

Comprehensive planning need assessment
Private housing-with-care

Court House Farm, Copthorne, Crawley, RH10 3LE

Prepared for:
Option Two Development Ltd

Carterwood Report – July 2025

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- Sector specialism
- Data quality
- Innovation

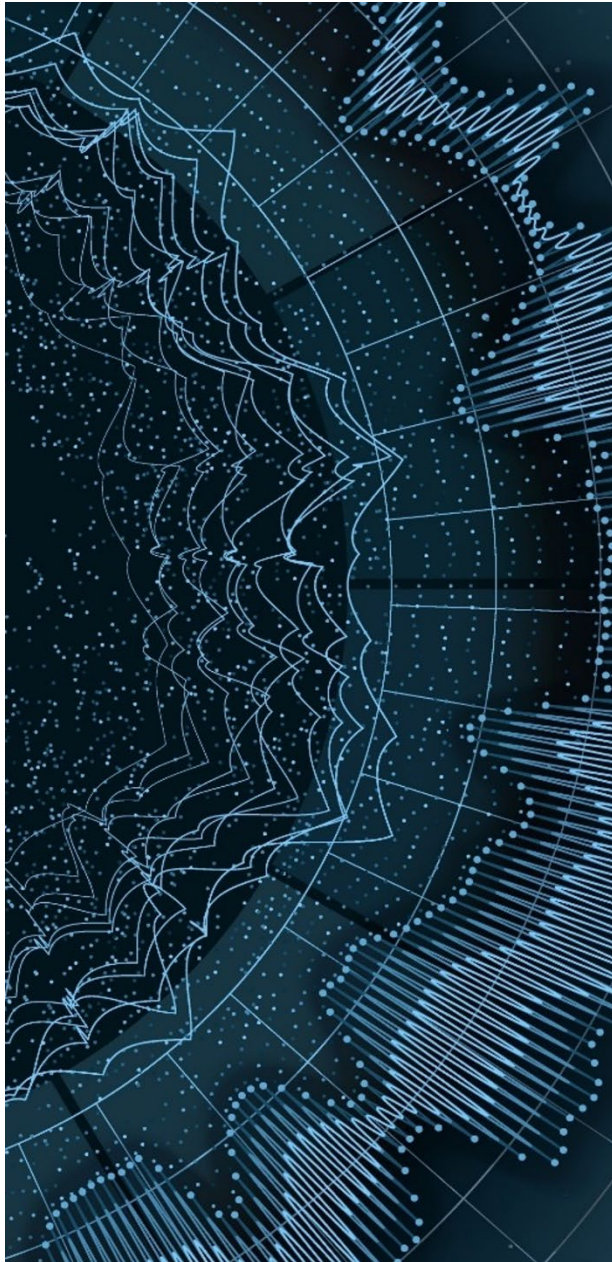
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Key findings

Background and the proposal

National context and key definitions

Local context

Need assessment – housing-with-care

Need assessment – local market qualitative assessment

Data tables and map – housing-with-care

Appendices

T1 Proposal	
Site	Court House Farm, Copthorne, Crawley, RH10 3LE
Proposed scheme	Proposed 101 private housing-with-care units comprising 87 apartments and 14 bungalows, together with communal facilities within a central building and amenities on site.
Background	Those moving to the extra care units can benefit from the domiciliary care provision and facilities on site and can remain living within the scheme as their care needs progress.
Need assessments	- This report provides an assessment of need for market housing-with-care on the basis of the c. 7.5-mile market catchment and the Mid-Sussex District Council local authority area. - Assessment based on 2028, the earliest the proposed development could be made available. - The subject housing-with-care scheme is not included in our 'planned supply' figures.

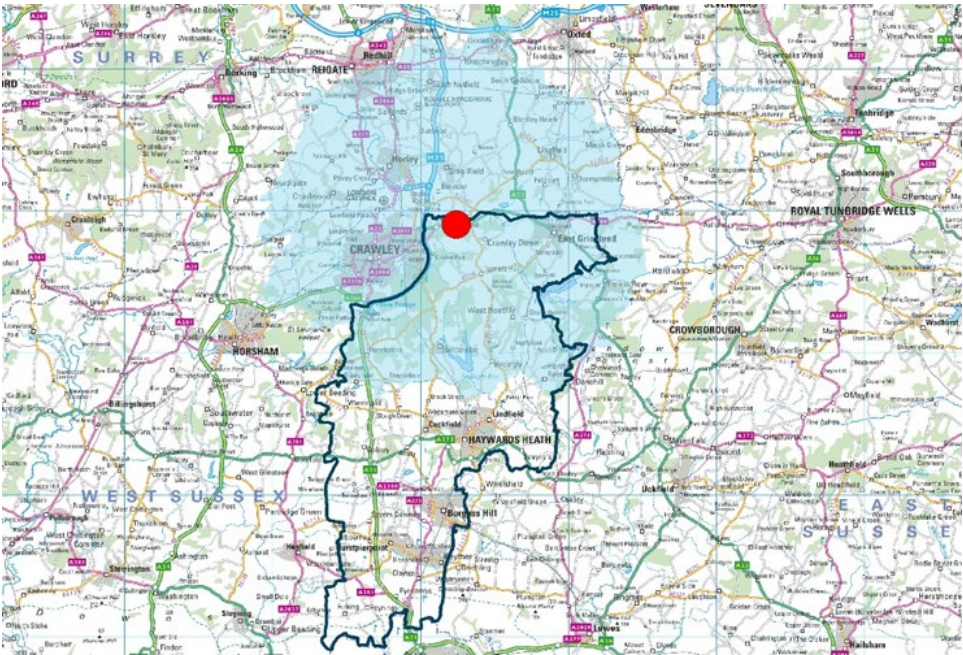


Figure 1: Location of the proposed development
The proposed scheme is shown by the red dot, with the market catchment shaded light blue and the Mid-Sussex District Council area outlined in dark blue.

T2 Need analysis (2028) for private extra care		
Catchment	Market (circa 7.5-mile radius)	Mid-Sussex District Council area
Gross need		
Total 75+ population	25,118	18,812
Estimated need for private extra care @ 4.0% population aged 75+	1,005	752
Supply		
Current supply of housing-with-care	386	131
Extant planned supply by operational year	191	165
Total supply (units)	577	296
Net need		
Housing-with-care net need (units)	428	456

For assumptions see T29 on page 32

T3 Need for housing-with-care – medium to long term			
Catchment	Year	7.5 – mile market catchment	Mid-Sussex District Council area
	Year		
Net need for private extra care	2025	567	580
	2028	428	456
	2033	524	519
	2038	651	601

T4 Housing-with-care need summary	
- Based on 2028, the earliest the proposed private housing-with-care could be made available, our assessment indicates a shortfall of 428 units in the market catchment and 456 in the Mid Sussex District Council area. - The shortfalls increase to 651 private housing-with-care units in the market catchment and 601 in the Mid Sussex District Council area by 2038. - We assume existing supply and prevalence remain constant, and all pipeline supply (with extant permission) is developed at our anticipated timeframe. Five applications are currently pending a decision, of which four (total 371 units) fall within the market catchment and two (total 240 units) fall within the local authority area. These are excluded from our assessment. - There is a need for additional private housing-with-care in the market catchment and a significant need for additional supply within the Mid Sussex District Council area.	

T5 The proposal	
The proposed private housing-with-care development will cater to older people with a range of care and support needs.	

T5 The proposal

- The 101 private housing-with-care units will enable residents with initially lower level care requirements to remain independent for as long as possible, with the ability to increase the amount of care they require, available on-site.
- We consider the proposed development will provide an attractive option for older people with care needs who would otherwise remain in their own, underoccupied family homes in the local area. It will enable the ability to 'right size' to a community where they can benefit from social interaction, while remaining geographically close to family and friends.

T6 National context

- The elderly population in Great Britain is set to grow dramatically and will drive demand for a variety of forms of specialist housing for older people.
- Home ownership levels of older people are important in the analysis of market housing-with-care, as those that own their own home are less likely to be eligible for registered social landlord (RSL) operated affordable rental options. Instead, they will need to access private leasehold sale or market rent alternatives.
- Housing-with-care or extra care has evolved in recent years to respond to the growing need from older people for greater choice, quality and independence. It falls between sheltered housing/retirement living and care homes and provides older people with their own homes with a variety of facilities and amenities and importantly, care is available on site provided by a CQC registered domiciliary care agency.
- There is currently no statutory definition of housing with care or extra care, which often leads to ambiguity for key stakeholders, including planners, potential or existing residents, and social services departments.
- Supply of housing-with-care is still limited in the UK, standing at roughly 70,000 units (cross tenure), providing homes for approximately 90,000 older people, compared to 443,000 care home beds and 444,000 retirement housing units (cross tenure).
- The majority of existing private specialist accommodation in Great Britain comprises 'retirement living' (with no care provision), with just 16.7 per cent of stock meeting our definition of extra care, where care/support is available on-site, amounting to 31,995 units. With approximately 12.8m people over the age of 65 years, and approximately 6.3m people aged over 75 years, this, however, only equates to a supply of private extra care for circa 0.25 per cent and 0.5 per cent of these age cohorts, respectively.
- Our review of the available need methodologies shows a variation in suggested gross need. We consider some use prevalence rates based on historic data, which accentuate historic patterns of older people's housing (with a focus on sheltered housing and residential care homes). Furthermore, they generally remain silent on the need for specialist housing for those aged between 65 and 74 years, even though need is evident from this age cohort based on the number living in existing schemes.
- The COVID-19 pandemic had a significant impact on the social care sector. Research shows how extra care allowed residents to self-isolate effectively within their own homes where, crucially, they could receive trained on-site care or support.

T6 National context

- A wealth of studies predict that significant additional specialist housing for older people is required now and in the years to come, particularly in the private market, where the provision of extra care is lower despite high elderly home ownership levels.
- The independent report of the Older People's Housing Taskforce, published in 2024, includes many recommendations to increase and improve the supply of housing designed for later life. Importantly, that planning policy is revised to better understand need, facilitate new development and deliver an urgently required long-term National Housing Strategy for an Ageing Population. This will enable the country to be better prepared for the multifaceted impact of an ageing society.
- The Government recognise the importance of increasing supply and improving housing options for later life and is committed to helping older people live comfortably and independently at home for as long as possible.
- The proposed care development is closely aligned with the current national focus on increasing the supply and variety of specialist care accommodation for older people.

T7 Commissioning and Local Authority review

- The West Sussex County Council (WSCC) Adult Social Care Commissioning Strategy sets out how demand for adult social care is predicted to increase significantly over the next 20 years, based on the projected rise in those aged over 65 years, and more particularly, those aged over 80 years, with the county having an older age profile compared to England.
- In the Extra Care Housing *Market Position Statement (2024)*, WSCC identify an existing supply of 149 units of extra care in the Mid-Sussex District in 2024, and advise that an extra 150 - 190 units are required by 2035. WSCC continue to encourage extra care as an option and '*wish to work towards extra care meeting the needs of a greater proportion of all people who require care and support*', with the aim of developing 20 schemes in the County in the next 20 years.
- The Market *Sustainability Plan* advises that it is critical that the Council make the best use of its resources and reduce reliance on residential care homes in favour of community-based provision, including extra care and supported living.
- Mid-Sussex District Council's Strategic Housing Market Assessment (2021) advises that there was an existing shortfall of 514 units of market housing-with-care in 2021, based on existing supply at that time of 119 units. An additional 343 units are expected to be required by 2038, with the net need, therefore, increasing to 857 units by that point, on the basis that no additional supply is forthcoming.

T8 Qualitative need assessment

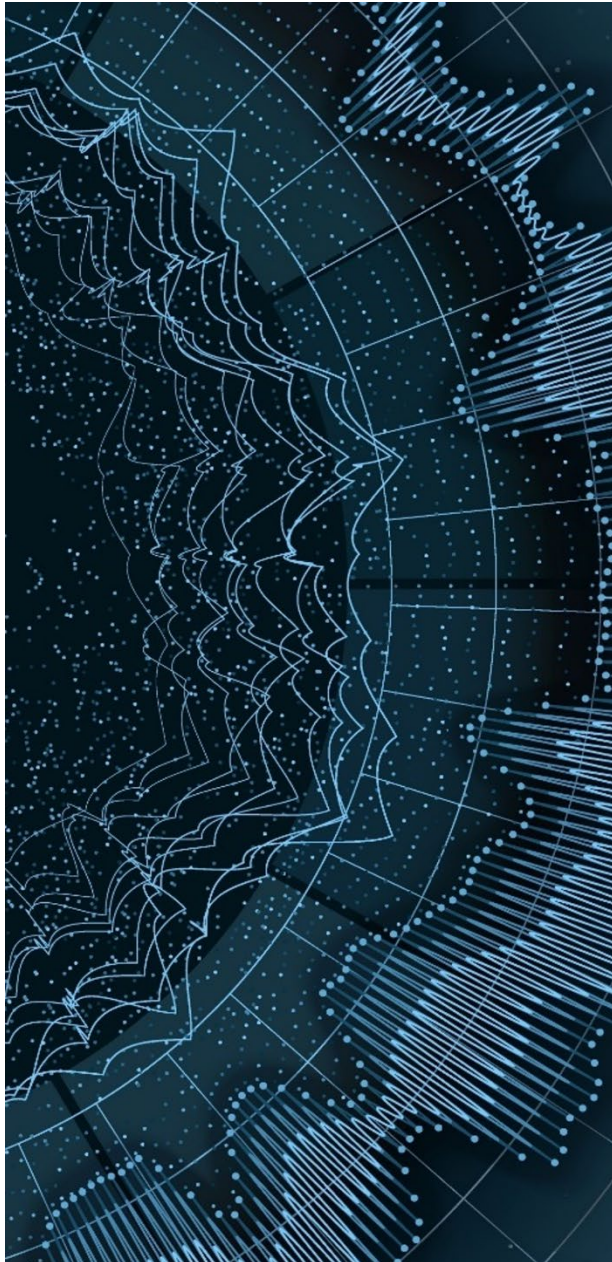
- Private extra care is intended to appeal to older local homeowners who may consider downsizing or 'right sizing' from family homes but find that there are insufficient suitable options for them. This results in having to remain in often-underoccupied existing homes, which may no longer be suitable for their owners' current or potential future care and support needs.
- The proposed development would provide an option to enable older people with care needs to move to a scheme within their local community providing safety and security combined with care and support. This in turn will result in a variety of benefits:
- Housing chain – older people moving to the development will release family homes back to the market. This, in turn, has a chain effect on housing stock and enables families to upsize into larger homes and reduces the need for the development of additional, family-sized properties.
- Employment and economic benefits – the subject scheme will provide a range of full-time and part-time roles, in order to fulfil its obligations to residents and provide care and support services.
- A typical care community will have an economic contribution in terms of job creation during the construction phase, the use of local workers and expenditure in the local economy.
- Health and wellbeing benefits for residents – these include improvements to personal health, psychological and social wellbeing through social interaction within the community facilities on-site and the provision of tailored, consistent care and support.
- Cost savings to the NHS include fewer visits to local GPs and a reduced likelihood of overnight stays in hospital.

T9 Conclusion

- Our analysis of the current situation in the 7.5 mile market catchment for the proposed development and the Mid-Sussex District Council area, indicates a very significant existing shortfall, and additional need for private housing-with-care.
- Older people cannot wait for supply to come on stream – planning guidance states the need is 'critical' and this is certainly evident in our analysis of this situation, where the Council does not yet appear to have fully addressed the need for housing-with-care, evidenced by our assessment.
- Both West Sussex County Council and Mid-Sussex District Council advise that there is an existing and increasing shortfall of housing-with-care in Mid-Sussex.
- Action is required to ensure adequate provision can be made for this form of specialist housing for older people. The alternative is that there will be insufficient supply to match the needs of Mid-Sussex District Council's ageing population, which would be contrary to government guidance, the objectives of the Adult Social Care Reform White Paper and the recent findings of the Older People's Housing Taskforce.
- The subject proposal provides an opportunity to facilitate a new scheme providing private extra care together with a range of communal facilities, the provision of care on-site and deliver a range of benefits to both residents and the local community. It

T9 Conclusion

would assist in meeting the current shortfall of supply in both the market catchment and the Mid-Sussex District.



Key findings

Background and the proposal

Introduction

Carterwood

Location and description of proposal

The proposed scheme – position on the care spectrum

National context and key definitions

Local context

Need assessment – housing-with-care

Need assessment – local market qualitative assessment

Data tables and map – housing-with-care

Appendices

1. Introduction

- 1.1 Carterwood has been commissioned to prepare a Comprehensive Planning Need Assessment (CPNA) on behalf of Option Two Development Limited in relation to the development of a purpose built 101 unit private housing-with-care development on land at Court House Farm, Copthorne, Crawley, RH10 3LE.
- 1.2 The proposed development will provide private housing-with-care (also known as extra care) accommodation, together with a range of communal facilities and amenities.
- 1.3 In this report, we have considered the national context, together with a detailed study of the market catchment private housing-with-care and the Mid-Sussex District Council local authority area.

Limitations to advice

- 1.4 The trading environment of the care sector in Great Britain, which impacts upon market conditions, remains in a volatile state. Contributing factors include political and economic pressures resulting from some ongoing limitations of post-Brexit trading conditions, operating with the legacy and future risks of COVID-19 and the effect of the conflict in Ukraine.
- 1.5 Our reports are prepared using high-quality data and expert analysis from our experienced team. Any recommendations made are based upon the market and financial climate as at the date of the report, but do not take into account future economic or market fluctuations caused by the events outlined above or other unforeseen events.
- 1.6 This report contains data relating to the 2021 census for England and Wales. The Scottish census was delayed, with the collection phase having taken place between 28 February and 1 June 2022. We are monitoring the census data release schedule, reviewing new data as it is released and ensuring it is embedded into our analysis as quickly as possible.

T10 Instruction summary

Purpose of advice	Comprehensive Planning Need Assessment
Research date	28 May 2025
Prepared by	Jessamy Venables BSc (Hons) MSc MRICS
Reviewed by	Sam Sefton BSc (Hons)
Report date	01 July 2025

2. Carterwood

- 2.1 Carterwood is a multi-award-winning property adviser dedicated to social care. We provide market analysis services and software to investors, developers and operators within the elderly care home and retirement living sectors. We combine sector-specialism with unparalleled data quality and a commitment to innovation, to help our clients make better decisions. Carterwood acts for 85 per cent of the top 20 care home group operators, and our commercially-focused team is one of the largest dedicated to health and social care.



- 2.2 We work with the leading operators, investors and developers in our markets.

T11 Elderly care home



T12 Retirement living



- 2.3 Carterwood's client base represents many operators currently seeking to develop new care homes and extra care schemes. Accordingly, we are in an almost unique position in the sector, having assessed over 4,500 sites since 2008, for a range of providers across a range of scheme types and care categories.

