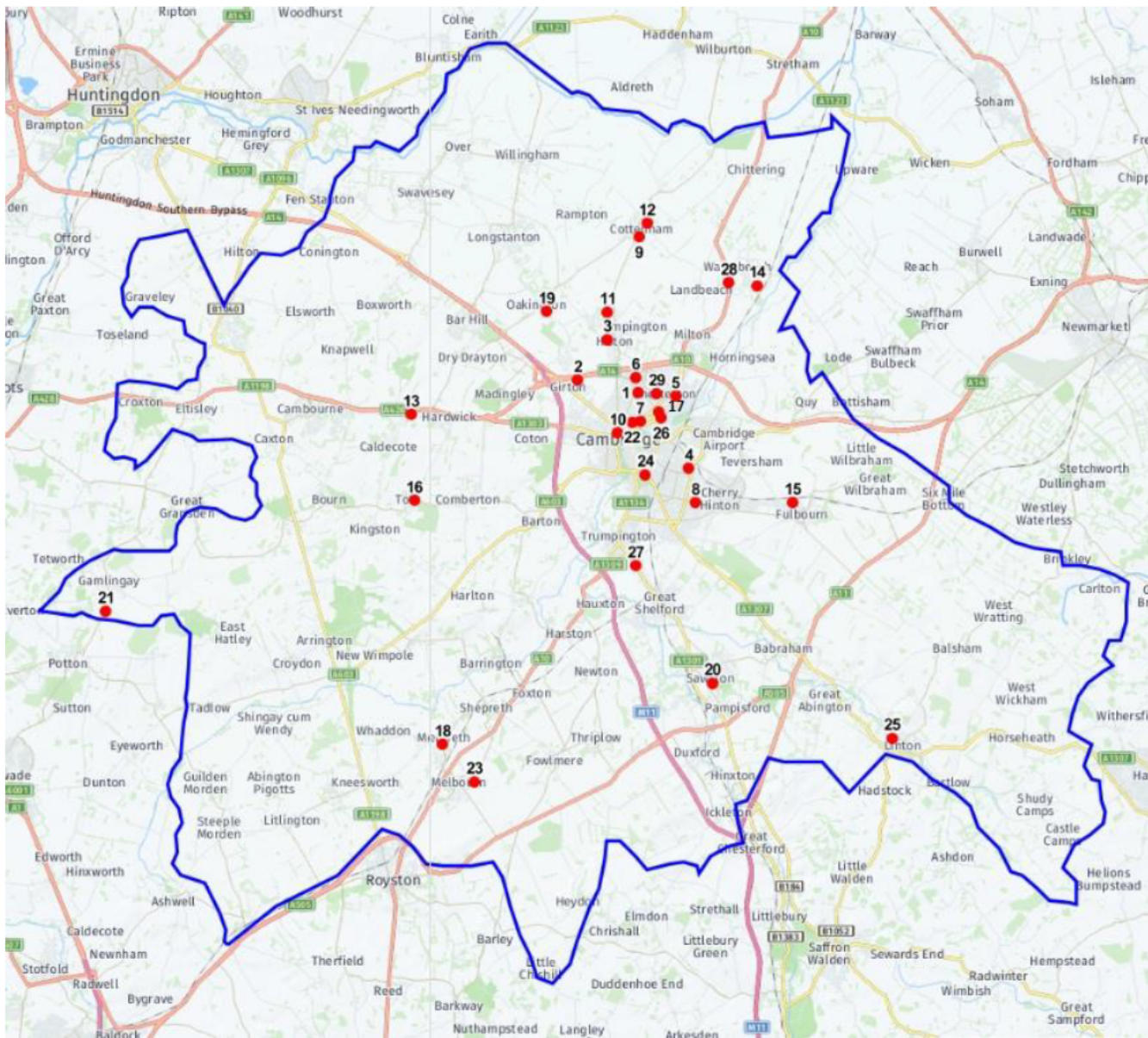
Map Ref	Nursing / Residential	Name	Registration	Provider
1	Residential	Alex Wood House	36	Cambridge Housing Society Limited
2	Nursing	Arlington Manor	85	Hallmark Care Homes (Cambridge) Limited
3	Nursing	Bramley Court	72	Carebase (Histon) Limited
4	Residential	Brook House	35	Brook Healthcare Limited
5	Residential	Browns Field House	29	Abbeyfield Society (The)
6	Nursing	Buchan House	66	Buchan Healthcare Limited
7	Nursing	Cambridge Manor	89	Rockley Dene Homes Limited
8	Nursing	Cherry Hinton	60	Rockley Dene Homes Limited
9	Nursing	Cottenham Court	62	Bupa Care Homes (CFChomes) Limited
10	Residential	Edward House	18	Foundation of Edward Storey
11	Nursing	Etheldred House	82	Etheldred Healthcare Limited
12	Residential	Fitzwilliam House	40	Fitzwilliam Healthcare Limited
13	Nursing	Gracefield	17	Greenacres Care Home Limited
14	Residential	Hatley Court	35	Hatley Court Haven Ltd
15	Nursing	Home Close	72	Healthcare Homes Group Limited

The schedule provided alongside and overleaf details care homes listed by the Care Quality Commission within Greater Cambridge and having a care focus upon the elderly (with or without dementia).

4.2 Existing Care Homes - Scheduled (cont.d)

Map Ref	Nursing / Residential	Name	Registration	Provider
16	Residential	Home Meadow	49	Healthcare Homes Group Limited
17	Residential	Langdon House	52	Cambridge Housing Society Limited
18	Residential	Maycroft	25	Maycroft Care Home Limited
19	Nursing	Midfield Lodge	60	Four Seasons (No 9) Limited
20	Residential	Orchard House	35	Sanctuary Care Limited
21	Residential	Potton View	31	Black Swan International Limited
22	Residential	Primrose Croft	38	Primrose Healthcare Limited
23	Residential	Southwell Court	40	Black Swan International Limited
24	Nursing	St Georges Court	76	St. Georges Court Healthcare Limited
25	Nursing	Symonds House	58	Raveedha Care Limited
26	Nursing	The Cambridge	90	HC-One Oval Limited
27	Nursing	The Cambridgeshire	72	The Cambridgeshire Care Home Limited
28	Residential	Waterbeach Lodge	46	Scimitar Care Hotels plc
29	Nursing	Woodlands	109	Ranc Care Homes Limited
29		Total	1,579	

4.3 Existing Care Homes - Mapped



The map alongside details the existing homes identified by red circles. Reference numbers relate to the schedule within Section 4.2 to this report.



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4.4 Care Home Overview

	Homes	Registered Beds	Dementia Beds	Total Rooms	Ensuite Rooms
Residential Care	14	509	297	508	309
Nursing Care	15	1,070	843	1,061	989
Total	29	1,579	1,140	1,569	1,298

	Target Area	UK
Single Rooms as a % of all bed spaces	99%	95%
% of all bed spaces with en suite wc	83%	70%
Average size of Nursing Home	71	53
Average size of Residential Home	36	33

The Care Quality Commission website points to there being 29 registered homes across Greater Cambridge with a focus of care upon the elderly population – whether with or without dementia. Whilst homes are split relatively evenly between those providing nursing care and those restricted to residential care provision, the number of registered beds is loaded significantly in favour of nursing care.

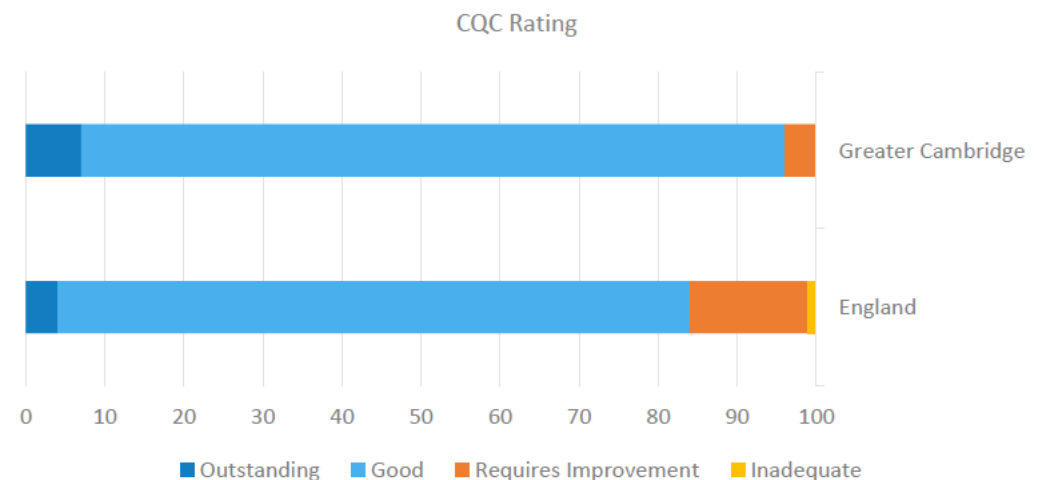
Environmental mix across the local care home estate is extensive, ranging from converted period property through to a handful of modern purpose built facilities opened in recent years. Accommodation configuration would be considered impressive across the area with a proportionately high level of en suite and single occupancy bedroom accommodation. With average care home sizes comfortably in excess of the national profile, the potential for attrition in the short/medium term is comparatively limited.

Mirroring the mix of environment, so the variety in terms of registered provider is significant, ranging from single home operators through to some of the largest national Major Providers. By far the most significant presence is from private groups of varying size with Excelcare particularly prevalent. This is due to their acquisition in 2001 of nine Cambridgeshire County Council care facilities which they continue to operate under various registered provider names. As a direct result, there is no Local Authority provision across Greater Cambridge whilst representation from the Not-For-Profit sector is also relatively limited.

4.5 Quality of Care

Historic CQC analysis indicates that over two thirds of nursing and residential homes closing have been rated as either Inadequate or Requiring Improvement. This might therefore be considered a key indicator of attrition potential across the market place.

In October 2019 the Care Quality Commission published “The state of health care and adult social care in England 2018/19”. The document draws upon regulatory findings during the aforementioned period throughout the Social and Primary Care sectors, including the rating of care homes. The bar chart details the overall rating on both a national and local level. The national data is drawn from the aforementioned CQC publication (data date 31st July 2019) whilst the Target Area data is ‘live’ at compilation of this report. Properties yet to be inspected have been excluded.





Supply – Housing with Care

5.1 Existing Housing with Care - Scheduled

Provision of Housing with Care for the elderly is not subject to registration with a regulatory body (unlike care homes).

The Elderly Accommodation Counsel (EAC) was founded in 1984 in an effort to assist the elderly in making informed choices about meeting their housing and care needs. As part of the service, EAC document the relevant accommodation/care provision for the elderly nationwide. The information includes not only the address but also unit numbers, provider, nature of facility and tenure available. For the avoidance of doubt, we have included developments assessed by the EAC as Extra Care or Enhanced Sheltered Housing due to the limited (if any) differential. We note that the Centre for Regional Economic and Social Research similarly rely upon the EAC as their data source. We have utilised the information provided by EAC whilst also cross checking the data with website information from individual providers where possible.

Accommodation is principally within apartments and, with a single exception, all provision appears to have been purpose built since the turn of the millennium.