3. Location and description of proposal



Figure 2: Aerial photograph of the subject site for identification purposes only

- 3.1 The site comprises land adjacent to Court House Farm, situated on the southern side of the A264 Copthorne Common Road, to the south eastern side of Copthorne. The village centre is approximately a mile away, accessible via Copthorne Common Road and The Green or Borers Arms Road.
- 3.2 Copthorne is situated between Crawley, approximately 5 miles to the east, East Grinstead, 4.5 miles to the west, and Gatwick Airport is approximately 5 miles to the north west, accessible via the M23.
- 3.3 The proposed 101 units of private housing-with-care comprise 87 apartments (16 x 1-bedroom units, 57 x 2-bedroom units and 14 x 3-bedroom units) with 14 x 2-bedroom terraced and semi-detached bungalows. Communal facilities will be available within a central building which will provide *inter alia*, a restaurant, lounge, treatment rooms, hair salon, office and staff area for the domiciliary care provision. Amenities will be provided on the wider site to include a bowling green.

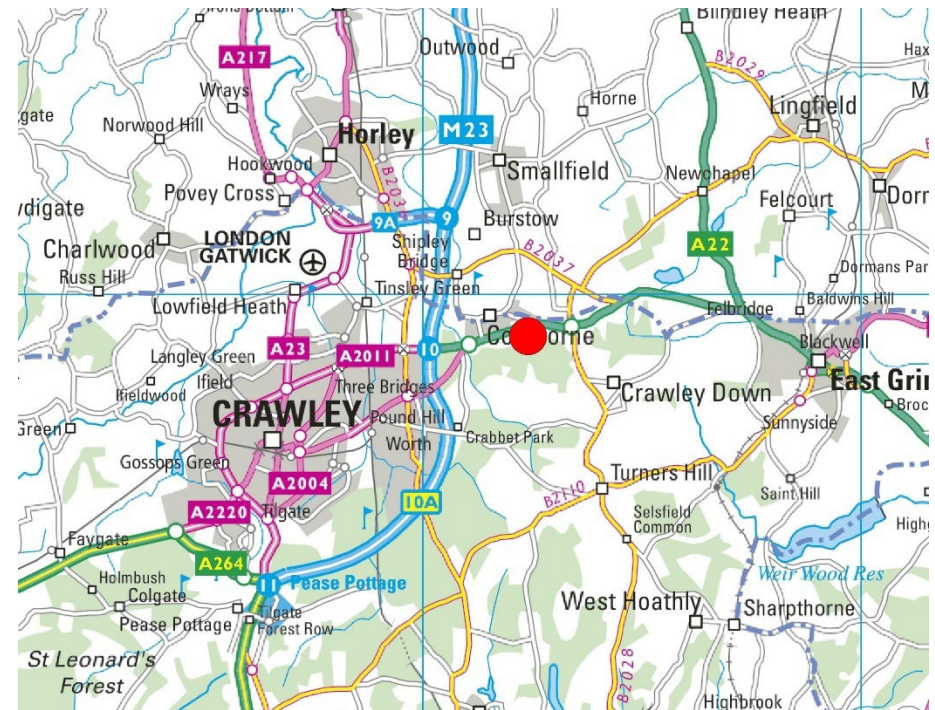


Figure 3: Location map of the subject site

- 3.4 A number of permanent jobs will be created within the proposed development and communal facilities, to provide care and support services to the housing-with-care units, with a range of job types, including a higher grade management position, care workers, maintenance and ancillary staff.
- 3.5 Further detail in respect of the proposal can be found in the design and access statement accompanying the application.

4. The proposed scheme – position on the care spectrum

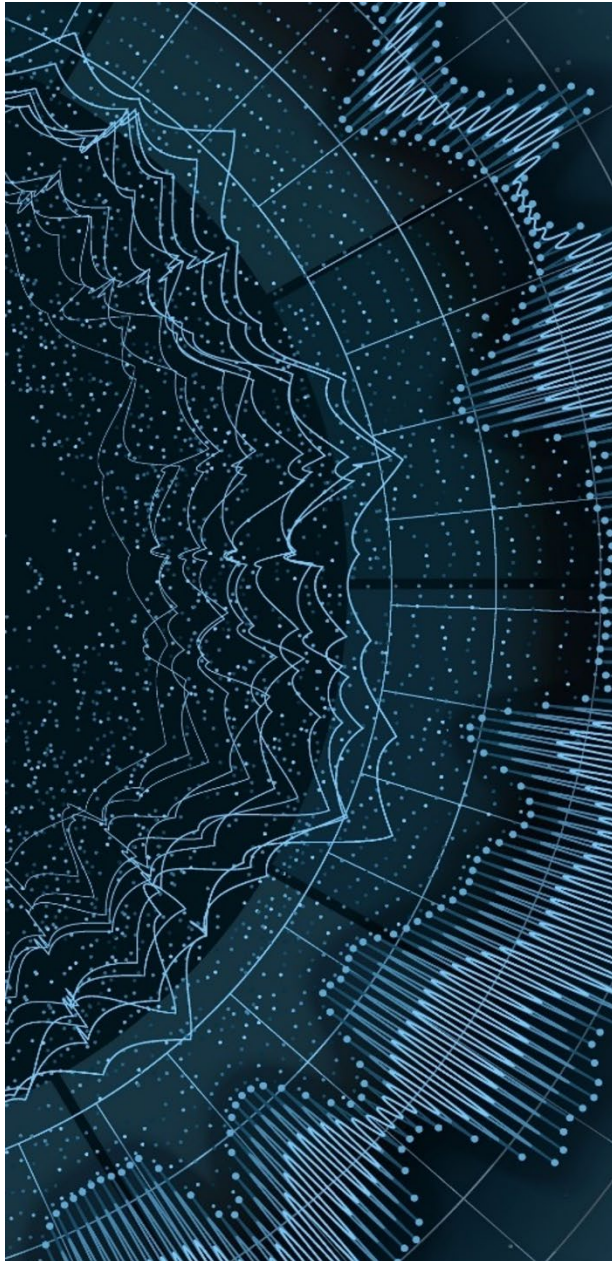
- 4.1 We have compared the private housing-with-care accommodation within the proposed integrated retirement community against other forms of care and accommodation in respect of care provided, cost of care, accommodation type and regulation. Table T13 shows the range of options available within this 'spectrum of care'.
- 4.2 Increasingly, prospective residents do not make a decision to move into a care home until later in life. Due to the increasing requirements placed upon the NHS and hospital beds, as well as the introduction of delayed-discharge legislation, which fines local authorities for 'blocked beds', hospital stays are increasingly short and a stay in a care home servicing this higher level of dependency may be the only short-term option.
- 4.3 This has presented opportunities for the development of alternatives that fall between traditional sheltered housing and care homes. These are referred to by a number of terms, which we define as 'extra care' generically in this report, but meet the definition of providing housing with on-site care support and/or on-site amenities and facilities. A full description of model types is provided in Section 6.
- 4.4 The improvements to general health and wellbeing realised by a timely move to housing with on-site care and support can also have associated benefits for the NHS, in terms of a reduction in GP/nurse visits and a reduced likelihood of, or shorter length of stay should admission to hospital be required (see Section 21).

- 4.5 A variant to the provision elements of the care spectrum below is informal/family care. An estimated 8.8 million or more unpaid carers provide significant support to elderly relatives, neighbours and friends (Age UK, 2019). This allows many thousands of people to remain in their own homes, particularly when the support is alongside home care and/or day care. Thus, a range of care requirements and a range of services coexist, sometimes with considerable overlap.

Key findings – the subject scheme

- The proposed private housing-with-care development will cater to older people with a range of care and support needs.
- The 101 private housing-with-care units will enable residents with initially lower level care requirements to remain independent for as long as possible, with the ability to increase the amount of care they require, available on-site.
- We consider the proposed development will provide an attractive option for older people with care needs who would otherwise remain in their own, underoccupied family homes in the local area. It will enable the ability to 'right size' to a community where they can benefit from social interaction, while remaining geographically close to family and friends.

T13 Elderly care spectrum						
Accommodation	Standard housing	Sheltered housing	Extra care / 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 types	Standard housing	Age-restricted, age-exclusive or sheltered housing	Extra care, assisted living, very sheltered housing	Residential setting		Acute hospital
Accommodation style	House, cottage, flat, bungalow, suite, apartment			Bedroom, suite		Bedroom
CQC regulation	Regulated only if care provided			Highly regulated – all care and accommodation		
Proposed scheme				Requirements met in the proposed scheme		



Key findings

Background and the proposal

National context and key definitions

Elderly population trends and home ownership

Definition of housing-with-care

National requirement for housing-with-care

Local context

Need assessment – housing-with-care

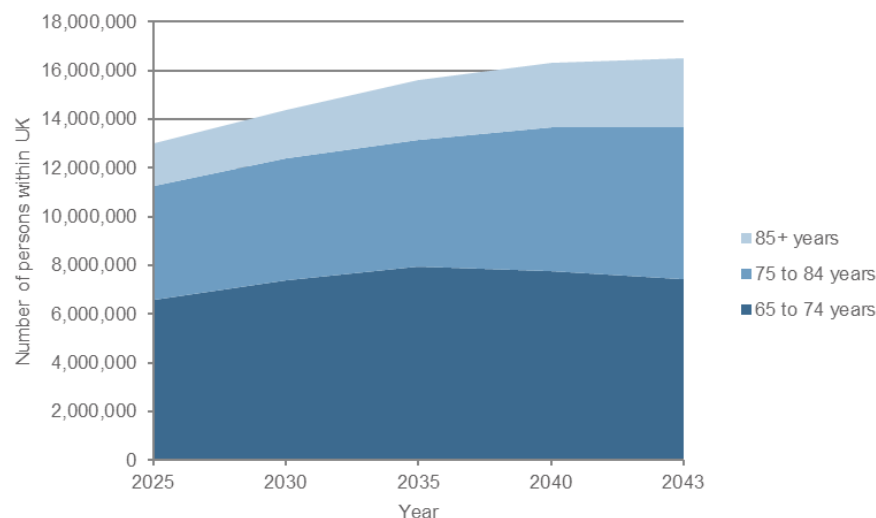
Need assessment – local market qualitative assessment

Data tables and map – housing-with-care

Appendices

5. Elderly population trends and home ownership

- 5.1 The elderly population in Great Britain is set to grow dramatically over the coming years (see Figure 4 below), and the predicted rapid increase in the elderly population is likely to continue to drive demand for retirement housing, non-residential care, such as housing-with-care housing and domiciliary care, as well as care home beds.



Source: 2021 Census, government population projections.

Figure 4: GB 65+ population growth 2025 to 2043 by age band

- 5.2 LaingBuisson's Care Homes for Older People UK Market Report (33rd edition) states that the percentage of the UK population over the age of 85 is projected to multiply more than four times, from c. 1.68 million in 2020 (2.4 per cent of the population) to c. 7.09 million in 2111 (8.7 per cent of the population), while the 75- to 84-year-old segment will rise from c. 4.17 million in 2020 (6.3 per cent of the population) to c. 7.69 million in 2111 (9.4 per cent of the population).
- 5.3 It should be noted that the National Planning Policy Framework glossary refers to 'Older People' as:

'People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass

accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.'

Home ownership

- 5.4 The average level of home ownership among older people is very high in England and Wales, as illustrated by the data from the 2021 Census in T14, below. The table shows the household tenure percentages where the 'household reference person' (HRP) is aged 65 years and older; with 71.2 per cent of owner occupied households being owned outright.

T14 Household tenure (2021) where HRP is aged 65+ (England and Wales)

Tenure	England and Wales	
	No.	%
Owned: Owns outright	5,102,152	71.2
Owned: Owns with a mortgage or loan or shared ownership	455,778	6.4
Rented: Social rented	1,123,965	15.7
Private rented or lives rent free	486,795	6.8
All households	7,168,690	100.0

Source: 2021 Census.

- 5.5 Home ownership levels vary considerably across Great Britain, with higher levels generally found in areas of increased affluence and vice versa.
- 5.6 Home ownership is important in the analysis of need for housing-with-care, as those older occupiers who own their home are less likely to be able or eligible to access affordable rental options and instead will need to find alternatives that are available on a private leasehold or market rental basis.

Key findings – GB market trends

- The elderly population in Great Britain is set to grow dramatically and will drive demand for a variety of forms of specialist housing for older people.
- Home ownership levels of older people are important in the analysis of market housing-with-care, as those that own their own home are less likely to be eligible for registered social landlord (RSL) operated affordable rental options. Instead, they will need to access private leasehold sale or market rent alternatives.

6. Definition of extra care

6.1 Accommodation for older people has traditionally been limited to three options:

- a) Remaining in the family home;
- b) Moving into sheltered housing accommodation;
- c) Moving into a residential care home.

6.2 As the supply of specialist housing has increased, so have the number of models and designs. Knowledge and availability of the various options enable choices to be taken at an appropriate time, with the aim of preventing an unnecessary or inappropriate move into institutional care.

6.3 Planning Practice Guidance (PPG) Housing for Older and Disabled People¹ sets out the following general type where care is provided, in addition to residential care homes and nursing homes:

- **Extra care housing or housing-with-care:** usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages – the intention is for residents to benefit from varying levels of care as time progresses.

6.4 It should be highlighted that the terms 'extra care' and 'housing-with-care' are interchangeable and refer to the same form of accommodation and care. This report refers to the proposed scheme as extra care and/or housing-with-care.

6.5 The Elderly Accommodation Counsel (EAC) HousingCare² directory provides a comprehensive listing of all forms of retirement housing together with definitions of housing with care³ as follows:

- Housing with care is housing designed with the needs of frailer older people in mind and with higher levels of care and support on-site. It is a newer form of specialist housing for older people and is still relatively uncommon in many parts of the country. Properties can be rented, owned or occasionally part owned/part rented. The services and facilities provided may vary considerably but typically they may include 24-hour staffing, some personal care, domestic help, an assisted bathroom, a restaurant or dining room and residents' lounge.

6.6 Extra-care housing or housing-with-care has evolved in recent years to respond to the growing need from older people for greater choice, quality and independence. It

also enables friends, siblings or couples who have different care needs to continue living together. Central to the philosophy of extra care is that it should provide a 'home for life'. The accommodation element of a scheme is self-contained and is not regulated by the Care Quality Commission (CQC); instead, the care required by the residents will usually be provided by an in-house domiciliary care agency, which is registered with, and regulated by, the CQC.

6.7 There is, however, to date, no statutory definition of housing-with-care, which often leads to ambiguity for key stakeholders, including planners, residents and social services departments. Extra care schemes, providing 24-hour on-site care, support and communal facilities, typically fall within Class C2 ('residential institution') of The Town and Country Planning (Use Classes) Order 1987 because they provide both accommodation and care on a 24-hour/day basis.

6.8 Extra care/Housing-with-care is (and has been) referred to by various names, depending upon whether it is operated by the private sector, a charitable organisation, the local authority or a housing association. Other terms used include 'independent living', 'very sheltered housing', 'enhanced sheltered housing', 'flexicare', 'assisted living', 'supported living' and 'close care'.

6.9 Within the definition of 'housing with care' is a form called 'enhanced sheltered housing' which originally provided some on-site facilities/amenities and/or additional support packages to residents. We include this form within our global 'housing-with-care' definition as enhanced sheltered housing is now rarely referenced as a form of provision, however its prevalence is still included in the assessment of gross need, given that the toolkits utilised in our assessment date from around 2012.

6.10 In addition to these definitions are further sub-definitions of specialist older people's housing, also referenced by EAC, as follows:

- Close care – a small group of flats and/or bungalows adjacent to, and that can enjoy the facilities of a registered care home;
- Retirement/care village, or Integrated Retirement Community (IRC) – large schemes (typically over 100 properties) offering an extended range of services for older people; often providing a variety of accommodation types and with some including a registered care home on the site (although this is not compulsory).

6.11 In 2021, the Associated Retirement Community Operators (ARCO),⁴ the main body representing the housing-with-care sector, announced the new term 'Integrated

¹ (Planning Practice Guidance, 2019) Paragraph: 010, Reference ID: 63-010-20190626

² (Elderly Accommodation Counsel, 2022)

³ (Elderly Accommodation Counsel, 2022)

⁴ (Associated Retirement Community Operators, 2020)

Retirement Community' (IRC) in response to research on the views of older people that led to calls for clearer definitions. Its description of an IRC is that it:

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

- 6.12 According to ARCO, provision of housing-with-care is still limited in the UK, standing at roughly 70,000 units (cross tenure), providing homes for approximately 90,000 older people, compared to 456,000 care home beds (our up-to-date figures suggest this is now circa 443,000) and 444,000 retirement housing units (cross tenure).

GB Provision of specialist housing for older people

- 6.13 We have utilised our dataset, which is sourced from EAC and updated to include our own research to determine the size of the private housing-with-care market, as set out in T15, below. We have classed accommodation either as 'with care/support' or 'without care/support'.

T15 Private specialist housing for older people supply (GB)

Scheme type	Total schemes	Private units for sale or rent	% of private units
Without care/support			
Age-exclusive	1,221	25,115	13.1
Retirement living	3,601	134,316	70.2
Sub-total	4,822	159,431	83.3
With care/support			
Enhanced sheltered	274	10,840	5.7
Extra care	378	21,155	11.1
Sub-total	652	31,995	16.7
All schemes			
Total	5,474	191,426	100.0

Updated May 2024

- 6.14 The vast majority of existing private specialist accommodation in Great Britain comprises 'retirement living' (with no care provision), with just 16.7 per cent of total stock meeting our definition of housing-with-care, where care/support is available on-site, amounting to 31,995 units. With approximately 12.8m people over the age of 65 years, and approximately 6.3m people aged over 75 years, this, however, only equates to a supply of private housing-with-care for circa 0.25 per cent and 0.5 per cent of these age cohorts, respectively.
- 6.15 T16, opposite, shows the percentage of private specialist older people's housing by year of development, with over a third of all supply having been completed during

the 1980s or before. The majority of development at that time comprised age-exclusive and sheltered housing, which does not incorporate any care provision on-site.

T16 Private specialist housing for older people by year of development (GB)

Year of development	Total schemes	Private units for sale or rent	% of private units
Unknown	392	7,728	4.0
Prior to 1970	70	1,498	0.8
1970s	71	1,569	0.8
1980s	1,808	63,215	33.0
1990s	876	29,296	15.3
2000s	941	35,767	18.7
2010s	969	37,725	19.7
2020s	347	14,628	7.6
Total	5,474	191,426	100.0

- 6.16 The supply of new housing for older people in the UK is growing, with, according to Knight Frank (Q2 2024), over 9,160 units built in 2023—up 20% from 2022 and the highest number since 2016. Despite this increase, supply remains well below demand with annual completions representing just 3% of all new homes, even though the older age group is the fastest-growing segment of the population. Delivery of new housing for older people in 2023 was heavily weighted towards Integrated Retirement Communities (IRC), which accounted for 58% of the new units with 183 new schemes, a 17% increase from the previous year. Not only are more IRCs being delivered, but their size is also growing with schemes averaging 117 units per development in 2023, a 30% increase compared to five years ago.