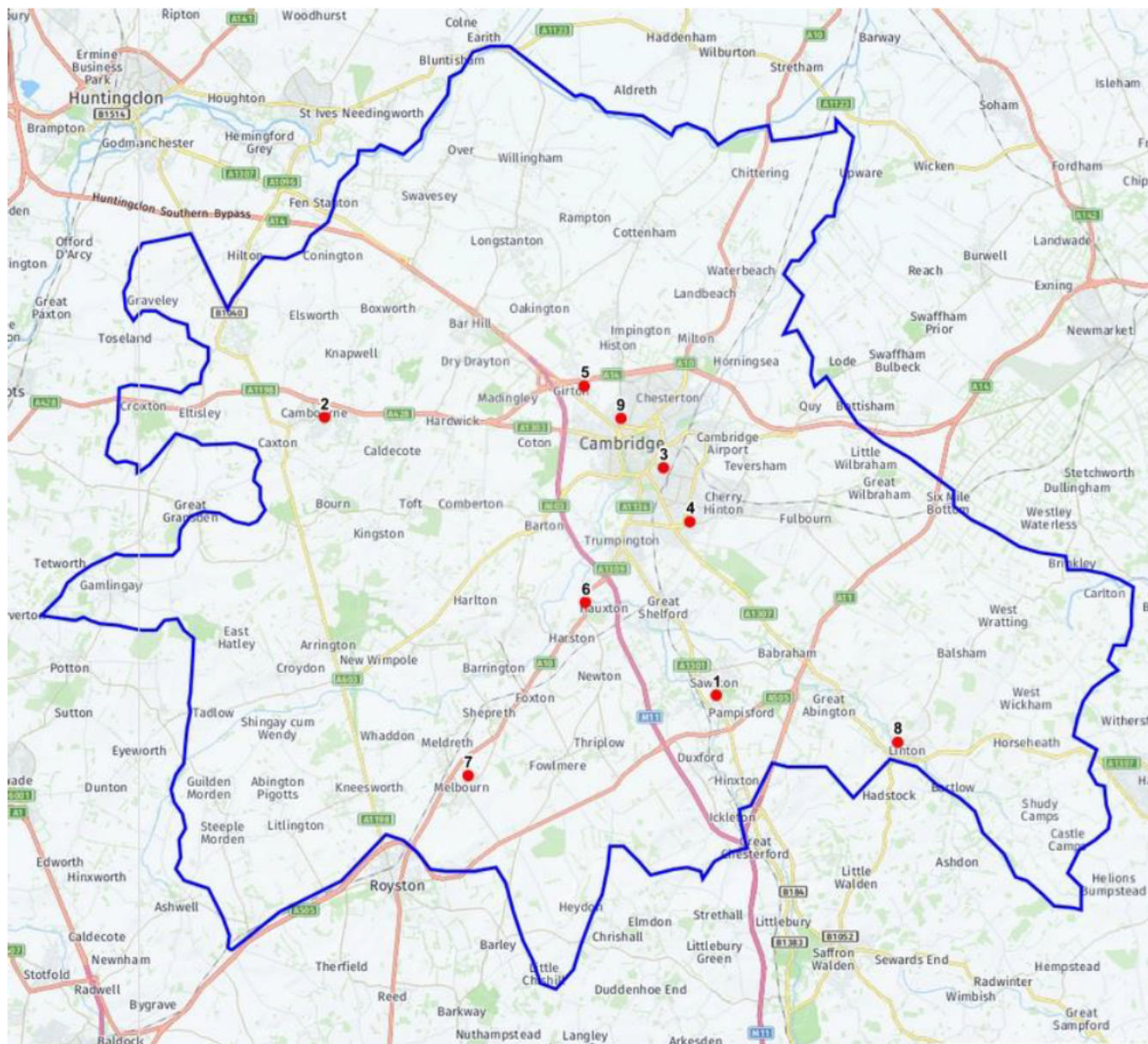
Despite the relative affluence across the Greater Cambridge area, the prevalence of accommodation is focused upon the social rented sector, with CHS Homes, Cambridge City Council and Sanctuary Retirement Living all present.

Map Ref	EAC Description	Name	Total Units	Rental	Leasehold	Site Management
1	Extra Care	Bircham House	30	30	0	Sanctuary Retirement Living
2	Enhanced Sheltered Housing	Cavendish Court	48	0	48	Kingsdale Group
3	Extra Care	Ditchburn Place	36	36	0	Cambridge City Council
4	Extra Care	Dunstan Court	46	46	0	CHS Homes
5	Extra Care	Girton Green	76 ¹	38	38	Abbeyfield Society
6	Extra Care	Mill View	70 ¹	35	35	Domovo
7	Extra Care	Moorlands Court	35	35	0	CHS Homes
8	Extra Care	Nichols Court	40	40	0	Sanctuary Retirement Living
9	Extra Care	Richard Newcombe Court	40	40	0	CHS Homes
9		Total	421	300	121	

¹ The split of tenure on these two developments is unknown. The EAC details Girton Green as having a split of rental and leasehold whilst Mill View is identified as offering rental and shared ownership. In each instance the split has been assumed at 50/50 for the purpose of this report.

5.2 Existing Housing with Care - Mapped

The map alongside details the existing Housing with Care developments identified by red circles. Reference numbers relate to the schedule within Section 5.1 to this report.



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Statistical Demand

6.1 LaingBuisson Methodology

In considering the potential demand for registered elderly care throughout the prescribed area we have had regard to LaingBuisson research. The methodology considers the prevalence of older people in long term care (by age band) and we would consider this the most utilised methodology amongst care home operators and developers.

This confirms the following proportions of UK population living in a care home or long stay hospital setting as at 2019:

- 65 – 74 years: 0.54%
- 75 – 84 years: 3.3%
- 85 and over: 13.6%

The above prevalence rates have been applied to the population data detailed in Section 3.1 to this report. Future forecasts have been calculated having regard to population movement forecasts (across relevant age bands) coupled with the above breakdown of care home occupancy across the elderly population. There is, of course, a level of uncertainty attached to such forecasting. In a drive to retain an individual’s independence, the Housing with Care concept has become a popular alternative to the provision of low need residential care to the frail elderly. The potential for this occurrence is likely to increase. Conversely, as the incidence of dementia rises across the elderly population, so total independence may become inappropriate for many of our population and the need for a care home environment will be the natural choice.