Typical extra care resident profile

- 6.17 There is a strong wish among older people in the UK to remain independent for as long as possible. Extra care units appeal to this sentiment, given the style and design of the accommodation and, for the majority of supply, the creation of a valuable legal interest – i.e. sale on a long leasehold basis. Similarly, 'market rent' options are becoming an increasingly popular option, as they enable potential residents to move into a scheme and experience living there before they decide whether to sell their own home.
- 6.18 The decision to move into extra care is often strongly influenced by immediate relatives, and a shortfall in supply may mean that older people have little alternative but to remain in their existing, often family-sized homes at a time when they may require increasing levels of support and care, particularly following a life-changing event such as the loss of a partner or a fall. Remaining in a property that is larger than required can present problems in terms of access, location of bathrooms, differing levels, safety and security together with sourcing suitable assistance with

property and garden maintenance, all of which can lead to anxiety, and isolation, particularly if there are no relatives living close by to provide support. There can also be issues accessing reliable domiciliary care.

- 6.19 Extra care schemes typically provide accommodation and services for people aged between 70 and 90, with an average resident age of around 80 years. However, there will be a mix of ages outside this typical range. For example, the study, *Village Life, independence, loneliness and quality of life in retirement villages with extra care 2015* by the International Longevity Centre – UK gained feedback from residents across a number of schemes where 15 per cent were aged below 70, 75 per cent were aged between 70 and 89 and 9 per cent were 90 or over.⁵
- 6.20 Typically, single females occupy 65–70 per cent of units, married couples 20–25 per cent and single males 10 per cent of the units. 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.

COVID-19 pandemic - market impact

- 6.21 During the pandemic, specialist retirement housing kept many older people safe. The RE-COV⁶ Study provides evidence of the response and effectiveness of 38 retirement village/extra care operators during the pandemic, which resulted in a lower proportion of residents within participating survey respondents' schemes having died from COVID-19, when compared with older people living in the general population in England, despite their care needs being higher.
- 6.22 Housing-with-care and retirement communities provide an ideal compromise between traditional housing and a care home for looking after the most frail or those who require 24-hour dementia care and support. Care villages and extra care developments allow residents to self-isolate effectively within their own homes, but crucially they can also have trained on-site care and support if required. This not only means residents will be looked after effectively but also that debilitating damage caused by loneliness and social isolation is mitigated.
- 6.23 With the benefit of hindsight following the pandemic, we consider that local authorities and social services teams should be re-assessing their policies and expanding any previous estimate prepared for need for these types of accommodation rather than reducing or maintaining supply at pre-pandemic levels.

⁵ (Beach, Village Life, Independence, Loneliness and Quality of Life in Retirement Villages with Extra Care. The International Longevity Centre – UK (ILC-UK), 2015)

⁶ (Dutton, 2021)

7. National requirement for housing-with-care

7.1 The national requirement for the development of new housing-with-care schemes is growing. This is due to several factors, including:

- highly publicised ageing population demographic leading to a much older and more dependent population that will require an alternative approach to the previous 'norm';
- National Planning Practice Guidance (NPPG Housing for older and disabled people) identifies that the need to provide housing for older people is 'critical', given the projected increase in the number of households aged 65 and over accounts for over half of all households;⁷
- national policy drive towards keeping people in their own homes for as long as possible with a move away from residential care (where practicable and in the best interest of the individual) – housing-with-care is the best placed accommodation option to meet this policy objective;
- The December 2023 update to the National Planning Policy Framework (NPPF), paragraph 63, expanded upon the point that planning policies should assess and reflect the size, type and tenure of housing needed for different groups in the community, to include older people. The assessment for older people now breaks this down between those who require 'retirement housing, housing-with-care and care homes'.⁸ This remained the same in the more recent update in December 2024. These changes should assist in ensuring that sufficient new provision is brought forward for each form of specialist housing for older people.

7.2 National policy support to increase the provision of extra care housing schemes is based on strong evidence with regard to the social and health benefits to residents but also the reduction in pressure on health and social care services and the benefits to the housing market. A series of studies have proved the impact of good quality, well designed independent accommodation combined with a range of facilities and flexible and responsive on-site care and support services. Some of these studies have been commissioned by housing providers but they have worked with academic institutions that add gravitas to the results.

7.3 'Too little, too late? Housing for an ageing population'⁹ (Mayhew 2020), with the Centre for the Study of Financial Innovation, ARCO and Cass Business School, set out the following reasons for concern about the retirement housing shortfall:

- 'The increasing under-occupation of the housing stock caused by a rapidly ageing population has created a dysfunctional housing market;

- Far too few homes are being built that cater for older people. Retirement housing has only accounted for about 125,000, or 2%, of all new homes built since 2000, but each year around 700,000 people turn 65 years of age;
- The number of households will continue to grow at a faster rate than the population and average household size will continue its long-run decline, resulting in increasingly inefficient use of the housing stock;
- With care homes charging high fees to cater for people with high needs, the provision of age-appropriate housing, with flexible access to communal services and personal care, must become part of mainstream housing policy' (page 37).

7.4 The above points to a huge market for retirement housing and more particularly, housing-with-care that would help correct these imbalances.

7.5 At present, the majority of older people's housing-with-care provision caters to those eligible for social/affordable rent and is heavily subsidised through the housing benefit system and charitable foundations. Some 1.2m households aged 65+ receive housing benefit, of which 80 per cent are local authority tenants or registered social landlord tenants. Most of the older home-owning older population fall into the 'middle market' bracket and are unlikely to be eligible for social rented accommodation – for them, retirement housing needs to be attractive as well as affordable.

7.6 This was addressed by the House of Commons Communities and Local Government Committee (Commission for Long Term Care) 'Housing for Older People Second report of Session 2017–19' (February 2018), which states:

- 'We believe that, in the face of demand, there is a shortfall in supply of specialist homes in general and particularly for private ownership and rent and for the "middle market". This limits the housing options available to older people and the opportunity to derive the health and wellbeing benefits linked to specialist homes.'¹⁰

7.7 The main reasons for downsizing are that the family home has become too big for the needs of one or two people, too expensive to run or is otherwise unsuitable. A survey commissioned by Legal & General (2014) found that 33 per cent of over-55s would consider moving but only 7 per cent actually did.¹¹ Key reasons were the lack of availability of suitable properties and price. Legal & General's Last Time Buyers Report posits that 26 per cent of older households are amenable to downsizing, affecting 3.1m properties. This could release 6.2m beds, assuming two spare bedrooms per property, suggesting huge potential.¹²

⁷ (Planning Practice Guidance, 2019)

⁸ (Department for Levelling Up, Housing and Communities, 2023)

⁹ (Mayhew L., Too Little, Too Late? Housing for an Ageing Population, 2020)

¹⁰ (House of Commons, Communities and Local Government Committee, 2018)

¹¹ (Legal and General, 2014)

¹² (Legal and General, 2018)

- 7.8 In its vision for the future, the Associated Retirement Community Operators (ARCO), the trade body for integrated retirement communities, envisages an expansion across the sector from the current population of circa 75,000 living in retirement communities to 250,000 by 2030. With around two-thirds of residents living alone, this would translate into roughly 15,000 new properties a year.¹³
- 7.9 The think tank Demos (Unlocking the housing market) suggests that annual demand for new homes purpose-built for older people is in fact over 30,000 per year.¹⁴
- 7.10 The HAPPI 2 Inquiry by the All Party Parliamentary Group on Housing and Care for Older People found that it is vital to offer older people choice and opportunity in old age, including the right housing and care solutions at the right time. The majority of older people choose to stay put, adapting their home as they grow older, but many decide to move somewhere more accessible and/or with a level of care and support provided.¹⁵ The HAPPI 3 report (2016) estimated that 8 million people over 60 years of age, occupying 7 million homes, are interested in 'downsizing'.¹⁶
- 7.11 The long-awaited Social Care White Paper, *People at the Heart of Care*, was published in December 2021 and outlined the government's 10-year vision for adult social care. It stated:
- *'For some of us, the nature of our care and support needs will mean we need a home that is specifically designed to support independent, healthy living. These homes are generally known as supported housing. There is evidence that for both working age adults and older adults, supported housing can be the best model of care to provide better health and greater independence, as well as closer connection with our friends, family and community. In addition, supported housing can be better value than institutional care (such as residential care) which is often more intensive, and so there is the potential to reduce costs to the health and social care system.'*
- 7.12 The paper asserts that, in planning to support the provision of outstanding quality care and a move towards the choice, control and independence that people want, every decision about care will be a decision about housing:
- *'A lack of suitable housing options results in too many people staying in hospital unnecessarily or moving to residential care prematurely, even if that is not what they want, instead of recovering at their own home'.*
- 7.13 The 'Levelling Up' white paper¹⁷ (2022) went one step further. It proposed a new government task force to specifically address the issue for older people:
- *'A new Task Force will be launched shortly to look at ways better choice, quality and security of housing for older people can be provided, including how to*

address regional disparities in supply of appropriate and where necessary specialised housing.'

- 7.14 The *Mayhew Review* (2022)¹⁸, completed by Professor Les Mayhew, provided an independent review of the retirement housing sector. It advises that with the anticipated demographic changes in the population aged over 65, expected to increase from 11.2 million in 2022 to 17.2 million in 2040, *'a fundamental change is needed in the way we provide care to older people and in their housing options'*.
- 7.15 The review focussed on the impact increasing levels of under-occupation have on other generations as older people remain in their own homes for longer. It made the case for more retirement developments with access to care and facilities that enhance wellbeing on the basis that these help older people stay healthier for longer, and round-the-clock care *'reduces the burden on the NHS, delays transfers into care homes and frees up housing lower down the ladder. It also takes the stress out of later living'*.
- 7.16 If everyone lived in homes that were appropriate in size to their needs, the review estimated 50,000 fewer homes would need to be built each year and that as many bedrooms are being decommissioned through under-occupation as replenished by new homes. Specialist retirement housing currently only accounts for approximately 10 per cent of all older households in the UK with an average of about 7,000 retirement homes being built annually out of a total new-build of approximately 200,000. Three scenarios are evaluated with the third assuming that as much as a quarter (50,000 units) of all new housing should be specialist retirement accommodation. This, the report considers would *'provide a radical departure from present housing policy which focusses on first-time buyers'* and displace more expensive nursing and residential care as people would be healthier and supported in their own home for longer, easing the care crisis and freeing up homes.
- 7.17 A lack of consistency in the planning system is highlighted with anecdotal evidence that local planning authorities discourage such development; potentially due to the split responsibilities for housing and planning at district level, and for adult social care at County Council level.
- 7.18 The Review provides a number of recommendations, including:
- An accelerated programme of retirement housing construction with up to 50,000 new units per year;
 - A significant expansion in the number of integrated retirement communities built each year and that all regions should benefit from their introduction;
 - More integrated retirement living developments in town centres as part of the levelling up process and local regeneration programmes;

¹³ (Associated Retirement Community Operators, 2020)

¹⁴ (Wood C. V., 2017)

¹⁵ (Best & Porteus J, Housing our Ageing Population: Plan for implementation., 2012)

¹⁶ (Best & Porteus, Making Retirement Living a Positive Choice, 2016)

¹⁷ (Presented to Parliament by the Secretary of State for LevellingUp/Housing/Communities, 2022)

¹⁸ (Mayhew L. , Future-proofing retirement living: Easing the care and housing crises, 2022)

- Closer working between planning and social care departments;
- The availability of financial advice to last-time buyers and a review into financial incentives to increase down-sizing;
- The Government's Older People's Housing Taskforce should be mandated to implement recommendations and report on the outcomes.

7.19 In April 2023 the Government announced that the new Older People's Housing Taskforce, intended to boost housing options for older people and work across the housing, health and care sectors, would be chaired by Professor Julianne Meyer. The panel included 18 members with expertise from the social and private retirement sector, local government, adult social care, and from investors and developers. The task force ran for 12 months and concluded in May 2024. The final independent report for the Ministry of Housing, Communities and Local Government and Department of Health and Social Care entitled '*Our Future Homes: Housing that promotes wellbeing and community for an ageing population*' was published in November 2024.

7.20 The report includes a raft of recommendations to incentivise and expand supply, to improve design, strengthen planning policy and build consumer confidence, with some of the most pertinent points in terms of increasing supply, as follows:

- Ensure more housing is designed for later life. We have a growing ageing population and housing stock that does not meet their needs. We need to optimise all forms of Older people's housing (OPH) including mainstream housing, community-led housing, service-led housing (supported living and assisted living) and, though not the focus of this report, care homes.
- Mandating Homes England to support the expansion of OPH to accelerate provision as an enabler and direct funder to enable the market to reach maturity;
- Offering incentives for older people to 'rightsize' and move into age-friendly and inclusive housing and communities i.e. changes to stamp duty for 'last time buyers';
- Completing an in-depth analysis of international business models for the delivery and operation of OPH for the lower to middle-affluence market;
- Introduction of a planning policy presumption in favour of OPH, revising the use class definitions and guidance to local planning authorities (LPA) on planning obligations given the significant viability challenges of provision;

- Establishing a common standardised methodology for local assessment of minimum need for each form of OPH which is transparent, universally recognised and freely available to LPAs;
- Requiring LPAs to co-produce OPH strategy in consultation with senior citizens and a range of local community groups based on a robust assessment of local need and supported by the Integrated Care Board and local Social Care funding body;
- Requiring LPAs to allocate sufficient land (including town centre locations, greenfield sites and potentially green belt sites) for OPH to be developed at a scale that allows viable and affordable OPH options.
- Create a collective leadership to drive change, to deliver an urgently needed long-term National Housing Strategy for an Ageing Population, to enable the country to be better prepared for the multifaceted impact of an ageing society

7.21 In his response to the report, Matthew Pennycook MP, Minister for Housing, advised that the Government recognised the importance of increasing supply and improving housing options for older people in later life and would give careful consideration to the recommendations set out in the report. He acknowledged that providing a range of safe, suitable housing for older people helps them to live independently, safely and well for longer, enhancing their wellbeing and reducing demand for adult social care services and the NHS. The issue of older people's housing would be considered as part of the long-term housing strategy together with the provision of more clarity regarding the application of planning use classes. He concluded that the Government is committed to helping older people live comfortably and independently at home for as long as possible.

7.22 The proposed scheme is closely aligned with the current national focus on increasing the supply and variety of specialist accommodation for older people.

UK and International comparison

7.23 The Policy Exchange's 2018 publication Building for the Baby Boomers illustrated the wide gulf between the UK and other countries in terms of specialist housing for older people.¹⁹

- '*The majority of older people in the UK live in ordinary mainstream housing with only a small percentage living in tailor-made specialist housing. Estimates range from 1% to 7% depending on definitions and how the data is calculated. By comparison, 17% of over 60s in the USA and 13% among that age group in Australia and New Zealand are living in tailor-made retirement properties.*'

¹⁹ (Airey, 2018)

- *'When it comes to provision of housing for older people, the UK is clearly lagging behind other developed countries, and there is a vast opportunity for an increase in provision to meet the growing demand and need.'*

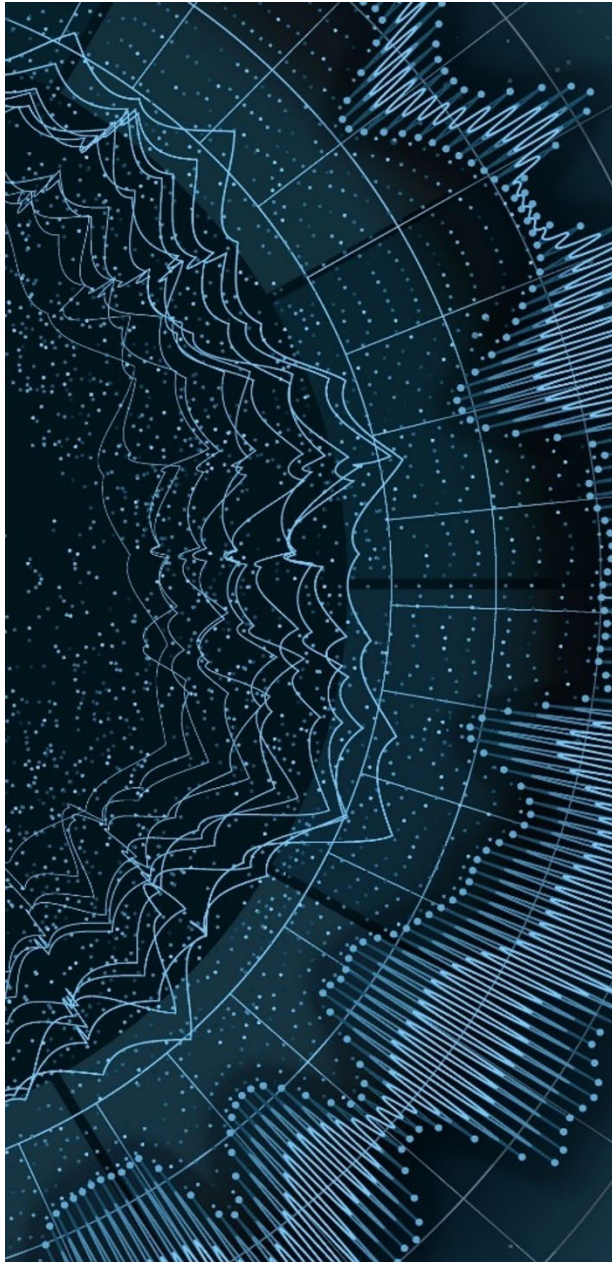
7.24 The Social Care White Paper, People at the Heart of Care also refers to the fact that the UK has a far smaller proportion of people living in supported housing (housing-with-care) than other countries (0.6 per cent of over 65-year-olds compared with between 5 and 6 per cent in the United States, New Zealand and Australia).

'An important priority for the government in achieving our 10-year vision is therefore to grow investment in both grant-funded and private supported housing to incentivise their supply.'

7.25 The recently issued Older People's Housing Taskforce report also makes reference to the fact that *'only 6% of over 65s live in service-led housing with support (supported living) and 0.6% live in assisted living, which is almost 10 times less than in more mature OPH markets such as the USA and Australia, where over 5% of over 65s live in service-led housing with care (assisted living).'*

Key findings – national requirement for housing-with-care

- Housing-with-care or extra care has evolved in recent years to respond to the growing need from older people for greater choice, quality and independence. It falls between sheltered housing/retirement living and care homes and provides older people with their own homes with a variety of facilities and amenities and importantly, care is available on site provided by a CQC registered domiciliary care agency.
- There is currently no statutory definition of housing with care or extra care, which often leads to ambiguity for key stakeholders, including planners, potential or existing residents, and social services departments.
- Supply of housing-with-care is still limited in the UK, standing at roughly 70,000 units (cross tenure), providing homes for approximately 90,000 older people, compared to 443,000 care home beds and 444,000 retirement housing units (cross tenure).
- The majority of existing private specialist accommodation in Great Britain comprises 'retirement living' (with no care provision), with just 16.7 per cent of stock meeting our definition of extra care, where care/support is available on-site, amounting to 31,995 units. With approximately 12.8m people over the age of 65 years, and approximately 6.3m people aged over 75 years, this, however, only equates to a supply of private extra care for circa 0.25 per cent and 0.5 per cent of these age cohorts, respectively.
- Our review of the available need methodologies shows a variation in suggested gross need. We consider some use prevalence rates based on historic data, which accentuate historic patterns of older people's housing (with a focus on sheltered housing and residential care homes). Furthermore, they generally remain silent on the need for specialist housing for those aged between 65 and 74 years, even though need is evident from this age cohort based on the number living in existing schemes.
- The COVID-19 pandemic had a significant impact on the social care sector. Research shows how extra care allowed residents to self-isolate effectively within their own homes where, crucially, they could receive trained on-site care or support.
- A wealth of studies predict that significant additional specialist housing for older people is required now and in the years to come, particularly in the private market, where the provision of extra care is lower despite high elderly home ownership levels.
- The independent report of the Older People's Housing Taskforce, published in 2024, includes many recommendations to increase and improve the supply of housing designed for later life. Importantly, that planning policy is revised to better understand need, facilitate new development and deliver an urgently required long-term National Housing Strategy for an Ageing Population. This will enable the country to be better prepared for the multifaceted impact of an ageing society.
- The Government recognise the importance of increasing supply and improving housing options for later life and is committed to helping older people live comfortably and independently at home for as long as possible.
- The proposed care development is closely aligned with the current national focus on increasing the supply and variety of specialist care accommodation for older people.