	2020	2025	2030	2035
Care Home Beds	1,827	2,177	2,580	3,128

6.2 SHOP@ Methodology

In 2010 the Department of Health pledged to update the Extra Care Housing tool-kit and offered Local Authorities significant financial incentive to encourage production of robust housing with care strategies. In December 2011 the Housing Learning and Improvement Network fulfilled the Departments pledge, producing a Strategic Housing for Older People Resource Pack (SHOP) - endorsed by the Association of Directors of Adult Social Services (ADASS) and providing the analysis, measures and tools to allow Councils and partners to assess, stimulate and meet demand for different housing options.

Section A (Paper A2) of SHOP considers the approach to demand assessment. In short, there are two potential methods detailed;

- Modelling through Care Home Demand - based upon somewhat dated research, this methodology makes assumptions as to the proportion of care home residents that might be more appropriately housed in a less institutional format. The research indicates that at least one third of care home service users may be appropriate for Extra Care housing but that the figure may indeed appear as high as two thirds.
- Modelling from Population Data - based upon the level of population within a specific catchment area, the methodology believes that a demand level might be ascertained in terms of units per 1,000 population aged 75+.

As time has progressed, so the 'toolkit' for demand assessment based upon the latter of the two methodologies has been revised and upgraded. HousingLIN now make regional demand assessment available to registered users through an online service SHOP@. The methodology is widely accepted by local authorities and central government alike. Indeed, in June 2019 the Ministry of Housing, Communities & local Government published Planning Guidance entitled 'Housing for Older and Disabled People'. The document specifically addresses the evidence base to which planners can refer when identifying the housing needs of older people as follows:

'The age profile of the population can be drawn from Census data. Projections of population and households by age group can also be used. The future need for specialist accommodation for older people broken down by tenure and type (eg. Sheltered housing, Extra Care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool)., which is for forecasting the housing and care needs of older people.....'

General prevalence rates identified within the SHOP@ model are:

	Units per Thousand of the Relevant 75+ Population
Enhanced Sheltered Housing	20
Extra Care	25
Registered Care Home	110

The prevalence rates have been applied to the population data detailed in Section 3.1 to this report. Future forecasts have been calculated having regard to population movement forecasts.

	2020	2025	2030	2035
Enhanced Sheltered Housing	501	613	695	783
Extra Care	626	766	869	979
Registered Care Home	2,756	3,371	3,825	4,309



Supply / Demand Dynamics

7.1 Care Home Overview

LaingBuisson

SHOP@

2020 Dynamics

Demand

Statistical demand 1,827

Supply

Current supply of registered bed spaces 1,579

Current supply of en suite bedrooms 1,298

Dynamics

Under supply in terms of registered beds 248

Under supply in terms of en suite bedrooms 529

The dynamics differ significantly, dependent upon whether the LaingBuisson methodology or Shop@ methodology is used. Having said that, whilst the specific figures differ, the outcome principal remains the same – that of a quite significant statistical undersupply in terms of not only appropriate accommodation (en suite bedrooms for single occupancy) but also registered beds in their totality.

7.1 Care Home Overview

LaingBuisson

SHOP@

2020 Dynamics

Demand

Statistical demand 2,756

Supply

Current supply of registered bed spaces 1,579

Current supply of en suite bedrooms 1,298

Dynamics

Under supply in terms of registered beds 1,177

Under supply in terms of en suite bedrooms 1,458

The dynamics differ significantly, dependent upon whether the LaingBuisson methodology or Shop@ methodology is used. Having said that, whilst the specific figures differ, the outcome principal remains the same – that of a quite significant statistical undersupply in terms of not only appropriate accommodation (en suite bedrooms for single occupancy) but also registered beds in their totality.

7.2 Housing with Care Overview

	2020 Dynamics E S H	2020 Dynamics Extra Care
Demand		
Statistical demand	501	626
Supply		
Current supply of units	48	373
Dynamics		
Under supply in terms of units	453	253

Statistical demand levels in terms of not only the Enhanced Sheltered Housing but also Extra Care have been calculated in accordance with the Shop@ methodology detailed in the previous section to this report. The methodology points towards a quite significant undersupply in terms of both categories of accommodation – a level of undersupply likely to rise significantly with elderly population growth.



Housing for Older People Supply Recommendations

8.1 Background

The Housing for Older People Supply Recommendation tool (HOPSR) follows on from the study document entitled ‘Older Peoples Housing, Care and Support Needs in Greater Cambridge 2017 - 2036’ published in November 2017 (The Study). The Study is authored by the Centre for Regional Economic and Social Research (Sheffield Hallam University) and the University of Sheffield.

The research was commissioned by South Cambridgeshire District Council (SCDC), in collaboration with a range of local partners, with funding from the NHS Healthy New Towns initiative. The Study assesses how, in the context of a rapidly aging population, the housing, care and support needs of older people can be met. It focusses on the geographic areas covered by South Cambridgeshire District Council and also Cambridge City Council – defined throughout the report as Greater Cambridge.

The key function of The Study is the development of an alternative model for the assessment of demand across the varying categories of older people’s accommodation.

8.2 Content Overview

The Study has a focus upon accommodation for the elderly. Such accommodation reflects the definitions utilised by the Elderly Accommodation Council and is generally restricted to the following categories:

- Age exclusive housing
- Sheltered housing
- Enhanced sheltered housing
- Extra Care
- Care Homes

For the avoidance of doubt, Enhanced Sheltered Housing and Extra Care incorporate care provision and align with the previous commentary within this HPC report falling under the category ‘Housing with Care’.

The Study includes population profiling across Greater Cambridge before referencing the Three Dragons consultancy approach to demand assessment and a more detailed commentary in respect of the Shop@ prevalence model.

Applying the CRESR methodology to the Greater Cambridge population data results in a level of ‘Recommended Supply’ which is ultimately compared with existing supply and inflated to reflect anticipated population growth.

8.3 Methodology

In essence the methodology could be described as ‘supply based’ rather than ‘demand based’. The Methodology Statement identifies the process as falling under the following four strands:

A. Reviewing research, policies, strategies and local data.

This comprised a review of available research evidence carried out by other bodies of a general non geography specific content supplemented with review of regional Local Authority documentation relating to both the elderly population and accommodation.

B. Modelling supply and demand for specialist housing.

The first stage assesses the level and composition of supply of housing for the elderly across the 100 English Local Authorities with the highest overall provision per 1000 older people. The categories of accommodation comprise age exclusive housing, specialist housing and care homes. Crucially, the Local Authorities with high levels of housing with care are not necessarily represented as they fall within the larger ‘specialist housing’ category.

The reasoning behind this step is the assumption that these areas are more likely to have achieved a balance between demand and supply. Based upon the 100 Authorities a recommended level of provision is identified, broken down by type (age exclusive, sheltered, enhanced sheltered, extra care and registered care beds).

The second stage uses statistical modelling to identify factors that are predictors of the variation in provision between the 100 Local Authorities with the highest overall level of supply. The variables considered were: percentage of people age 75 years and older in owner occupation, percentage of people age 75 years and older living with dementia, usage of home and day care per 1000 people age 65 years and older, expenditure on home and day care per 1000 people age 65 years and older, proportion of people aged 85 years and older, proportion of people age 75 years and older whose day to day activities are limited a lot, and whether the area is urban/ rural.

C. Understand the local context and systems for policy making and implementation.

This strand of work centred on engaging with key stakeholders to explore current understandings of supply and demand factors relating to older peoples housing, care and support, and to explore the adequacy of current policy, practise and partnerships. In total, 13 stakeholder interviews were conducted.

D. Understanding residents needs, preferences and decision making processes.

Focus groups sought to explore the perceptions, preferences, behaviours and decision making of older people around their future housing, care and support.

8.4 Content Commentary

General

The Study underlines the fact that only seven Local Authority areas in England have reached the prevalence rate utilised in the Shop@ model and, indeed, only 12.5% are half way toward the target. For this reason, CRESR modelling is supply based in an effort to identify an achievable level of supply. The methodology focuses upon the 100 Local Authorities where specialist elderly accommodation is at its greatest per capita, utilising these supply levels as a base for Greater Cambridge. Unfortunately, the methodology therefore appears to confirm a level of ‘achievable supply’ rather than ‘demand’. Indeed, CRESR refer to this as the level of ‘Recommended Supply’.

Housing with Care

Assessment is made of the 100 Local Authorities with highest proportion of total specialist housing for the elderly. Total specialist housing includes standard sheltered housing, enhanced sheltered housing and extra care. The Study points towards the combined level of enhanced sheltered housing and extra care being appropriate at just 10% of total specialist housing for the elderly. This contrasts with the Shop@ demand driven methodology which identifies the combined enhanced sheltered housing/extra care requirement as being circa 25% of total specialist housing for the elderly.

A key reason behind this differential in breakdown is likely to be the CRESR reliance upon supply (rather than demand) data. Extra care remains a (comparatively) new concept – especially in contrast to standard sheltered housing which has been in existence for over half a century. This is illustrated by the fact that, of the nine Greater Cambridge ‘housing with care’ developments, the Elderly Accommodation Council identifies only one as predating 2003. The past 12 years have seen significant austerity. Local Authorities have been subject to significant budgetary constraint whilst developer/care providers have struggled with financial models capable of making ‘housing with care’ development viable. For this reason there has been restricted development of ‘housing with care’ over recent years – a factor due to financial decision making rather than fulfilled accommodation demand. Unfortunately, the CRESR methodology, being supply based, fails to reflect the fact that the proportionate demand for ‘housing with care’ is actually likely to be far higher than the 10% (or thereabouts) identified in the supply analysis.

Section 4.5 of the Study acknowledges this potential shortcomings, underlining the potential for local authorities to increase housing with care targets as follows:

‘This reflects the fact that our modelling is premised on existing provision in Local Authorities with a high level of overall supply, and where extra care provision may vary in scale.....If it is decided that extra care can meet a greater proportion of needs that are currently met in other areas of the system.....then this could dramatically change how many units of extra care are required.’

The Study therefore acknowledges that demand levels for extra care may vary *‘dramatically’* from the model outcome.

The Study similarly considers tenure across the specialist housing supply. The study concludes that, whilst rental options will remain predominant, ownership forms of specialist housing across Greater Cambridge are required in greater number. The Study references the Shop@ methodology which identifies areas of similar affluence to Greater Cambridge as having a need for 67% of specialist housing for the elderly subject to ownership (of varying form). This would not appear unrealistic, given that our own research identifies a little over 70% of Greater Cambridge individuals over the age of 65 to be owner occupiers. In contrast, the Study identifies 21% of ‘housing with care’ as being appropriate across Greater Cambridge for owner occupation. Once again, this is due to analysis being based entirely upon existing provision and dynamics rather than reflecting potential demand. Conceding this differential (Section 4.10) the Study confirms.. *‘existing models suggest much higher levels of ownership than our model recommends, reflecting a difference in methodology. As evidence from recent studies suggest, there is a significant latent demand for ownership options in specialist housing. Hence, the outputs of our model in terms of ownership should be seen as a minimum.’*

The Study utilised a number of focus groups in order to ascertain a breadth of opinion relating to specialist care for the elderly. The following feedback (Section 5.5) is key commentary:

‘Many residents still had a very binary view of their housing pathway – stay at home and then (if necessary) move to a care home. To a large degree, this is reinforced by lack of knowledge (and lack of provision in some areas) of alternative housing options.’