Key findings

Background and the proposal

National context and key definitions

Local context

Need assessment methodology

Local demographic profile

Commissioning and local authority review

Need assessment – private housing-with-care

Need assessment – local market qualitative assessment

Data tables and map – private housing-with-care

Appendices

8. Need assessment methodology

- 8.1 We have undertaken our quantitative assessment of need for the proposed private housing-with-care on two bases: firstly, a market catchment area, and secondly, the area covered by Mid-Sussex District Council, as shown on the map opposite.
- 8.2 In collaboration with ARCO, Carterwood conducted a research project to calculate the distance travelled by extra care residents from their last place of residence. This indicated that approximately 70 per cent of residents come from a radius of within 10 miles. Distance varies depending on the type, quality and location of the development, influenced by the availability of existing supply, family involvement in the decision-making process and the 'pull factor' of larger care communities.
- 8.3 Average travel distance to a middle-market private scheme was 5 miles; however, residents are prepared to travel an average of almost 20 miles to high-quality schemes with more than 80 units with a wide range of communal facilities.
- 8.4 Our need assessment is therefore based on a market catchment area, shaded light blue in the map opposite, extending to a radius of circa 7.5 miles, based on the size of the proposed scheme and its location.
- 8.5 The exact perimeter of the catchment is explained by the use of the Census 2021-defined 'output areas' for our analysis of the catchment population. There are approximately 189,000 'output areas' across England and Wales, which form the base unit for all census data and enable a granular level of analysis. They vary considerably in size and shape, covering small areas in urban districts and much larger areas in rural communities due to the fact that all have to include circa 300 people of similar housing types/tenures. The catchment will therefore always be based on a nearest match to the output area data and it is not possible to use a perfect radius around a site or specific catchment, as no data fits perfectly.
- 8.6 We set out full details regarding our housing-with-care need assessment methodology in Appendix B

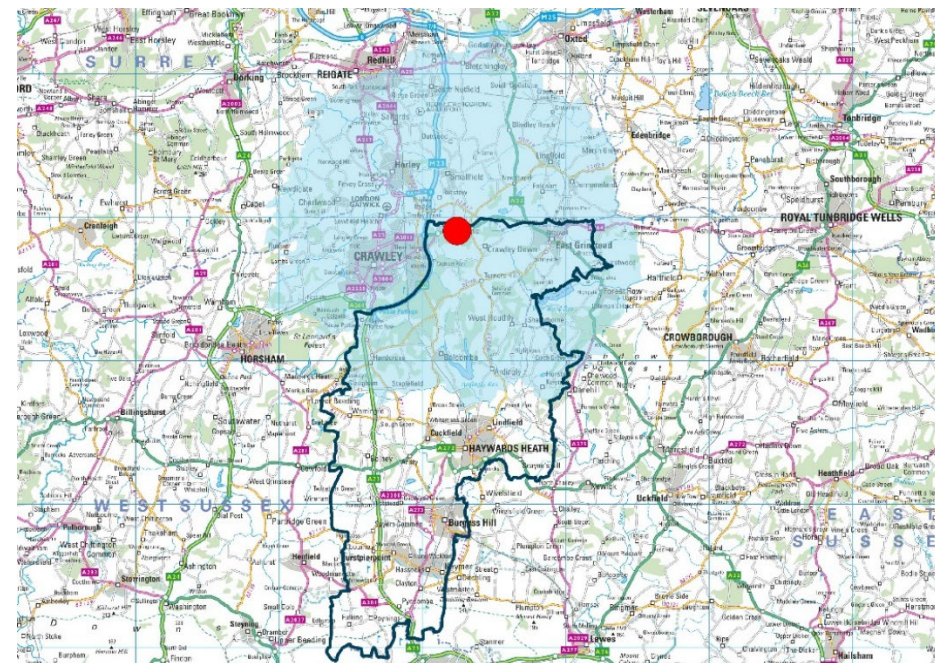


Figure 5: Housing-with-care need assessment catchment areas

9. Local demographic profile

Housing ownership

- 9.1 Housing tenure data at the time of the 2021 Census, summarised in Table T17., shows that in the 7.5 mile market catchment, 72.4 per cent of households where the household reference person (HRP) is aged 65 years or over own their house outright, with a further 7.4 per cent owning their home with a mortgage or loan. The percentages are higher in the Mid-Sussex District Council local authority area at 77.8 per cent and 7.4 per cent, respectively. In both assessed catchments, therefore, the levels of home ownership are above the average for England and Wales of 71.2 per cent (owned outright).

- 9.2 Please note that the total figures across different tables may vary due to rounding and the amalgamation of different data sets and limitations of Census data.

Population profile

- 9.3 We have summarised the profile of the elderly population in T18, opposite based on 2028, the year of our assessment. The market catchment is a little below the GB average although the Mid-Sussex District Council local authority area is above the GB average for each age cohort aged over 65 years.

Population growth

- 9.4 The population growth measure considers the rate of growth of the target elderly demographic between 2025 and 2043 and shows the total growth rate over this 18-year period. It provides an indication of future demand for specialist housing for older people.
- 9.5 With one exception, the elderly population growth rate is below the GB average in both the market catchment and the Mid-Sussex Council area to 2038 and then in above the average to 2043. There is an expected growth in the population aged over 65 years in the two assessed catchments of circa 31 per cent over this timeframe.

T17 Household tenure (2021) where HRP is aged 65+ (Market and local authority)

Tenure	Extra care Market catchment		Local authority	
	No	%	No	%
Owned: Owns outright	21,081	72.4	15,483	77.8
Owned: Owns with a mortgage or loan or SO	2,166	7.4	1,481	7.4
Rented: Social rented	4,282	14.7	1,778	8.9
Private rented or lives rent free	1,606	5.5	1,159	5.8
All households	29,135	100.0	19,901	100.0

Source: 2021 Census

T18 Population profile (2028)

Age profile	Market catchment		Local authority		Differential to GB	
	No	%	No	%	Market	LA
All population	278,751	100.0	155,898	100.0	-	-
Age 65+	49,105	17.6	33,603	21.6	-2.1	1.9
Age 75+	23,831	8.5	17,764	11.4	-1.2	1.7
Age 85+	6,597	2.4	5,015	3.2	-0.2	0.6

Source: 2021 Census, government population projections

T19 Population growth (2025-2043)

Category	Elderly population growth rates (%)			
	Market catchment	Compared to GB	Local authority	Compared to GB
2028 (from 2025)	4.3	-2.0	3.9	-2.4
2033	16.1	-0.9	15.3	-1.7
2038	25.5	0.8	24.5	-0.1
2043	31.4	3.7	30.1	2.4

Source: 2021 Census, government population projections

10. Commissioning and local authority review

10.1 The subject site is situated within the Mid-Sussex District Council local authority area and falls under West Sussex County Council Adult Social Care Commissioning. We have therefore conducted a review of the following documentation with regard to the proposed housing-with-care:

- *West Sussex County Council Extra Care Housing Market Position Statement - (Online –updated 19 August 2024).* West Sussex County Council.
- *Adult Social Care Commissioning Strategy 2023-2025.* West Sussex County Council.
- *West Sussex Market Sustainability Plan 2023-2025. (Home Care 18+ and Residential and Nursing Care 65+).* West Sussex County Council.
- *Strategic Housing Market Assessment (2021).* Icen Projects on behalf of Mid-Sussex District Council.

10.2 We have provided, verbatim, relevant extracts from the above documents in relation to housing-with-care for the elderly below, together with our review.

Extra Care Housing Market Position Statement (2024)

10.3 *'This Market Position Statement explores the current position and future need for extra care housing in West Sussex. The term 'extra care housing' (ECH) describes developments that comprise self-contained homes with design features and support services available to enable self-care and independent living.'*

10.4 *'ECH comes in a wide variety of forms, for example:*

- *Housing with care*
- *Retirement communities or villages*
- *Assisted living'*

10.5 *'Occupants may be owners, part owners or tenants and all have legal rights to occupy, underpinned by housing law in contrast to residents in care homes (Housing Lin, 2023).'*

10.6 *'This statement is designed to give information to providers and developers on the current landscape of ECH, future demand and supply projections, and commissioning intentions of West Sussex County Council (WSCC).'*

10.7 *'WSCC will continue to encourage ECH as an option for West Sussex residents and wish to work towards extra care meeting the needs of a greater proportion of all people who require care and support.'*

10.8 *'To deliver the vision for ECH, we want to [inter alia:]*

- *Target geographical areas where there is insufficient ECH provision to meet current and projected demand*

- *Work with a variety of public bodies to identify opportunities to develop ECH on available land sites and new housing developments*
- *Seek external capital investment to grow ECH in West Sussex and work with developers who have access to land sites*
- *Ensure that a variety of care and support needs can be met in ECH provision including provision that supports customers of all ages and specialist provision that can meet more complex needs*
- *Ensure that ECH schemes are representative and inclusive of communities they serve, meeting diverse cultural needs and are inclusive for all*
- *Work in partnership with district and borough councils to grow ECH and develop evidence-based strategic plans for ECH'*

10.9 *'We want to substantially increase the number and range of ECH schemes in West Sussex, particularly in areas of high demand and low supply. Our aim is for 20 new ECH schemes in the next 20 years.'*

10.10 *'With extra care as a key strategic objective for West Sussex County Council (WSCC), the ambitions are to significantly increase the number of ECH schemes and available units within the county. It is a further priority to broaden the current service offer to enable more people with different needs to be supported in ECH.'*

10.11 *'Table 5 [shown overleaf] illustrates the supply of ECH required to achieve these objectives based on projected demographic growth and the following ambitions [inter alia]: -*

- **Older people:** *Increase the prevalence of ECH from the current levels of approx. 1 unit per 34 people to 1 unit per 18 people'*

10.12 *'The 'Gap in supply' column identifies the net increase in current provision required to match the projected total demand but does not account for any current schemes that may need re-provision over the coming years.'*

10.13 *'Schemes are normally around 40-60 units of 1 and 2 bedroom apartments in order to ensure financial viability for stakeholders.'*

Area	Older people demand	Working aged people demand	Total demand	Current supply	Gap in supply
Adur	117	23	139	0	139
Arun	389	57	446	122	324
Chichester	278	43	321	68	253
Crawley	117	41	158	99	59
Horsham	289	52	340	203	137
Mid Sussex	261	53	314	149	165
Worthing	206	39	244	108	136
TOTAL	1,656	308	1,964	749	1,215

Figure 6: Number of extra care units to meet demand and supply analysis in West Sussex

10.14 'WSCC is keen to explore opportunities on suitable land sites for additional adapted properties to be developed, dispersed from the central provision but with people receiving the same level of care and support to those living in a main building. This will provide the opportunity for adults with families to remain living together but receive the care they require in the correct environment. We are keen to work with providers that can provide innovation in the delivery of the buildings and day to day services.'

10.15 'WSCC would like to broaden the ECH model to include:

- Self-contained apartments, across a range of tenures, suitable for people who require care and support to enable them to live independently within the community
- Onsite 24/7 care teams alongside communal facilities for those who live in ECH and within the wider community
- Ability to support more complex care needs including physical health, mental health, lifelong conditions, learning disabilities and dementia
- A wider customer profile including all-age provision and mixes of age groups and needs
- Dementia friendly scheme design.'

10.16 'Overall, we hope to innovate with different models and develop schemes that are assets in the community, enabling people to remain independent of residential care where possible.'

10.17 'West Sussex County Council (WSCC) has been working with borough and district council partners on the development of this Market Position statement (MPS). Discussions have focused on meeting different needs, re-defining what is meant by extra care housing (ECH) and ensuring a granular understanding of different areas' needs and requirements for new provision. A new focussed approach to planning new ECH schemes is being developed together by local authorities in West Sussex.'

10.18 'Borough and district council housing strategies and local plans are critical, underpinning and enabling mechanisms to ensure that ECH schemes across West Sussex meet future demand.'

Mid-Sussex area profile

10.19 'Mid Sussex has four ECH services across the district with two located in Burgess Hill, one in Lindfield near Haywards Heath and one in East Grinstead. Mid -Sussex residents of ECH are a mixed age range, with a number of much younger adults using ECHs while the majority are older people aged 60 to 90 and over. The district of Mid Sussex has a mixture of urban, semi urban and rural areas that will influence the location of any new schemes to both serve local residents and deliver effective and sustainable services.'

Current Supply (Units)	Projected 2035 Additional Demand (Units)
149	150-190

Figure 7: Projected additional demand (units) in Mid-Sussex to 2035

Adult Social Care Commissioning Strategy (2023-2025)

10.20 'Demand for adult social care is predicted to increase significantly linked to population growth. The diagram below shows projected population growth by age group by 2043 in West Sussex.' (page 9)

10.21 'West Sussex has an older age profile compared with England with approximately 213,000 people aged over 65 of which, approximately 32,000 (15%) are aged over 85, with this age group most likely to need health and social care services. These figures are projected to rise by approximately 39% for all people aged 65+ over the next 20 years with the highest percentage increase being in the over 80 age groups which will affect demand for adult social care services in the county.' (page 10)

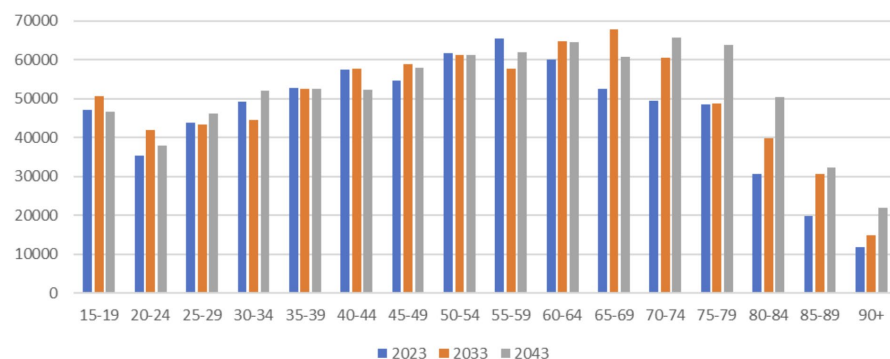


Figure 8: West Sussex population projections by age band

10.22 'We will aim to achieve the following objectives through our individual commissioning activities and programmes [inter alia].

- Optimising the effectiveness of prevention services to remove, reduce or delay care needs. Developing a co-ordinated offer across all council-wide commissioned services to support people to gain and maintain independence without formal care services.
- Developing the market to ensure the right services are available to meet the needs of people to maximise independence at home and to provide appropriate residential support where and when needed.' (page 18)

Market Sustainability Plan (2023-2025)

10.23 'Local authorities have a duty to promote the efficient and effective operation of the care market so that people can access services from a variety of providers with a variety of quality services to choose from. As part of this duty, authorities need to:

- Ensure the sustainability of the market
- Foster continuous improvement in the quality of services
- Ensure that sufficient services are available for meeting the needs for care and support of adults in its area and the needs for support of carers in its area' (page 2)

10.24 'While this plan is focused on two specific care markets, there are a range of other markets of equal importance to people living in West Sussex and WSCC including supported living, extra care and the many forms of outreach that support people to remain in their home. WSCC will focus on these markets in specific plans and strategies that will be developed in the near future.' (page 2)

Current market gaps/challenges

10.25 'The local market demonstrates a strong focus on traditional forms of care e.g. residential care homes. Market sustainability may be improved with a greater focus on community provision to support independence and offer greater choice and diversity of approach e.g. supported living and extra care.' (page 8)

Delivering the Adult Social Care Strategy (2022-25)

10.26 'WSCC, like other councils across the country, is facing a worsening financial challenge. It is therefore critical that we make the best use of the resources to achieve our ambitions. This means that we need to focus on delivering services differently to prevent, delay and reduce needs for escalating; as well as delivering and commissioning services which people need in the most cost-effective way.' (page 16)

10.27 'The priorities in our Adult Social Care Strategy, 'The Life you want to Lead', set the foundations for decision making for adult social care within the county council until 2025.' (page 17)

10.28 'Overall, the strategy focuses on strength-based approaches to support independence, build community connections and help people to live in their own home. The direction of travel for council placements in the home care and care home markets encompasses:

- A reduced reliance on traditional forms of standard residential care
- An increased use of community-based provision including extra care and supported living.' (page 17)

Strategic Housing Market Assessment (2021)

10.29 'The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people.' (page 103)

10.30 'West Sussex County Council's Vision and Strategy for Adult Social Care 2019-21 focuses on strengthening community-led approach and reducing reliance on residential and nursing care. It instead focuses where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.' (page 104)

10.31 'Having regard to the County Council's Strategy, we consider that the lower prevalence rates shown in the 2016 Housing LIN Review are an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the

starting point for housing with care should be the higher rate shown in the Housing in Later Life Report which made provision for this.’ (page 104)

10.32 *‘Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Mid Sussex, the data shows better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 17%) – these figures are based on comparing the proportion of people aged 65 and over with a LTHPD in Mid Sussex (44.1%) with the equivalent figure for England (53.1%).’ (page 106)*

10.33 *“The Table below shows the current need for different types of housing linked to the population projections alongside currently supply. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation). Overall, the analysis suggests that there will be a need for both housing with support and housing with care (particularly in the market sector), as well as a modest longer-term need for additional nursing and residential care bedspaces.’ (page 107)*

		Housing Demand per 1,000 (75+)	Current Supply	Current Demand	Current Shortfall/ Surplus	Additional Demand to 2038	Shortfall/ Surplus to 2038
Housing with Support	Market	69	874	1,087	213	588	801
	Affordable	35	844	557	-287	302	15
Total (Housing with Support)		104	1,718	1,644	-74	890	816
Housing with Care	Market	40	119	633	514	343	857
	Affordable	14	128	222	94	120	214
Total (Housing with Care)		54	247	855	608	463	1,071
Residential Care Bedspaces		33	511	526	15	285	300
Nursing Care Bedspaces		37	1,001	592	-409	320	-89
Total Bedspaces		70	1,512	1,118	-394	605	211

Source: POPP/PANSI and Demographic Projections

Figure 9: Specialist housing need using adjusted SHOP@ review assumptions 2021-2038

10.34 *‘It can be seen by 2038 there is an estimated need for 1,887 additional dwellings with support or care. In addition, there is a need for 211 additional nursing and residential care bedspaces.’ (page 107)*

10.35 *‘In total, the older persons analysis therefore points towards a need for around 2,000 units over the 2021-38 period. With potential delivery of 18,581 homes using the standard method, this equates to some 11% of all homes needing to be some form of specialist accommodation for older people.’ (page 107)*

10.36 *‘The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to ‘rightsize’ which can help improve their quality of life.’ (page 108)*

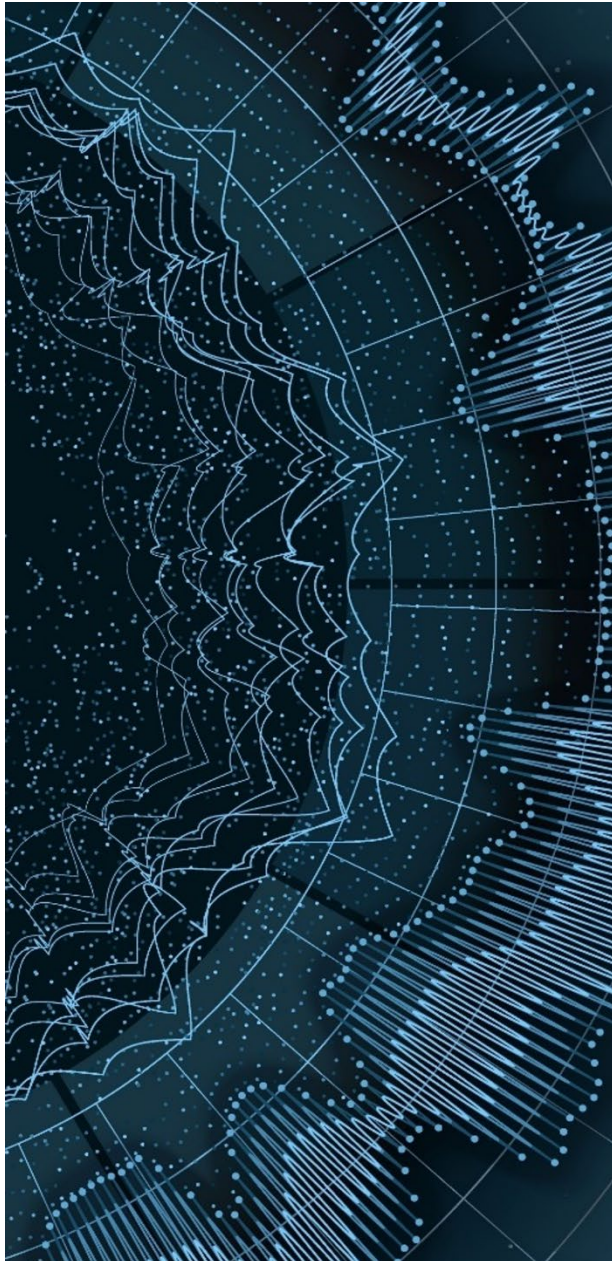
Carterwood review

- 10.38 The West Sussex County Council (WSCC) *Adult Social Care Commissioning Strategy* sets out how demand for adult social care is predicted to increase significantly over the next 20 years based on the projected rise in those aged over 65 years, and more particularly those aged over 80 years, with the county having an older age profile compared to England. WSCC's intention is to develop the market to ensure *'the right services are available to meet the needs of people to maximise independence at home and to provide appropriate residential support where and when needed'*.
- 10.39 The *Extra Care Housing Market Position Statement (2024)* states that WSCC will continue to encourage extra care as an option and *'wish to work towards extra care meeting the needs of a greater proportion of all people who require care and support'*. To deliver this vision, WSCC intend to *inter alia*, target geographical areas where there is insufficient extra care provision to meet current and projected demand. On this basis, it is intended to increase the number and range of schemes in the county, particularly in areas of high demand and low supply with the aim to develop 20 schemes in the next 20 years.
- 10.40 The *Extra Care Housing Market Position Statement* advises that in 2021, there were 149 units of extra care housing in the Mid-Sussex District, with a projected additional 150 to 190 units being required by 2035. The report does not provide a break down of existing schemes or whether they provide private market or provision.
- 10.41 The *Market Sustainability Plan* sets out that local authorities have a duty to ensure *'that sufficient services are available for meeting the needs for care and support of adults in its area'*. It states that it is critical that the council make best use of its resources to achieve its ambition for care provision and, in the light of the current financial challenges, is focussed on a reduced reliance on residential care homes in favour of community-based provision *'including extra care and supported living'*.
- 10.42 Mid-Sussex District Council's *Strategic Housing Market Assessment (2021)* assumes a prevalence of 4 per cent of adults aged over 75 years and over in its assessment of gross need (the same level as utilised in this report). On this basis, it advises that there is a current (2021) shortfall of 514 market housing-with-care units, based on existing supply of 119 units. An additional 343 market units are expected to be required by 2038, with a total net need, therefore, of 857 units of market housing-with-care by 2038, on the basis that no additional supply is forthcoming.

- 10.43 The documentation above identifies the demographic pressures of an ageing population over the coming decade, with many older adults wishing to downsize or locate to a property in which they can receive assistance, if needed.
- 10.44 The proposed private housing-with-care seeks to meet some of this requirement, providing older people within the Mid-Sussex District with a well-designed and well-located option, to facilitate downsizing from older people's existing homes to an environment where residents can maintain their independence for as long as possible and age in place.

Key findings – commissioning local authority review

- The West Sussex County Council (WSCC) *Adult Social Care Commissioning Strategy* sets out how demand for adult social care is predicted to increase significantly over the next 20 years, based on the projected rise in those aged over 65 years, and more particularly, those aged over 80 years, with the county having an older age profile compared to England.
- In the *Extra Care Housing Market Position Statement (2024)*, WSCC identify an existing supply of 149 units of extra care in the Mid-Sussex District in 2024, and advise that an extra 150 - 190 units are required by 2035. WSCC continue to encourage extra care as an option and *'wish to work towards extra care meeting the needs of a greater proportion of all people who require care and support'*, with the aim of developing 20 schemes in the County in the next 20 years.
- The *Market Sustainability Plan* advises that it is critical that the Council make the best use of its resources and reduce reliance on residential care homes in favour of community-based provision, including extra care and supported living.
- Mid-Sussex District Council's *Strategic Housing Market Assessment (2021)* advises that there was an existing shortfall of 514 units of market housing-with-care in 2021, based on existing supply at that time of 119 units. An additional 343 units are expected to be required by 2038, with the net need, therefore, increasing to 857 units by that point, on the basis that no additional supply is forthcoming.



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Housing-with-care local market size assessment

Existing private housing-with-care supply

Planned private housing-with-care supply

Five-year need analysis summary

Quantitative need assessment for private housing-with-care

Need assessment – local market qualitative assessment

Data tables and map – housing-with-care

Appendices

11. Housing-with-care local market size assessment

- 11.1** We have prepared our assessment and adopted the prevalence rates for private/market housing-with-care that are used within both the original SHOP (2011) and Housing in Later Life (2012) toolkits, which we consider most accurately takes account of the strengths and weaknesses of the other available models (as set out in Appendix B), which are overly punitive on need-based factors at the local level.
- 11.2** We consider the prevalence rates adopted more accurately accord with the requirements outlined in national literature and the Department of Health and Social Care's Adult Social Care Reform White Paper,²⁰ taking into account the increased weighting of housing with care required in future provision, as it is currently an immature market, rather than maintaining the same historic provision ratios that result in no change in the proportion of supply (compared with care homes and sheltered housing).
- 11.3** The prevalence rate we adopt also more accurately reflects local homeownership levels, which are skewed towards the private market. In our view, the slightly higher prevalence assumed (when compared with other toolkits) also takes account of the circa 20 per cent of people aged between 65–74 years who may occupy an extra care scheme, who are arbitrarily excluded from most models.
- 11.4** It should be noted that the use of a prevalence rate of 40 units per 1,000 people aged 75 years (for private provision) should not be seen as a cap. The provision of additional supply of housing with care is a growth area that is being driven by both the government and through planning policy. There is a critical need both at national and local level.
- 11.5** To provide context for our adopted prevalence rate, if applied to Great Britain and actually achieved (we currently fall far short), our prudent assumptions indicate that only 1.8 per cent of the total number of over 65-year olds in the country require private extra care/enhanced sheltered housing, substantially lower than the equivalent figure of 5–6 per cent seen in New Zealand, Australia and the United States.
- 11.6** Given the high levels of homeownership by older people in Britain, the lack of current provision and the government policy drive towards promotion of support within an individual's own home, we consider that our assessment provides a highly robust measure with which to assess current and future need for private housing-with-care.

T20 Summary of local level need for private housing-with-care– Carterwood projections (2028)

Housing type	Combined prevalence rate for extra care and enhanced sheltered housing – need per 1,000 population aged 75+	'Need' in local population	
Model	Basis of assessment	7.5-mile	Mid-Sussex District Council
Carterwood assessment	40.0 per 1,000 75+ population (private/market)	1,005	752

²⁰ (Department of Health and Social Care , 2021)

12. Existing private housing-with-care supply

- 12.1 We subscribe to the Elderly Accommodation Counsel's (EAC) data, which offers enhanced data fields compared to the online version of www.housingcare.org. We have also updated the base EAC data with the results of our own research to assess the current supply of private housing-with-care accommodation within the market catchment and local authority area. We have recoded and classified where we have inspected a scheme and know it to be incorrectly coded within the raw data.
- 12.2 The challenges for EAC are manifold in maintaining this data set, as there is no regulatory data from which to build and maintain this database. It relies upon a small research team and operators/developers to update it themselves – this can sometimes lead to inconsistencies.
- 12.3 We have researched all schemes classified as follows:
- Extra care/assisted living;
 - Housing-with-care
 - Enhanced sheltered housing;
 - Close care;
 - Integrated Retirement Community/care village
- 12.4 We have conducted additional research to ensure that each scheme conforms to the recognised definition of housing-with-care, namely that on-site care is available.
- 12.5 We have provided details in the tables opposite of both schemes that provide care and figures for those schemes that do not provide care on site, for the purposes of comparison.
- 12.6 There are six existing private housing-with-care schemes within the market catchment.
- 12.7 There are four private housing-with-care schemes within the Mid-Sussex District Council local authority area, providing 131 units of private extra care accommodation.
- 12.8 We have provided a breakdown of the existing supply of housing-with-care units by year of construction and compared this against the existing supply of specialist accommodation for older people where there is no on-site care or support. All the existing housing-with-care in the market catchment and the local authority area has been developed since 2000, whereas the majority of retirement housing without on-site care was constructed during the 1980s and 1990s.
- 12.9 A full list of the individual schemes with extant permission is included in T31 on page 38.

T21 Existing supply of private extra care (7.5-mile market catchment)			
Scheme type	Schemes (No.)	Units (No.)	Private units (No.)
All schemes & all retirement villages			
With on-site care/support	6	398	386
Without on-site care/support	33	1,015	1,007
Retirement villages only			
With on-site care/support	2	261	261
T22 Existing supply of private extra care (Mid-Sussex District Council local authority area)			
Scheme type	Schemes (No.)	Units (No.)	Private units (No.)
All schemes & all retirement villages			
With on-site care	4	143	131
Without on-site care	34	926	926
Retirement villages only			
With on-site care/support	0	0	0

T23 Existing supply by decade of construction (7.5-mile market catchment and Mid-Sussex District Council local authority area)						
Scheme type	Private units					
	With-on site care/support (%)		Without on-site care/support (%)		Total units (No.)	
Catchment	7.5-mile	LA	7.5-mile	LA	7.5-mile	LA
Pre-1980s/unknown	0	0	1	5	8	50
1980s	0	0	49	37	497	342
1990s	0	0	7	16	73	145
2000s	29	48	31	12	427	177
2010s (2010-2014)	68	43	2	7	284	125
2010s (2015+)	0	0	5	21	49	194
2020s (2020+)	3	9	4	1	55	24
Total	100	100	100	100	1,393	1,057

Source: EAC, Carterwood

13. Planned private housing-with-care supply

- 13.1 From our data sources, we have reviewed all planning applications for private housing-with-care developments that have been granted, refused, withdrawn or are pending a decision.
- 13.2 This has been cross-referenced against the online planning website for the local authority and, where an anomaly exists, we have contacted the planning officer, if required.
- 13.3 We have made enquiries with Mid-Sussex District Council 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. We have searched for planning applications submitted over the past 3 years. Our research was undertaken on 28 May 2025.
- 13.4 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.
- 13.5 Where a planning application has been 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.
- 13.6 Please 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. We have excluded any retirement living and sheltered housing schemes (in both cases, where there is no care on site) and any affordable schemes from our analysis.
- 13.7 We have identified two planning applications with extant permission in the market catchment and two extant permissions in the Mid-Sussex District Council local authority area.
- 13.8 We have also identified a further five planning applications which are pending a decision and are not included in our assessment. Four of these applications fall within the market catchment including one which also falls in the local authority area. The fifth application is for a development which falls within the local authority area only.
- 13.9 A list of any planned private housing-with-care schemes is included in **Error! Bookmark not defined.**

T24 Planned supply of new private housing-with-care		
Scheme type	Market (7.5-mile)	Mid-Sussex District Council area
New-build housing-with-care units: pending decision	371	240
New-build housing-with-care units: granted permission	191	165
Total planned units	562	405
Total number of schemes	6	4

Source: Carterwood, Glenigan, Planning Pipe and relevant planning departments

T25 Extant planned supply of new housing-with-care by estimated year of delivery		
Planned supply pipeline by year of delivery	Market (7.5-mile)	Mid-Sussex District Council area
2025	0	0
2026	39	165
2027	152	0
2028	0	0
2029	0	0
Total units with extant permission	191	165
Total number of schemes with extant permission	2	2
Total planned units estimated by 2028	191	165
Total number of planned schemes by 2028	2	2

Source: Carterwood

14. Five-year need analysis summary

14.1 By applying our need methodology to the market catchment and the Mid-Sussex District Council local authority area, we have calculated the potential pool of need for private extra care units from people aged 75 years and above (which we consider includes an intrinsic allowance for the circa 20 per cent of residents who move to an extra care scheme who are aged between 65 and 74 years, as per our detailed methodology review).

14.2 Our analysis of the current situation, as at 2025, based upon current need projections and existing supply, shows a shortfall of 567 private extra care units in the 7.5-mile market catchment and 580 in the Mid-Sussex District Council local authority area.

14.3 Our analysis as at 2028 (the earliest year the subject scheme could be developed, given its current status) shows a shortfall of **428** private extra care units in the 7.5-mile market catchment and **546** in the Mid-Sussex District Council local authority area.

14.4 These net need figures consider demographic growth over the period and additional pipeline supply with extant permission coming forward through the planning system and assessed as being deliverable by the year of assessment. They also make no allowance for the possible loss of any obsolete stock.

T26 Primary year for housing-with-care need analysis		
Primary year of assessment	2028	Estimation of the earliest year the subject scheme could be developed

T27 Five-year private extra care requirement (7.5-mile market catchment)					
Year	2025	2026	2027	2028	2029+
Need					
Total 75+ population	23,831	24,278	24,690	25,118	25,597
Estimated need - private extra care (4.0%)	953	971	988	1,005	1,024
Private extra care supply					
Current supply of private extra care	386	386	386	386	386
Extant planned units by operational year	0	39	191	191	191
Total supply (units)	386	425	577	577	948
Balance of provision					
Need (private extra care units)	567	546	411	428	76

Source: Carterwood, Census 2021, Government population projections, Glenigan, Planning Pipe, EAC

T28 Five-year private housing-with-care requirement (Mid-Sussex District Council area)					
Year	2025	2026	2027	2028	2029
Need					
Total 75+ population	17,764	18,135	18,493	18,812	19,151
Estimated need - private extra care (4.0%)	711	725	740	752	766
Private extra care supply					
Current supply of private extra care	131	131	131	131	131
Extant planned units by operational year	0	165	165	165	165
Total supply (units)	131	296	296	296	536
Balance of provision					
Need (private extra care units)	580	429	444	456	230

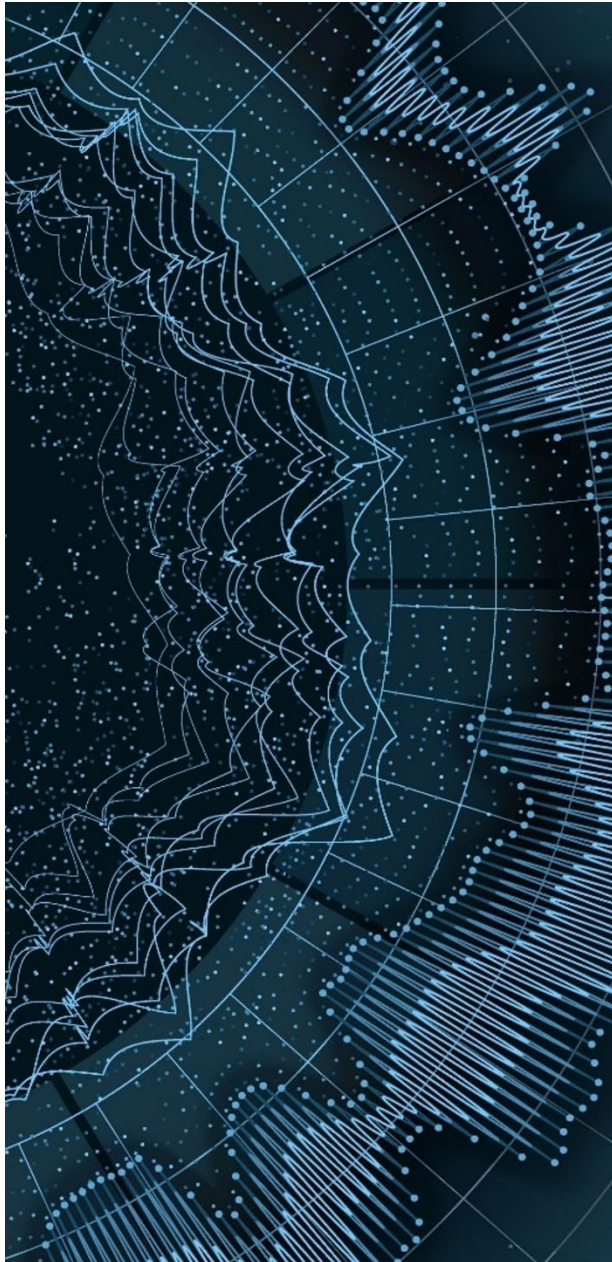
Source: Carterwood, Census 2021, Government population projections, Glenigan, Planning Pipe, EAC

15. Quantitative need assessment for private housing-with-care

- 15.1 We have calculated the potential need for private extra care units from people aged 75 years and above in our analysis. The prevalence rate we have adopted, in our opinion, most accurately accords with requirements outlined in national literature and takes account of the increased weighting of 'housing with care' required in future provision.
- 15.2 The prevalence rate adopted also more accurately reflects elderly home ownership levels, which are intrinsically heavily skewed towards the private market and, we consider, prudently account for the circa 20 per cent of residents aged 65–74 years who occupy extra care schemes, arbitrarily excluded from all the other models.
- 15.3 We have analysed the potential need for private extra care to 2038 and interpreted this as at 2028 (see T29), the earliest possible year the first extra care units in the subject scheme could be made available. This timescale could be longer, given the current planning status; however, for prudence, we have adopted this best-case scenario.
- 15.4 Our analysis indicates a significant shortfall of 428 private extra care units in the circa 7.5-mile market catchment and 456 in the Mid-Sussex District Council local authority area, based on 2028.
- 15.5 T30 sets out the long-term need set against the rising elderly population projected up to 2038 and shows a significant increase in the net need for private housing-with-care. The proposed development would assist in addressing this shortfall.