The above comment is, unfortunately, reflective of an elderly population largely unaware of the increasing breadth of housing options. The lack of information relating to ‘housing with care’ and lack of development of such in many localities means that a significant proportion of the elderly population would be unaware of the differential between housing with care and registered care homes and there is a likelihood that, if they were to become aware, the demand for housing with care identifiable from consultation processes would be considerably higher.

8.4 Content Commentary

Registered Care Homes

Over the past 12 years we have seen a lack of new development in the care home sector. Budgetary pressures nationwide across Local Authorities have significantly impacted upon fees paid to care home providers, the result being virtual stagnation nationwide in the number of care home beds since 2008 despite a fast rising elderly population. Unfortunately, the comparatively limited new development seen across the country has been offset (and at times more than offset) by attrition as homes have closed for either viability reasons or through being unable to offer accommodation fit for purpose in the 21st century.

With the above in mind, it is extremely likely that, due to methodology used, the level of 'care home recommended supply' assessed through the HOPSR model would have fallen year by year over the past decade as elderly population increased and registered beds remained relatively constant. This outcome would clearly not have been representative of true demand.

In terms of regional analysis, we note (Section 3.3 of The Study) reference to there being 40 care home schemes across Greater Cambridge, providing a total of over 1,600 units/bed spaces. This is of significant variance with current Care Quality Commission data which points toward there being 29 care homes across Greater Cambridge providing focussed care to the elderly. The homes offer a total of 1,579 registered beds but, crucially, only 1,298 en suite bedrooms. There is no comment within the Study as to the nature of beds detailed as 'supply' and it is assumed that these comprise registered beds.

It is now well over a decade since the Department of Health published the National Minimum Standards for Care Homes for Older People. Although the standards are no longer in place, they served to set a benchmark in terms of environmental quality, detailing a requirement for newly registered facilities to restrict bedroom occupation to single occupancy and for all bedrooms to incorporate an en suite facility. In our experience as single occupancy en suite bedroom is now considered the appropriate standard throughout the country by providers and commissioners alike.

HOPSR Shortfalls

Perhaps it is only reasonable at this point in the report to reproduce a Cambridgeshire County Council quote direct from the Older People's Accommodation Strategy:

'Understanding what is considered 'enough' accommodation to meet the needs of the current and future population of older people is very complicated....'

HPC concur totally with this and our following comments should be read in this context and seen not so much as a criticism but rather highlighting where areas of actual demand are likely to differ from the Recommended Supply of the HOPSR model.

The key issue surrounding Study methodology is that it is supply, rather than demand, based – a shortcoming acknowledged in the Study Executive Summary:

'This means that the CRESR model is grounded in what is possible at a local level, but this means it is both retrospective and based purely on quantitative measures of supply in other Local Authorities (and not on the suitability or quality of that supply).'

The Study seeks to defend the approach within the Methodology Statement (Appendix 2) as follows when referencing the 100 Local Authority areas:

'It was assumed that these areas are more likely to have achieved a balance between demand and supply.'

The key words within the above sentence are 'assumed' and 'more likely'. We are unable to confirm from The Study content if enquiry was carried out as to whether supply did actually equate to demand. In essence, the study appears to be based largely on the premise that a comparatively high supply is equal to demand. This is not necessarily the case and we believe that, for reasons previously detailed in the section, the overall Recommended Supply is very likely to fall below that of actual demand.

8.4 Content Commentary

Unfortunately, by adopting the supply based model, there is an assumption that not only the total supply equates to demand but also (in respect of Specialist Housing) both the splits of nature of accommodation and tenure. We have highlighted earlier in this Section the way in which this is inappropriate for the nature of accommodation and this is evidenced within the Study itself:

‘There are some current challenges to developing more extra care provision. Multiple interviewees, including a representative of an RP currently running extra care schemes in the area, talked through these difficulties. In particular, uncertainties about supported housing funding, and procurement rules which create uncertainty about future care contracts, have diminished interest amongst such providers.’

(Section 5.5)

In a similar way, The Study references how the model recommends a supply of owner occupied housing with care across Greater Cambridge equating to 20.8% of units (based upon analysis of current provision). This contrasts with the SHOP@ level stated as 67% and the Census data 2011 which identifies 73% of households (occupiers aged over 65) across Greater Cambridge to be in home ownership.

We are of the opinion that the Study significantly understates not only the total requirement for further Housing with Care but specifically that to be made available by way of freehold / long lease. A supply based model cannot truly reflect demand when supply has been restricted through a variety of factors un-associated with demand level.

Whilst acknowledging that the Study details there to be a significant undersupply of care home beds, this is based (we believe) upon registered bed numbers rather than appropriate accommodation fit for purpose (ensuite bedrooms for single occupancy). The actual shortfall in appropriate accommodation is therefore likely to be higher.

In summary, we believe that the HOPSR tool is no more than an indicator and should not be mistaken for the level of demand, a belief echoed within the study itself :

‘It is important that the outputs of this modelling are seen as the basis for informed policy making, rather than a replacement for the process.’

(Section 4.1)

‘Rather than accepting these projected supply figures as static, we argue that policy makers should see them as the basis for more informed policy making.’

(Section 6.2)

8.5 Outcome Comparison

The following table identifies the current and forecast estimates of Recommended Supply for Greater Cambridge identified within the Study.

	2020	2025	2030	2035
Enhanced Sheltered Housing	103	127	144	161
Extra Care	275	318	389	496
Registered Care Home	2,484	3,043	3,449	3,876

The 2020 Recommended Supply data from the Study is compared below with both the outcomes of the LaingBuisson and SHOP@ methodologies. It should be noted that a slight differential will occur due to the reliance of The Study upon POPPI population data whilst HPC utilise Experian population data in applying the LaingBuisson and SHOP@ models. For ease of reference, the level of current supply is also detailed.