T29 Need analysis (2028) for private extra care (Carterwood Assessment)			
Catchment area		7.5 – mile market catchment	Mid-Sussex District Council local authority area
Year of assessment		2028	2028
Need			
Total 75+ population		25,118	18,812
Estimated need for private extra care (4.0%)		1,005	752
Private extra care supply			
Current supply of private extra care		386	131
Extant planned units by operational year		191	165
Total supply (units)		577	296
Net need			
Private extra care units		428	456
Assumptions			
• Estimated need for private extra care assumed at 4.0 per cent of the total 75+ population. This is based upon the original SHOP tool and Housing for Later Life studies, which we consider best reflect the underlying need characteristics of private extra care housing. • Key year of analysis based upon 2028 projections – earliest possible year units within the proposed development could be available. • Planned supply based upon individual assessment of each scheme and assessment of likely development completion. • Zero allowance for reduction through any loss of obsolete stock.			

T30 Need for private extra care units – medium to long term			
Catchment		7.5 – mile market catchment	Mid-Sussex District Council local authority area
Net need for private extra care	Year		
	2025	567	580
	2028	428	456
	2033	524	519
	2038	651	601



Key findings

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Need assessment – local market qualitative assessment

Tangible benefits of private housing-with-care for the NHS and wider community

Data tables and map – housing-with-care

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16. Tangible benefits of housing-with-care for the NHS and the wider community

Benefits to the housing chain

- 16.1 Older people moving into a private housing-with-care will release large family homes back into the community, which is key to offering more options for families living locally. A report (*The top of the ladder*, prepared in 2013) by Demos, a leading cross-party think tank, considered this in more detail²¹ and we set out some of the key findings from this research below:
- 16.2 *'One in four (25 per cent) over 60s would be interested in buying a retirement property – equating to 3.5 million people nationally. More than half (58 per cent) 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.'*
- 16.3 *'More than four in five (83 per cent) of the over 60s living in England 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.'*
- 16.4 *'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.'*
- 16.5 *'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.'*
- 16.6 The report's key conclusions are summed up in the following statement
- 16.7 *'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.'

- 16.8 The development of retirement villages and improved knowledge of such schemes among older people should encourage downsizing and reduce the need for the development of additional larger family homes by freeing up existing supply back to the market. The availability of housing options that are accessible to the growing older population can enable some older householders to downsize or 'right size' from homes that no longer meet their needs or are expensive to run, and this can improve their quality of life.
- 16.9 This point was attributed significant weight in the planning appeal decision for the former Hazeldens Nursery,²² where an extra care development was proposed. In this case, the evidence indicated that 'a considerable number of older householders underoccupy their homes' and that 'providing suitable and alternative housing for this cohort can free up houses that are underoccupied'.
- 16.10 Another appeal decision²³ for a proposed extra care development on a site located in Green Belt considered that older people's existing homes, which in many cases will have originally been bought to accommodate families, may no longer be suited to their present needs. The availability of private housing with care that has been designed specifically for those with care needs means that older people do not need to 'relinquish the security' of home ownership. Also, enabling older people to move at the right time can improve their quality of life as well as freeing up more homes for other buyers.

Employment and economic benefits

- 16.11 The subject scheme will provide full-time and part-time roles in order to fulfil its obligations to residents and cover care and support requirements.
- 16.12 In addition to directly employing a local workforce, schemes also employ the services of a wide range of local companies in the provision of day-to-day services. Data quoted in the Housing for Later Life report in 2011 estimated an average 40-unit extra care apartment scheme provides investment of approximately £5m into older people's housing and the local economy (in 2020 costs, this would be significantly higher, having been subject to 10 years' inflation).²⁴ The report also found that around 50 people were needed for construction.

²¹ (Wood C. , *The Top of the Ladder*, 2013)

²² (Planning department – West Sussex)

²³ (Planning Department – West Malling)

²⁴ (Housing LIN, National Housing Federation, McCarthy & Stone, Tetlow King and Contact Consulting, 2012)

16.13 The Worcester Research group utilised other research as part of a resident survey and identified the following economic contribution for a typical 150-unit village:

- £15m in initial investment in capital asset (we estimate this to be greater and more likely to be in the region of £20 to £30m for a large 150-unit village).
- Approximately 187 jobs during the construction phase.
- £1.7m in ongoing salary to local workers.
- At least £160,000 per annum in additional business to local suppliers.
- Around £1.3m expenditure in the local economy from residents (including multiplier effects).
- Between £152,000 and £190,000 in additional council tax to support local service provision.

16.14 The 2021 *Homes for Later Living* report²⁵ sets out how retirement properties create more local economic value and more local jobs than any other type of residential development. This includes the following points:

- A typical retirement development of 45 units could generate over £13m of additional economic activity in a local area, compared to letting a brownfield site lay undeveloped.
- Building 30,000 retirement properties could generate £2bn of economic activity across the country every year, compared to leaving sites undeveloped.
- A typical retirement housing development could also generate 85 additional construction jobs.
- On average, 63 per cent of residents' annual expenditure is in local shops. This is much higher than the average local spend by 80+ year olds in the general population.
- The residents of a typical 45-unit retirement development generate £550,000 of spending per year, £347,000 of which goes to local shops, supporting retail jobs and keeping shops open.

Health and wellbeing, and benefits to the NHS and Social Services

16.15 We have reviewed the House of Commons report of Housing for Older People (2nd report 2017/9), which summarises the benefits to health and wellbeing and the direct positive impact on the NHS and budgets:

16.16 *'There is a significant body of evidence on the health and wellbeing benefits to older people of living in specialist housing and the resultant savings to the NHS and social care. This is particularly the case for extra care housing, which has onsite care and support and communal facilities. In addition, this type of housing helps family and carers finding it challenging to provide enough care and support.'*²⁶

16.17 Research by the International Longevity Centre-UK found that around a quarter of people with social care needs (or who went on to develop them) who moved into extra care experienced an improvement within 5 years, were less likely to be admitted to hospital overnight and had fewer falls. In comparison to older people in the general community, extra care residents reported having a higher quality of life, an increased sense of control and lower levels of loneliness.²⁷

16.18 The findings of a 5-year study completed by the Centre for Ageing Research at Aston University²⁸ focused on the benefits generated through living in the ExtraCare Charitable Trust's schemes as follows:

- **'Improvements to personal health** with a 75% increase in levels of exercise, a reduction in the risk of falls and delays of up to 3 years in frailty.
- **Psychological wellbeing** with low levels of depression, a 23% reduction in anxiety and improvements in memory and cognitive skills.
- **Social wellbeing** with loneliness at lower than national averages and over 86% of residents being "never" or "hardly ever" lonely.'

16.19 These advantages were assessed alongside the benefits to the NHS:

- **'Reduced reliance on the NHS**, with the presence of on-site staff serving to reduce the number of GP visits, residents being less likely to be admitted to hospital overnight and having shorter lengths of stay in hospital;
- **No expected increase in costs to the NHS** over time, as residents age;
- **Cost savings to the NHS** – living in extra care saves the NHS around £1,194 per person, on average, over 5 years.'

16.20 Research from the University of Reading showed that retirement housing can help combat social isolation and promote fitness, with over 80 per cent of owner occupiers taking part reporting feeling happier in their new home and nearly a third feeling that their health had improved.²⁹

16.21 Southampton City Council commissioned the Housing Learning and Improvement Network to complete an evidence review to identify the health care system benefits of housing with care. The study identified the financial benefit to the NHS was approximately £2,000 per annum for each resident living in housing with care schemes. These positive results were due to (i) a reduction in the number of GP visits, (ii) a reduction in the number of community health nurse visits, (iii) a reduction in the number of non-elective admissions to hospital, and (iv) a reduction in length of stay and delayed discharges from hospital.

²⁵ (Homes for Later Living, 2021)

²⁶ (House of Commons, Communities and Local Government Committee, 2018)

²⁷ (Beach, Retirement Communities and Care Homes: Health and Wellbeing Innovation Commission Inquiry, 2018)

²⁸ (Holland & al, 2019)

²⁹ (Ball, 2011)

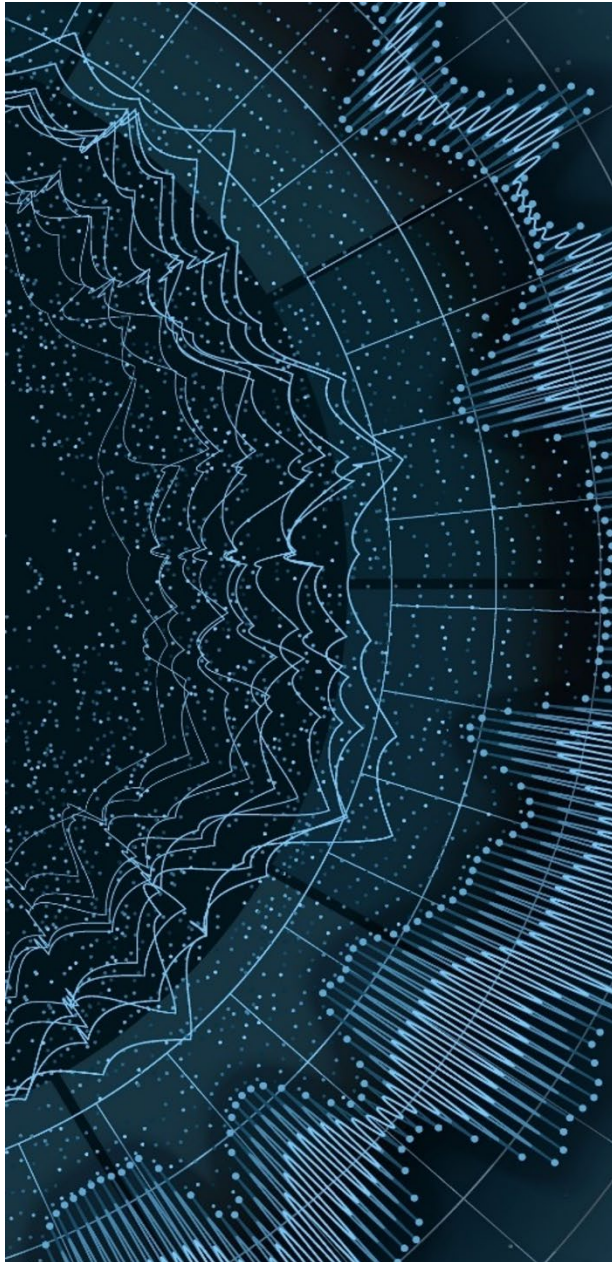
16.22 Research by Demos estimated the value of sheltered housing to the NHS and social care at £486 million per year, of which £17.8 million amounted to reduced loneliness.³⁰

16.23 Sometimes NHS CCG teams are concerned about the impact on local doctors' surgeries. However, evidence indicates that there is a benefit. The presence of on-site care staff reduces the number of unnecessary trips to GPs, thereby reducing waiting lists rather than increasing them.

Key findings – tangible benefits for residents, the NHS & the wider community

- Private extra care is intended to appeal to older local homeowners who may consider downsizing or 'right sizing' from family homes but find that there are insufficient suitable options for them. This results in having to remain in often-underoccupied existing homes, which may no longer be suitable for their owners' current or potential future care and support needs.
- The proposed development would provide an option to enable older people with care needs to move to a scheme within their local community providing safety and security combined with care and support. This in turn will result in a variety of benefits:
- Housing chain – older people moving to the development will release family homes back to the market. This, in turn, has a chain effect on housing stock and enables families to upsize into larger homes and reduces the need for the development of additional, family-sized properties.
- Employment and economic benefits – the subject scheme will provide a range of full-time and part-time roles, in order to fulfil its obligations to residents and provide care and support services.
- A typical care community will have an economic contribution in terms of job creation during the construction phase, the use of local workers and expenditure in the local economy.
- Health and wellbeing benefits for residents – these include improvements to personal health, psychological and social wellbeing through social interaction within the community facilities on-site and the provision of tailored, consistent care and support.
- Cost savings to the NHS include fewer visits to local GPs and a reduced likelihood of overnight stays in hospital.

³⁰ (Wood C. , The Social Value of Sheltered Housing, 2017)



Key findings

Background and the proposal

National context and key definitions

Local context

Need assessment – private housing-with-care

Need assessment – local market qualitative assessment

Data tables and map – housing-with-care

Summary of existing private housing-with-care

Summary of planned private housing-with-care

Map showing existing and planned private housing-with-care

Appendices

17. Summary of existing private housing-with-care

T31 Summary of existing private housing-with care									
Map ref	Catchment	Scheme	Manager/Operator	Distance to subject site (miles)	Total units	Private units	Scheme type	Year of construction	Notes
Private/Market schemes									
1	Market catchment only	Wavertree Court, Massetts Road, Horley, Surrey, RH6 7BP	FirstPort	3.6	50	50	Enhanced sheltered	2006	-
2	Market and local authority	Stildon Mews, London Road, East Grinstead, West Sussex, RH19 1PZ	The Brendoncare Foundation	3.7	11	11	Enhanced sheltered	2004	-
3	Market catchment only	Charters Village, Felcourt Road, East Grinstead, West Sussex, RH19 2JG	Retirement Villages Group Ltd	4.0	88	88	Enhanced sheltered	2012	-
4	Market and local authority	Fairview Court, Fairfield Road, East Grinstead, West Sussex, RH19 4HD	FirstPort	4.7	52	52	Enhanced sheltered	2003	-
5	Market catchment only	Durrants, Faygate, Horsham, West Sussex, RH12 4GB	Inspired Villages Group	7.3	173	173	Extra care	2012	-
6	Market and local authority	Westall House, Birch Grove Road, Horsted Keynes, Haywards Heath, West Sussex, RH17 7BS	Abbeyfield Living Society	7.7	24	12	Extra care	2022	-
7	Local authority area only	Corbett Court, The Brow, Burgess Hill, West Sussex, RH15 9DD	YourLife Management Services	12.5	56	56	Extra care	2013	-
Total private housing-with-care in market catchment						386			
Total private housing-with-care in local authority area						131			

18. Summary of planned private housing-with-care

T32 Summary of planned private housing-with-care with extant permission										
Map ref	Catchment area	Site address	Applicant	Scheme	Net extra care units	Has development commenced?	Earliest estimated year of delivery	Distance to subject site (miles)	Planning ref / date granted	Notes
Granted										
A	Market only	Young Epilepsy, St. Piers Lane, Lingfield, Surrey, RH7 6PW	Young Epilepsy	Demolition of buildings and redevelopment to provide a residential care community (use class C2) comprising 152 units of accommodation, with associated communal facilities, parking, landscaping, and associated infrastructure, and, extension and refurbishment of existing buildings for young epilepsy.	152	No	2027	5.6	2022/1161 - 14/02/2024	-
B	Market only	F W Mays Honda, 105 - 115 Brighton Road, Redhill, Surrey, RH1 6PS	NL Care Property Limited	Full planning application for the demolition of existing buildings and structures and the erection of a 38-unit retirement living scheme (use class c3) with car parking, access, and associated landscaping.	39	No	2026	7.3	22/02772/F - 09/02/2024	We have been advised that this development is expected to be completed by Spring 2026 and that the scheme will be operated by McCarthy Stone.
C	Local Authority only	Downlands Park Care Home, Bolnore Farm Lane, Haywards Heath, West Sussex, RH16 4BQ	Eden Downlands Ltd	Erection of part two, part three and part four storey building comprising 70 extra care apartments with community hub, guest suite and staff facilities together with 15 extra care cottages (85 in total), pavilion, parking and access to form a Continuing Care Retirement Community following demolition of existing care home.	81	No	2026	9.5	DM/20/4159 - 05/05/2022	The original application was for 85 units, but the scheme page for this development says it will comprise 81 units in total.

D	Local Authority only	Site Of The Former Hazeldens Nursery, London Road, Albourne, West Sussex, BN6 9BL	Senior Living Albourne Limited	Reserved Matters Application following outline approval DM/19/1001 for an extra care development of up to 84 units (comprising of apartments and cottages) all within Use Class C2, associated communal facilities. 2 workshops, provision of vehicular and cycle parking together with all necessary internal roads and footpaths, provision of open space and associated landscape works, and ancillary works and structures. Works to include the demolition of the existing bungalow on the site.	84	No	2026	14.7	DM/22/2485 - 01/03/2023	This scheme will be developed by Inspired Villages Group and be called Wellcroft Green.
Total in market catchment					191					
Total in local authority area					165					

Source: subscribed data sources and relevant planning departments

T33 Summary of planned private housing-with-care applications pending a decision								
Map ref	Catchment area	Site address	Applicant	Scheme	Net extra care units	Distance to subject site (miles)	Planning ref / date granted	Notes
Pending a decision								
E	Market and Local Authority	Imberhorne Upper School, Imberhorne Lane, East Grinstead, West Sussex, RH19 1TX	Welbeck Strategic Land	Hybrid planning application seeking outline planning permission for a mixed use development comprising up to 550 residential units (use class C3) (30% affordable housing units which equates to 165 units), a care village of up to 150 residential units (use class 2), land for a 2 form entry primary school (including early years provision and special needs education provision), mixed use neighbourhood centre, allotments, landscaping and sustainable urban drainage, and full planning permission for playing fields, new sports pavilion, and running track associated with Imberhorne Secondary School, a suitable alternative natural greenspace (SANG) with associated car park, access from Imberhorne Lane, internal road to the sang and associated landscaping and infrastructure.	150	3.2	DM/23/2699	-
F	Market only	44 Goffs Park Road, Southgate, Crawley, West Sussex, RH11 8AY	Ruby Senior Living Ltd	Erection of an extra-care retirement facility (use class C2), comprising 106 self-contained apartments and 10 self-contained bungalows for older persons; ancillary facilities and services; soft and hard landscaping; access; and other associated works.	115	4.2	CR/2023/0223/FUL	-
G	Market only	Former Laporte Works, Nutfield Road, Merstham, Redhill, Surrey, RH1 4HT	Nutfield Park (Developments) Ltd	Outline planning permission for the development of the site for new 166 homes (use class C3) and integrated retirement community (use classes C2, E(e), F2), creation of new access, landscaping and associated works to facilitate the development, in Phases which are severable (outline with all matters reserved, except for access).	41	7.3	2023/1281	-

H	Market only	Sandcross Lane, Reigate, Surrey, RH12 8HH	Miller Homes (Southern)	Outline application with all matters reserved, except access, for the phased development of a mixed-use residential-led new sustainable urban extension at land south west of Reigate, comprising up to 300 residential dwellings, including, approximately 65 units of Extra Care/Assisted Living accommodation (C2 Use) ; 3 traveller pitches; a replacement scout hut; a retail/commercial use; a country park; and associated open spaces, landscaping and infrastructure.	65	7.4	23/01122/OUT	-
I	Local Authority only	Ansty Way, Cuckfield Bypass, Haywards Heath, West Sussex, RH17 5ED	Fairfax Acquisitions Limited and The Norris Family	Outline planning application (all matters reserved except for access) for the redevelopment of land to the east of ansty to create a new garden community, comprising of the construction of up to 1,450 homes (including 30% affordable housing), up to 90 residential care units (C2 class), a primary school, a send school, health hub, sports facilities including all weather hockey pitches and tennis centre, allotments, retail, community and employment uses together with ancillary and associated development including new and enhanced pedestrian/cycle routes, open spaces, and landscaping.	90	9.9	DM/23/2866	It is unclear whether or not this application will provide housing with care or a care home. We have therefore included as housing with care, for prudence.
Total in market catchment					371			
Total in local authority area					240			

19. Map showing existing and planned private housing-with-care

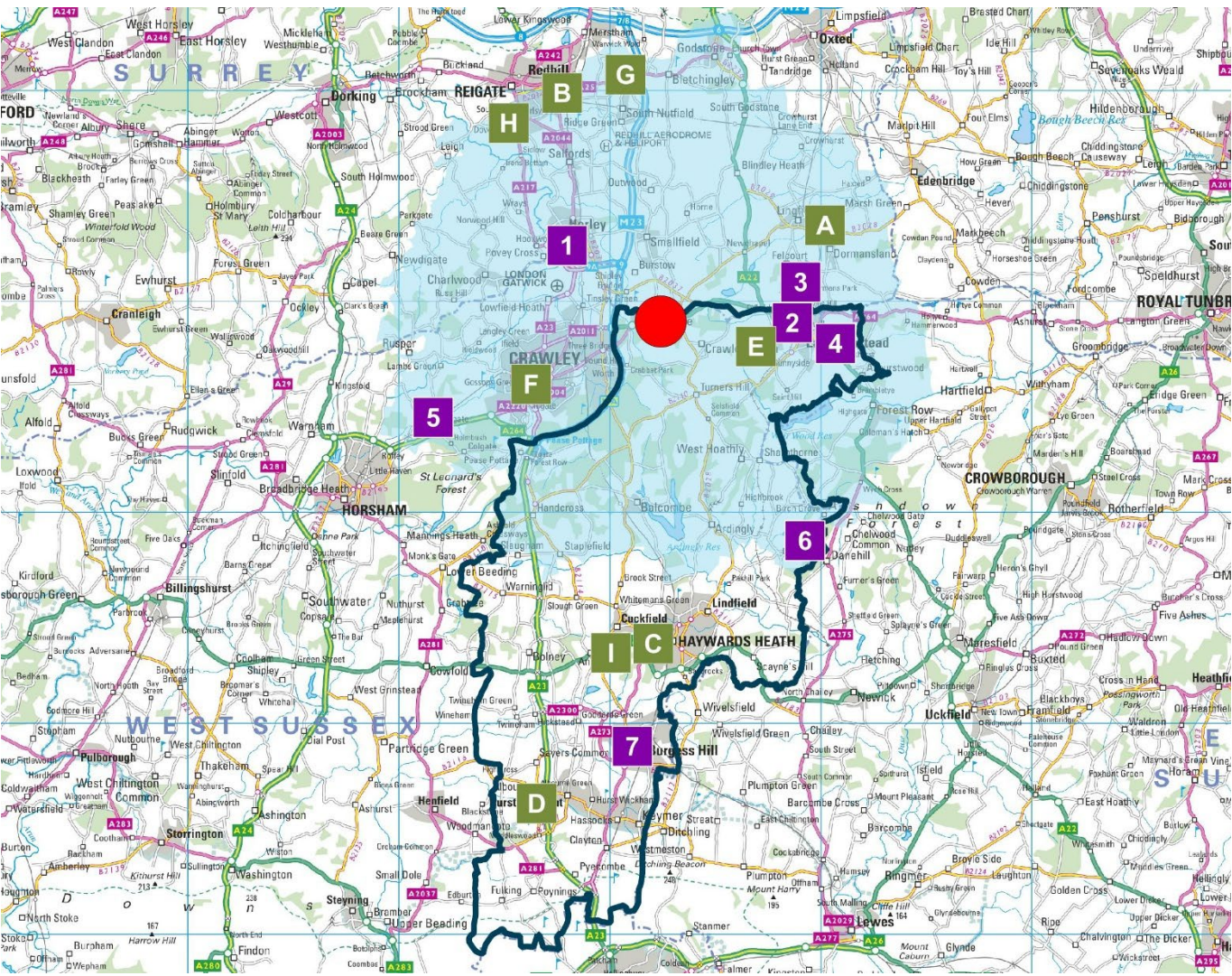


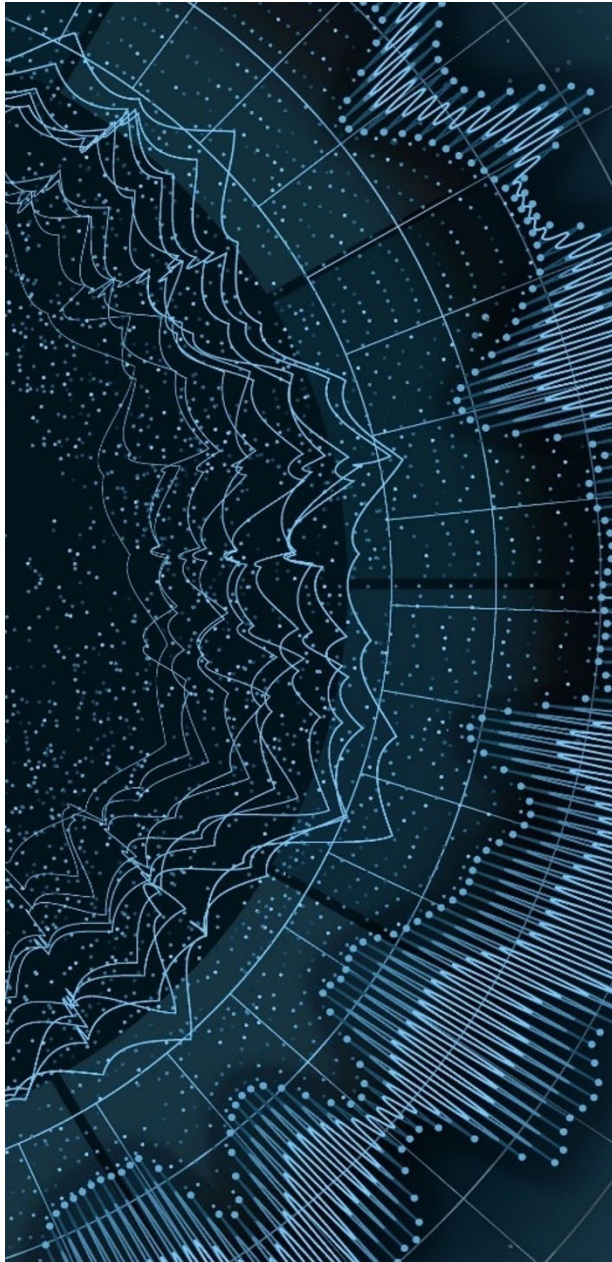
Figure 10: Existing and planned private housing-with-care

Key:

- The proposed housing-with-care scheme
- Existing private housing-with-care schemes
- Planned private housing-with-care schemes

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

The light blue shading shows the 7.5-mile market catchment and the dark blue line outlines the Mid-Sussex District Council local authority area.



Executive summary

Background and the proposal

National context and key definitions

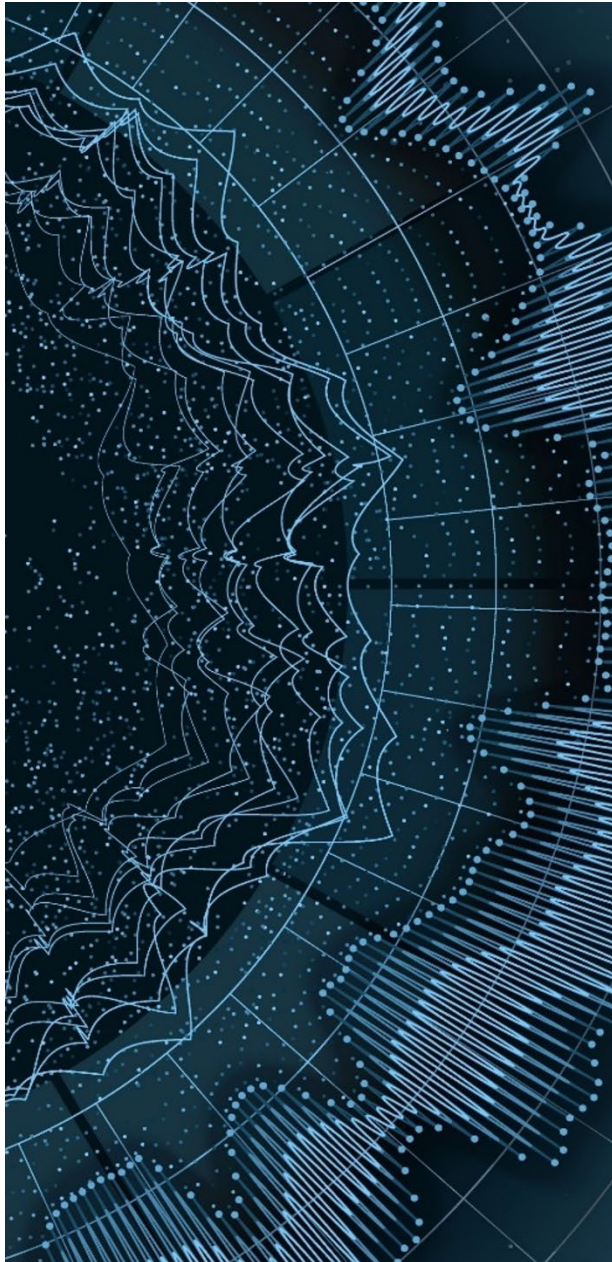
Local context

Need assessment – housing-with-care

Need assessment – local market qualitative assessment

Data tables and map – housing-with-care

Appendices



Appendix

A: Sources of information and references

Sources of information

We have utilised the following sources of information:

- Census 2021 population statistics;
- ONS 2018-based population projections;
- LaingBuisson Care Homes for Older People UK Market Report (33rd edition);
- Carterwood database;
- NHS England;
- www.housingcare.org;
- www.cqc.org.uk;
- Contains Ordnance Survey data © Crown copyright and database right (since 2018);
- Contains LPS Intellectual Property © Crown copyright and database right (since 2016);
- Relevant planning departments;
- Glenigan;
- Planning Pipe;
- '*Estimating Housing Need*'. Department for Communities and Local Government (2010);
- EAC database;
- Department of Health;
- Communities and Local Government;
- National Planning Policy Framework;
- House of Commons Commission for Long Term Care;
- Centre for the Study of Financial Innovation;

- HAPPI, HAPPI2, HAPPI3;
- PPG Housing for Older and Disabled People (2019)
- Demos;
- Policy Exchanges;
- ARCO;
- FPD Savills;
- Housing LIN;
- Shefford Hallam University;
- Three Dragons/Retirement Housing Group;
- Worcester Research;
- Tetlow King;
- Joseph Rowntree Foundation;
- CASS Business School.
- Mid-Sussex District Council
- West Sussex County Council.

In preparing our advice, we have also relied upon the following:

- Background information provided by the client;
- Documentation submitted with the planning application.

In accordance with our definitions and reservations (attached in Appendix E), we have assumed that the information above is

accurate and should it be proven through further investigations to be incorrect, then this could affect our advice.

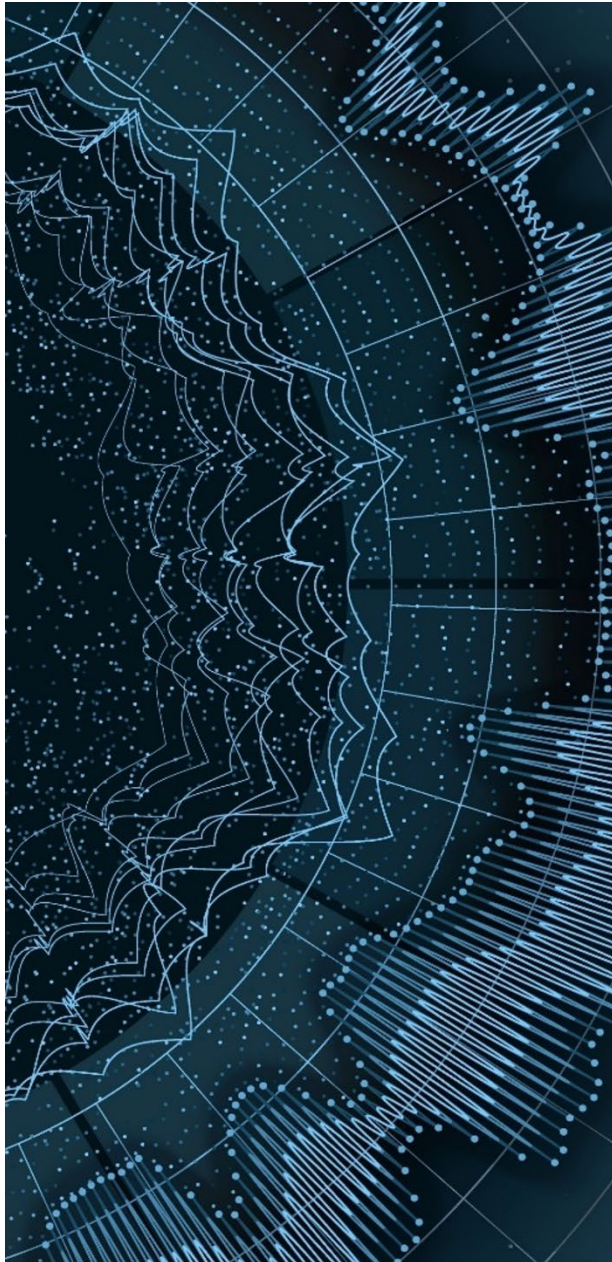
Confidentiality

This report is for the stated purposes only and for the sole exclusive use of the client, to whom it is addressed.

Neither the whole, nor any part of this report or any reference to it, may be included now or at any time in the future, in any published document, circulation or statement, nor referred to or used in any way, without our written approval and context to which it may appear.

Conflict of interest

There are no conflicts of interest that we are aware of that would prevent us from providing our advice.



Appendix

B: Methodology for assessing need for housing-with-care

Housing-with-care - local level need methodology review

Despite the ever-growing corpus of national research, government policy direction and market position statements produced by local authority commissioning departments setting out the benefits of housing-with-care, there are shortcomings with the currently available local level need assessment models.

Extra care housing is a more recent concept (when compared with residential care homes and sheltered housing) and this relative market immaturity means there is a lack of a standard measure to predict the need in any given area.

No planning need model we have reviewed adequately, if at all, considers the supply side of the equation when estimating 'need'. This is particularly important as approximately 40 per cent of all stock of specialist housing for older people (all types and tenures) was developed pre-1990, over 30 years ago, and to spatial standards recommended at that time, which are below current market requirements.

The models reviewed in our assessment only consider the need by population age either based upon projecting forward from current supply or by looking at potential need based upon predicted prevalence. Both approaches have strengths and weaknesses, and all have been considered either at planning appeal, referenced in PPG, or incorporated by social services teams, local authority assessments or the Greater London Authority (GLA) in their strategic modelling for future housing requirements, and therefore can be considered as models of predicting population 'need' as opposed to 'demand'.

It must be highlighted that there is currently no single recognised methodology for identifying need for housing-with-care. PPG suggests an assessment can be obtained '*from a number of online toolkits provided by the sector*', although the only example cited is no longer available online.

The critical issues that we consider surround the available toolkits and their application are detailed below, not as criticisms of the models (some of which are misused/misunderstood from their intended purpose), but as a review of their attributes and shortcomings when determining need at a site-specific level.

Use of existing supply to predict future supply levels

Existing provision of housing-with-care for those aged over 65 years is currently undersupplied at national level, and by considerable numbers based upon downsizing potential, international comparisons and the government's own policy objective to keep people in their own homes for longer.

Most of the models look at the current stock of housing-with-care as the basis to decide future requirements. This has resulted in

some outputs pointing to the ridiculous position where if a local authority has zero existing extra care provision in its area (due to market circumstances of an immature housing product rather than a need-related issue) then in 'n' years' time, despite a huge increase in forecast elderly population growth, the need remains at zero.

Such models assume that, if there is an existing good supply of one form of specialist housing provision (i.e. more established forms such as care home beds or sheltered housing), there must be a continued need for that form of provision at the same projected prevalence rate.

Housing-with-care provides a more recent model of specialist housing and there can be significant challenges to fund and source land (due to its operating model). It therefore needs encouragement and support in order to generate any meaningful increase in development. ARCO is at the forefront of generating support for the development of Integrated Retirement Communities at the national level, through various initiatives.

Over-reliance and tool misunderstanding

The models, which were intended to provide a 'high-level' indication of need, can be subject to overreliance and misinterpretation (this is no criticism of model authors, all of whom caveat their models appropriately and recommend local, scheme-specific research is conducted on a site-by-site basis).

It is apparent that planning guidance has perhaps unintentionally distorted the original vision for extra care by encouraging an emphasis on 'need', defined by functional incapacity and declining health requiring an immediate input of care (akin to a care home bed). The attraction of achieving Use Class C2 led to developers describing their developments in terms that meet the generally conservative interpretation of Use Class definitions that were published prior to extra care being recognised as a form of provision. The more recent consideration of the level of facilities and care provision on site, together with more focus on viability, has meant that there is now more of a distinction between C3 and C2 for proposed housing-with-care schemes.

Evidence base for prevalence rates adopted

There is no simple mathematical formula that links the currently available data to a prevalence rate. Given the range of variables, of which client choice is perhaps the greatest, followed by the availability and awareness of housing-with-care, the prevalence rates used in the models are based predominantly on existing supply levels at the time of publication.

From this starting point (and based on an educated estimate of the position at the time), the model authors have made a

judgement on the prevalence rates' current and likely future adequacy by referring to the indicators of need in terms of functional incapacity and health status. They also take account of the trajectory of development together with future aspirations and give weight to the policy drivers.

Extra care assumed only as a replacement for care beds

The application of some models is made on the basis that a need exists for 'housing-with care' solely as a replacement for residential care, suggesting that, as one declines, the other must increase, proportionately.

All evidence indicates that there is also additional latent need from those who would otherwise had to access sheltered housing, driven by the current shortfall of existing housing-with-care, which the government itself is trying to promote over care home provision, as housing-with-care generally caters to older people with different/lower dependency levels.

Obsolescence of existing stock

Models ignore the obsolescence of much of the supply of existing stock – many schemes still provide 'studios' or small one-bed units that are completely unsuitable for modern age-appropriate housing standards and would barely be marketable as traditional housing, let alone specialist housing for older people.

Misunderstanding the private housing-with-care target market

The application of the models by adult social care commissioning teams does not adequately consider the nuances of delivering housing-with-care in the private sector. It is impossible to expect an elderly person who would otherwise be receiving residential care (and may therefore require assistance with personal care, eating, etc.) to sell their own home and go through the conveyancing process, acquire or lease a new property and move home at this level of dependency.