	Enhanced Sheltered Housing	Extra Care	Registered Care Home
HOPSR	103	275	2,484
SHOP@	501	626	2,756
Laing Buisson	-	-	1,827
Actual Current Supply	48	373	1,298 ¹

¹ Ensuite Bedrooms



The Local Authority Perspective

A source of repeated reference within the Study is the **Older Peoples Accommodation Strategy** published by Cambridgeshire County Council and we have had regards to the version updated in 2016. Perhaps the direction of the strategy is best summarised in the following direct quote from the Executive Summary:

'In Cambridgeshire, there is a rapidly expanding older population, a tightening of public sector funding and a system of specialist and care accommodation for older people that seems to be at capacity.....ensuring there is enough suitable accommodation to meet the need of the older population is therefore essential to help make sure that the levels of need in the population are manageable with current resources.'

Key specific aspects covered within the strategy include:

- An acknowledgement that establishing the appropriate level of supply of specialist accommodation for the elderly population is extremely complex.
- It is beneficial to the elderly population to enable them to access the accommodation in which they want to live and that enables them to remain independent within their own community wherever possible. Without better housing in the community in which people belong, the choice for older people will often lie between getting by in unsuitable accommodation or uprooting to some form of institutional home often removed from familiar surroundings.
- Delayed transfers of care from hospitals are a key indicator of a county wide shortfall in appropriate accommodation with data suggesting *'more capacity is needed in permanent places for people with high needs to live, an issue which is obviously about accommodation and care.'*
- Cambridge and South Cambridgeshire have a lower rate of care home beds per 1,000 people than the county average.
- The wider housing needs of the local population benefit from the development of specialist housing for the elderly. With half of the homes subject to under occupation being in the 50 to 69 age group, the development of appropriate accommodation will enable larger family homes for young families to recirculate into the market place.



Appendices

Appendix I Retirement Community Benefits

The retirement community concept is frequently quoted as offering a plethora of benefits not only to community residents but the remainder of society – both individuals and public bodies. This Appendix provides an overview of perceived benefits – the majority of which are detailed in specific pieces of research.

In June 2019 ProMatura International and ARCO (Associated Retirement Community Operators) published research carried out across 3,900 retirement community residents and prospective residents in 81 separate communities run by 15 operators: **Housing, Health and Care – The Health and Wellbeing benefits of retirement communities.**

The research confirmed the fact that retirement communities assist in meeting the needs of an aging population. Whilst older people need and want choice in their housing for later life, present housing options for older people are frequently limited. Developing the capacity of the retirement community sector is vital to ensuring that the UK's housing market is fit to meet the needs of an aging population.

With research targeted at both retirement community residents and non-residents, the ability existed to compare. The majority of residents (55%) agreed or strongly agreed that their quality of life within the community was higher now than a year ago. This proportion is four times higher than that experienced across non-residents, with non-residents actually being more likely to disagree or strongly disagree that their quality of life had improved over the same period.

Maintaining activity in old age is key to health and respondents reported on the frequency on which they took part in the following exercises. Retirement community residents reporting that they frequently or much more frequently participated in the activities are identified as the first percentage, with non-residents in brackets. The activity differential is staggering:

- Participate in social events – 54% (11%)
- Try new activities – 44% (13%)
- Get together with friends – 42% (13%)
- Eat with someone else – 36% (11%)
- Exercise – 32% (17%)
- Spend time with family – 31% (15%)

With old age comes an increasing desire for safety/security. Individuals were asked whether they felt there to be a safety net in place should things go wrong. 93% of retirement community residents confirmed this to be the case – contrasting significantly with just 40% of respondents in traditional housing.

The results of 2-year studies conducted by Aston and Lancaster University, in collaboration with The ExtraCare Charitable Trust, running from 2012 to 2015 and 2015 to 2018 highlighted the benefits of allowing older people to remain independent while having access to dedicated onsite support and care services in ExtraCare Charitable Trust villages in the Midlands, Buckinghamshire and The North: **Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and the ExtraCare Charitable Trust.** The study began with a base line sample of 162 new residents and measured their health, cognitive ability and mobility at the point of entry and again at 3, 12 and up to 60 months. Their health and social care usage and costs were also monitored. The study showed that there was:

- A. A dramatic reduction in health spending with:
 - A 38% reduction in NHS costs over 12 months compared to their costs on entry
 - A significant reduction in unplanned hospital stays, going from 8 to 14 days to 1 to 2 days as residents were allowed to return home and receive care there
 - A 46% reduction in planned and routine GP appointments after a year
- B. An increase in residents wellbeing with:
 - A 14.8% reduction in depressive symptoms in 18 months
 - An improvement in exercise participation of 75% associated with a reduction of 18% in the risk of falling over the first two years
 - A 24% improvement in autobiographical memory after 18 months – defined as the ability to recall events, objects and people

Over occupation of dwellings continues to be a common phenomenon across the elderly population, frequently due to either the unavailability of appropriate accommodation to which to downsize or, frequently, an awareness as to appropriate housing options. The dilemma is considered in detail within the 2013 research by Claudia Wood **'The Top of the Ladder'** which found that the development of retirement communities with a range of accommodation serving varying need can 'free up' larger units of housing for family use and, in the owner occupied sector, can release housing equity to pay for the care component of extra care housing.

It is increasingly rare to find a retirement community without a central village 'hub' enabling social interaction and leisure activity. Village operators see the benefit of encouraging the wider public in to these facilities in order to not only discretely market the development to future occupiers but also widen the scope of interaction for village occupants. This benefit therefore impacts significantly upon the wider local community.

Additional benefits include (but are not necessarily restricted to):

- With the elderly living in relative proximity to each other, care can be delivered at a lower cost than dispersed home care to households spread throughout the community
- The intensity of care can be adjusted on a daily basis according to the residents immediate care needs. It can be a much more flexible service than dispersed home care even when delivered within a formal care plan.
- Residents can remain in housing with care with greater degrees of frailty or ill health than they could in their own dispersed homes, even with intensive home care packages, as support is immediately flexibly available.

Appendix II Data Source, Assumptions & Reservations

3 Population Profile—Age Group Distribution and Growth

All population age profiling data has been provided by Experian – one of only six suppliers approved by the Office of National Statistics (ONS) following Census release. The population figures provided are 2020 mid-year estimates at OA level.

3 Population Profile—Household Income

All Household Income data has been provided by Experian by way of their Consumer View Household Directory 2016.

3 Population Profile—Social Grade

Sourced from Experian and comprising current year estimates based on Office for National Statistics Census Data (2017).

3 Population Profile—Dwelling occupation

2011 Census data provided by NOMIS.

3 Population Profile—House Prices

Comparison data sourced from Land Registry and detailing average house prices achieved in calendar year 2019.

4 Existing Supply - National Picture & County Profiles

HPC research based upon Care Quality Commission registration data over the period 2012 - 2018.

4 Existing Supply - all other

In order to ensure that the schedule of competing homes is as current as possible, the majority of information is drawn from the live web database of the Care Quality Commission. Supporting information in respect of room configuration is provided by the website www.carehome.co.uk and relevant websites of operating care homes.

5 Existing Supply

Elderly Accommodation Council

Third Party Data Provision

As previously stated throughout this report, HPC have relied upon information sourced from third party data providers. HPC have made every effort to ensure the reliability of each provider but take no responsibility for omissions or erroneous data sourced.

Time Limitation

The potential of The Site is impacted by market movement outside of the control of HPC. For this reason, it is necessary to limit the period of time for which this report remains valid to four months from report date.

Instructing Party

The instructing source is detailed within Section 1 to this report. Reports have been provided for the use of the party to whom they are addressed. Whilst they may be disclosed to other professional advisors as part of the process, no responsibility is accepted to any third party for either the whole or any part of the content.

Liability Cap

HPC confirm that the extent of our liability in respect of this report is limited to a maximum sum of £2,000,000.

Appendix III Author Overview

Nigel Newton Taylor is a Chartered Surveyor with 30 years experience providing commercial property advice in both the public and private sectors. Specialising in care, he has provided a mix of consultancy, valuation and transactional advice to a wide range of clients including local authorities, lending institutions, not for profit organisations and corporate healthcare operators.

Relevant Qualifications:

- 1988 Bachelor of Science (with Honours) in Urban Estate Surveying
- 1990 Professional Associate of Royal Institution of Chartered Surveyors

Healthcare Property Consultants Ltd – 2008 to Date

Director

- Co-founder of business specialising solely in healthcare agency, valuation, consultancy and research
- Provision of consultancy advice in respect of development site selection to regional and national corporate operators
- Provision of consultancy advice alongside EY and PwC during 'Fair Price for Care' exercises
- Sale of registered care homes and independent hospitals on behalf of national corporate operators
- Feasibility provision to charitable organisations in respect of estate restructuring (YMCA, CLS Care Services)
- Expert Witness advice to legal and planning processes
- Rent review negotiations on behalf of UK's former largest corporate care home operator (Southern Cross)
- Consultancy advice provided to private operators and corporate providers including Care UK, BUPA, Maria Mallaband Care Group, Healthcare Homes, Avery Health and Bondcare.

GLP Taylors – 2005 to 2008

Director

- Managing Director of healthcare department
- Provision of consultancy advice and agency services to local authorities throughout care home externalisation processes (Essex County Council, London Borough of Havering)
- Provision of consultancy advice alongside PwC during 'Fair Price for Care' exercises across seven local authority areas

Christie & Co – 1997 to 2005

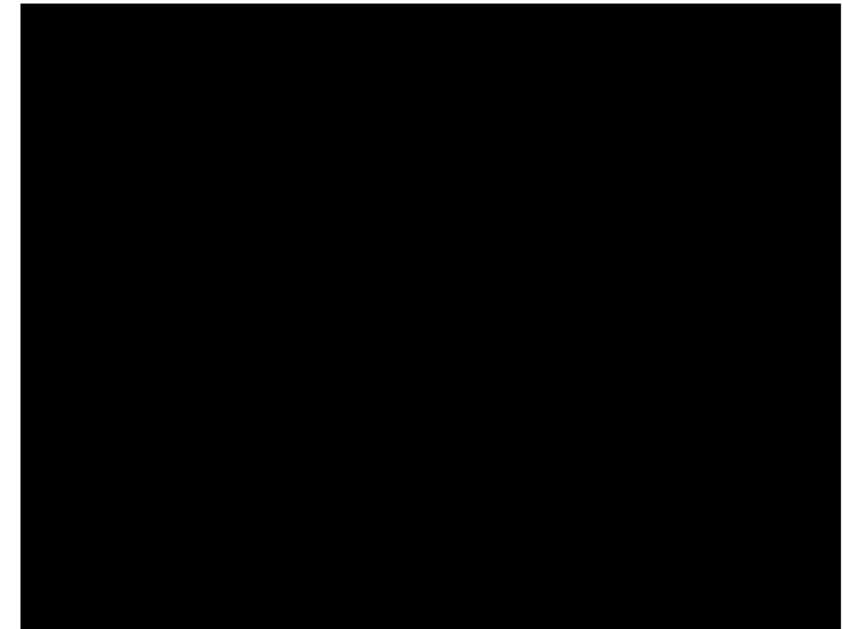
Director

- Manager of Leeds office
- Valuation and agency experience, specialising in healthcare, based (at various times) in Nottingham, Manchester and Leeds

Valuation Office Agency – 1988 to 1994

Senior Valuer

- Miscellaneous commercial, residential and agricultural valuation experience
- Training and supervision of graduate colleagues through RICS qualification



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