In the private sector housing-with-care is a preventative solution, i.e. if that same person had acquired their private extra care unit 18 months earlier, while not needing 24-hour care and support, they are more likely to have been able to go through sale of their home and move to extra care where they could age in place with the support and care on-site as they need it, not solely when they have an immediate requirement as a result of a crisis.

Failure to account for elderly homeownership levels to reflect private housing-with-care need

Some models suggest a reapportionment from approximately 75 per cent social rent, towards an equal split of provision for social rent and for sale, prior to increasing the proportion of units for

sale towards 75 per cent of the market during the 2010s. On this basis, the level of provision of housing-with-care would be more in line with GB levels of home ownership by those aged over 65 years, if this change in the proportion of supply had occurred.

The apportionment of 'need' is often made arbitrarily, at the behest of social services teams, who do not necessarily support private development in the same way as affordable provision, as their strategy and budgets are focused primarily on social need. Given levels of homeownership nationally, this situation should logically be reversed.

Exclusion of elderly people between 65 and 74 years of age in need calculations for extra care

Most models, for some reason, exclude households between 65 and 74 years of age in their projections, and instead concentrate 'need' from those aged 75+ years. This is despite the planning restrictions in place on specialist older people's housing schemes, which typically start from 65 years (sometimes 55 years).

This assessment is most likely to have been based on the age profile in extra care accommodation for social rent. Our own analysis of existing retirement community residents on behalf of ARCO indicates that at least 20 per cent of residents in retirement communities are aged between 65 and 74 years – therefore, most models consistently underestimate need. Even care home need models (which have higher levels of dependency as eligibility criteria than extra care) assume a percentage of the population aged 65 to 74-years will occupy a care home bed. There is no evidenced-based rationale for the exclusion of those below 75 years of age. The Three Dragons model is the only model assessed that does try to explicitly account for this in its calculation of 'need' for older people.

Barriers to use

More Choice, Greater Voice was widely quoted, especially during the first 6 or 7 years after publication, and was reflected in a number of housing strategies for specialist accommodation for older people and commissioning documents.

Housing in Later Life was less warmly embraced by local authorities, partly because it set more demanding targets but also because it was competing with the newly published SHOP@ toolkit.

The SHOP@ toolkit, to which the NPPG refers, was withdrawn as an online toolkit in late 2019, and is no longer available for third-party use unless specifically commissioned.

The Three Dragons/RHG model is not available as a free-to-access tool on the organisation's website and must also be independently commissioned.

Carterwood approach

Given the challenges of the existing toolkits, we have undertaken our assessment of need considering all the models in turn and then applied the prevalence data at local authority level.

We have applied our recommended prevalence rate based upon our composite review of the strengths and weaknesses identified in our assessment.

Model need prevalence rate summary

T34 Summary of local level population need toolkit/model prevalence rates (per 1,000 population over 75 years unless stated otherwise)				
Housing type	Enhanced sheltered housing		Extra care housing	
Toolkits reviewed	For rent (Affordable)	For sale (Private/market)	For rent (Affordable)	For sale (Private/market)
More Choice Greater Voice (2008) – ‘Ratios suggested by the norm’ page 45) (*1)	10.0	10.0	12.5	12.5
SHOP (Dec 2011) – Estimate of demand (page 36) (*2)	10.0	10.0	15.0	30.0
Housing in Later Life (2012) Indicative ratios for Bury (page 23) (*3)	10.0	10.0	15.0	30.0
SHOP@ (2013) – Projected ‘base case’ demand at 2030 (page 7) (*4) (*9)	10.0	10.0	12.5	12.5
CRESR (Nov 2017) Greater Cambridge. Extra Care Demand Assessor (ECDA) – Prevalence rate varies and is generated by the model (*5)	Calculated independently by the online model		Calculated independently by the online model	
Other national models/reviews				
Three Dragons (Nov 17) Report to GLA (*6)	15 to 20 per cent of all 75+ person <u>households</u> would want to live in specialist older people’s housing, if it was available. Need analysis based upon Greater London characteristics and therefore not applicable to West Sussex and does not separate out demand for extra care/enhanced sheltered housing by prevalence rate.			
ARCO Vision 2030 (*7)	For 250,000 people to have the opportunity to live in retirement villages by 2030. This is defined as retirement communities which we consider would fall within either the extra care or enhanced sheltered housing definitions.			
The Mayhew Review (2022) (*8)	Three scenarios are evaluated with the third assuming that as much as a quarter (50,000 units) of all new housing would be specialist retirement accommodation. Recommends the Government’s Older People’s Housing Taskforce should be mandated to implement recommendations and report on the outcomes.			
The Older People’s Housing Taskforce report: <i>Our Future Homes: Housing that promotes wellbeing and community for an ageing population.</i> (November 2024)	Recommends establishing a common standardised methodology for local assessment of minimum need for the various forms of older people’s housing (as a subset of overall housing) which is simple, universally recognised, transparent and available for LPAs to use free of any costs. Also, to establish national prevalence rates for each type of older people’s housing which are not based on past delivery but is instead aspirational and outcome driven			

NB – the ‘for rent’ figures relate to ‘affordable rent’ and the ‘for sale’ figures relate to market rent or leasehold sale ‘private’ supply. The percentages above provide baseline rates for each toolkit which may be skewed towards ‘for rent’ or ‘for sale’ depending on the relative affluence of a particular location.

Sources:

- (1) *More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people.* Communities and Local Government, CSIP & Housing LIN, February 2008.
 - (2) *SHOP Resource Pack, December 2011.*
 - (3) *Housing in Later Life: planning ahead for specialist housing for older people,* Housing LIN, NHF et al, December 2012.
 - (4) *SHOP@, Housing LIN & EAC, Delivering the Detail, October 2013.*
 - (5) *Archer, Tom (2018). Extra Care Demand Assessor (ECDA).* SHU Research Data Archive (SHURDA).
 - (6) *Three Dragons / RHG (November 2017) Assessing future potential demand for older person’s housing, care homes and dementia housing in London.*
 - (7) *ARCO vision statement.*
 - (8) *Mayhew L. , Future-proofing retirement living: Easing the care and housing crises, 2022*
 - (9) *Gaul, D. (2016) Housing LIN and Elderly Accommodation Counsel – SHOP@ Analysis Tool Review. [Note: The estimated future need assessed utilising the SHOP@ (2013) toolkit is set at the baseline level. The toolkit states that ‘it is accepted that the percentage of leasehold will increase in the future and this change will vary on whether the market is attractive to leasehold sales i.e. areas of affluence will see a higher percentage increase in leaseholds by 2035. There are no definitive figures for 2035 but one proposed suggestion is linked to the assumptions in Housing in Later Life (2012). It is suggested that users of SHOP@ consider the options on the chart and look at the results from scenarios using different percentages. The chart provides a ratio of 50:50 for enhanced sheltered housing and 33:67 for rented (affordable) to leasehold (private) extra care in more affluent localities. The SHOP@ toolkit review (2016) updates this market split by suggesting that the tenure mix by 2035 for housing with care should be 33:67 rented to leased in affluent locations and 25:75 rented to leased in the most affluent locations. The update also provides a ‘proposed new SHOP@ prevalence rate per 1,000 people over 75 for Sheltered/retirement housing of 100.0, stating that ‘other services areas will differ slightly depending on the Housing-with-Care strategy. For example lower Housing-with-Care will support more registered care. Higher Housing-with-care may reduce sheltered housing due to service reviews converting sheltered schemes to Housing-with-care]]*
- Further details on each of the assessed toolkits are set out below. There is a wide variation in need calculated across the different models and approaches.

Model/toolkit review – strengths and weaknesses

T35 Summary of local prevalence rates		
Toolkit	Strengths	Weaknesses
More Choice, Greater Voice (2008)	- Provides full breakdown of prevalence by tenure and housing type. - While age of the study is a weakness, the targets suggested for 'market' supply of all types have not been met. As a ratio of the older population, the situation has either stagnated or deteriorated. - With current national direction towards increasing supply, the suggested prevalence rates should now be considered more relevant as a minimum than when the model was first published.	- Age of study; need based upon 'current' provision, which on every assessable measure was under-provided for based upon elderly population at the time - Doesn't account for need from 65- to 74-year-old cohort.
SHOP (Dec 2011)	- Provides full breakdown of prevalence by tenure and housing type, includes some allowance for need that is not solely based upon current supply. - While age of the study is a weakness, the targets suggested for 'market' supply of all types have not been met. As a ratio of the older population, the situation has either stagnated or deteriorated. - With current national direction towards increasing supply, the suggested prevalence rates should now be considered more relevant as a minimum than when the model was first published.	- Age of study; - Doesn't account for need from 65- to 74-year-old cohort.
Housing in Later Life (2012)	Based upon SHOP above so same strengths.	Based upon SHOP above so same weaknesses.
SHOP@ tool (2013)	- Based upon More Choice, Greater Voice, above so same strengths. - Flexibility to reflect demand based upon tenure type, interactive online tool which was (while it was available) easy to use.	- Based on More Choice, Greater Voice, above, so same weaknesses. - No longer available online (since late 2019); - Need based upon 'current' provision, which on every assessable measure was under-provided for based upon elderly population at the time - Widely misused by social services teams who misunderstood its application; - This served to reduce the overall 'need' prevalence significantly despite national and local policy objectives to increase supply of extra care – again arbitrarily with no evidence base other than opinion of local authorities; - Doesn't account for need from 65- to 74-year-old cohort.
CRESR (Nov 2017) Greater Cambridge. Extra Care Demand Assessor (ECDA)	- More recent study, online assessment available. - Online assessment methodology is not explicit. - Online assessment doesn't appear to be being updated with new supply.	- Based upon existing supply of extra care, being nationally recognised as under-provided. - Doesn't account for need from 65- to 74-year-old cohort; calculates the catchment area 'in reverse' and doesn't take account of potential need outside more densely populated areas.
Other models		
Three Dragons (Nov 17) / Retirement Housing Group (RHG)	Accounts for need from 65- to 74-year-old cohort, considers national policy objectives explicitly rather than being a measure of solely existing supply.	London-centric analysis makes it difficult to apply to other local authority areas, amalgamates extra care and sheltered housing into one global measure; unavailable for site-specific use unless commissioned independently.
ARCO Vision 2030	Considers potential need and national policy objectives explicitly rather than being a measure of solely existing supply.	Not a formal model.
Mayhew Review	Independent review which focusses on the impact increasing levels of under-occupation have on other generations as older people remain in their own homes for longer. It puts forward the case for more retirement developments with access to care and facilities and their associated wide range of benefits.	Not a formal mode.
Older People's Housing Taskforce	- The Government's Older People's Housing Taskforce reported in November 2024 and has provided clarity on the need to increase provision of specialist housing. - It recommends an updated toolkit is developed to increase provision.	It does not include an updated methodology for assessing need in a particular catchment in the report.

More Choice, Greater Voice, Housing in Later Life and SHOP models

i) More Choice, Greater Voice (February 2008)

From the publication of the More Choice, Greater Voice model onwards, and for no specific reason, the population of those aged 75 years and over has generally been adopted as the appropriate metric for housing with care need calculations.

Ratios of provision were built on evidence in 2008, adjusted to reflect the thrust of policy toward the encouragement of extra care. At that time, extra care was only really beginning to establish itself in the social rented sector and was practically non-existent in the private sector.

ii) SHOP (December 2011)

The SHOP (Strategic Housing for Older People) toolkit was originally developed for the Housing Learning and Improvement Network (Housing LIN) and the Housing Network of the Association of Directors of Adult Social Services (ADASS) by the Institute for Public Care at Brookes University, published in December 2011.

During mid-2020 Housing LIN updated its website as follows:

'This 2011 version of the SHOP Resource Pack is now out of date and uploaded as an archived record only. However, the Housing LIN has since worked with many councils individually to further develop and apply them to help produce their local housing strategies for extra care housing and supported housing.'

iii) Housing in Later Life (December 2012)

The general acceptance of the methodology and approach set out in *More Choice, Greater Voice*, alongside market signals suggesting falling demand for older style sheltered housing for rent, strengthening demand for retirement housing on a leasehold basis and a widening of the appeal of all tenures of extra care, resulted in an uplift in the suggested ratios of provision in the 2012 publication: *Housing in Later Life – planning ahead for specialised housing for older people*, using the same prevalence rates as set out in SHOP.

The focus of the toolkit was to assist local authorities in England in planning for specialist housing for older people and it referred to a range of housing options built to assist older people with their accommodation and support needs in later life.

iv) SHOP@ 'Delivering the Detail' (October 2013)

SHOP@ was launched in March 2013 and was pre-set with the number of units required per 1,000 of the population aged over 75 years, derived from the *More Choice, Greater Voice*

prevalence rates. It calculated housing and care supply and demand using local data and figures for all 350+ local authorities in England, intended to prioritise investment and maximise capital resources and revenue funding.

SHOP@ generated used information to 2030, from nationally available data, and the input by the user based on their local commissioning strategy. The resultant tables included the *'Estimated future needs for older people's housing and care'*.

SHOP@ was removed as a web-based resource in late 2019, despite being cited (and still cited) as an example of an online toolkit in PPG. Housing LIN now undertake SHOP@ assessments on a commissioned consultancy basis only, predominantly for public sector bodies.

The challenges surrounding the model were articulately expressed by Nigel Appleton in his proof of evidence for the appellant, Retirement Villages, in the Shiplake, Oxfordshire inquiry (August 2019):

'Available online, the SHOP@ Tool has been widely used and has been recommended in successive Planning Practice Guidance, most recently in the PPG of June 2019. Whilst other methodologies have also been mentioned the availability of the SHOP@ Tool has regularly been cited as the basis for calculations in local authority documents and in planning inquiries.'

The flaw inherent in the use of the SHOP@ Tool has been identified by some is that it is presented as providing objective assessment when it does nothing of the sort. The outputs it produces are heavily influenced by the assumptions that are inputted. Used in its default settings it relies upon current prevalence of provision as an indicator of future levels of need. This can lead to ludicrous outcomes: where an area with high levels of older people within its population has little provision and the default settings are used, it will project that little will be needed in the future.'

This difficulty is recognised by the Housing LIN who have expressed concern about the reputational damage they are suffering as a consequence of the misuse of the SHOP@ Tool. They make the point that the default settings of the SHOP@ on-line tool are intended to illustrate the information that needs to be loaded rather than recommending a level of prevalence or tenure split. So concerned has the Housing LIN become by this distortion of their intention, which was that the tool should support their aspiration to be a "Market Shaper", working alongside colleagues in commissioning roles in Adult Social Care and promoting local discussion about future provision, that

they have now withdrawn the SHOP@ Tool from being accessed online.

That the Housing LIN has taken this remarkable step, a month after the SHOP@ Tool was recommended in the June 2019 PPG, leads one to treat calculation based on this methodology with extreme caution.'

Relevant Appeal Decisions

We set out below extracts from more recent appeal decisions, which make reference to, or utilise, the above toolkits:

Former Hazeldens Nursery, Albourne, West Sussex. (Ref: APP/D3830/W/19/3241644) (September 2020); an extra care development of up to 84 units (comprising of apartments and cottages) all within Use Class C2, associated communal facilities, sets out:

'The SHOP@ toolkit is pre-set with the number of units required per 1,000 of the population over 75 years old at 25 or 2.5%. This I shall refer to as the 'provision rate' and it has been derived from More Choice, Greater Voice (2008), which is a document that seeks to provide a strategy for housing with care for older people. It is important to have in mind that the provision rate is an assumption and is not evidence based. The Council pointed out that a provision rate of 25 is roughly double that for extra care housing nationally. However, that reflects the critical need across the country and is not particularly helpful in the consideration of how need should be met in Mid Sussex. (Para 84)

In December 2012 Housing in later life: planning ahead for specialist housing for older people sought to update More Choice, Greater Voice. It recognises that extra care housing was becoming better known as an alternative choice for older people who do not necessarily want or need to move to a residential care home. Furthermore, it recognises a prevalence for home ownership in the elderly population and predicts that demand for extra care housing for sale [generally on the basis of a leasehold tenure] will be twice that of extra care housing for rent. It provides a toolkit for use by local authorities in their planning for and delivery of specialist housing for older people. It seeks to improve housing choice for a growing ageing population and increases the provision rate to 45 or 4.5% per 1,000 of the population over 75 years old. Whilst a worked example is given for Bury Metropolitan Council, it seems apparent from the information provided that this provision rate is one that is generally more applicable. That said, it is important to understand that this is an aspirational figure and is also not evidence based. (Para 85)

Little Sparrows, Sonning Common, Oxfordshire RG4 9NY (Ref: APP/Q3115/W/20/3265861) (June 2021), appeal allowed for 133 units of extra care (Use Class C2) within a continuing care retirement community care village:

Quantification of the need for open market extra care housing is not straightforward, in part because whether an owner-occupier moves to extra care housing is ultimately a matter of choice, in part because there is no prescribed or generally accepted methodology. The Government very clearly supports the identification and provision of extra care accommodation as a recognised form of specialist accommodation for the elderly. Moreover, it is important to bear in mind that the NPPF definition of 'older people' does not exclusively mean the very frail elderly, rather it embraces a wide range of people in that category both in terms of a very wide age range and significant variation in issues surrounding matters like mobility and general health. (para 28)

The Government plainly recognises that the need is 'critical' and the importance of 'choice' and addressing 'changing needs'. Offering greater choice means a greater range of options being offered to people in later life and that the range of options should at the very least include the categories the Government recognises in its guidance. This includes extra care. The PPG also advises what 'range of needs should be addressed'. It recognises the diverse range of needs that exists and states that:

"For plan-making purposes, strategic policy-making authorities will need to determine the needs of people who will be approaching or reaching retirement over the plan period, as well as the existing population of older people". (para 30)

The Appellant's primary evidence on need is given by Mr Appleton, the principal author of two key publications in this area: More Choice, Greater Voice (2008) and Housing in Later Life (2012). Both of these publications seek to address how best to quantify the need for specialist housing for the elderly. They advocate a method which is based on the population and other nationally available data to look at the characteristics of an LPA area. (para 34)

Mr Appleton sets out a provision rate for private extra care of 30 per 1,000 of the 75 and over population in the District based on a total provision of 45 extra care units per 1,000 (4.5%) across both the affordable and private sectors, but split on a ratio of one third for social rented and two thirds for sale. This takes into consideration the research in More Choice, Greater Voice and revisions in "Housing in Later Life". I note that the 45 units per 1,000 is to be divided as suggested in order to bring supply into closer alignment with tenure choice among older people. ...The Council refers to the Oxfordshire's Market Position Statement

which assumes a lower need figure for extra care housing but the focus there appears to be on social rented extra care housing. The Council also suggests that the SHMA evidence is to be preferred. However, I note that it does not identify figures for extra care, nor does it relate to the present PPG. In my view, Mr Appleton's provision rate is preferred and the need for more private extra care is overwhelming. (para 38)

There is plainly a very limited supply of extra care housing for market sale (leasehold) in South Oxfordshire. Adding further concern, it is of note that from 2012 to date just 133 units have been delivered despite there being in the same period permissions for a net gain of 447 additional Care Home beds. This runs completely contrary to the policy set out in the Market Position Statement of reducing reliance on Care Home beds and increasing capacity in extra care. The case for more market extra care provision now is very clear. Furthermore, the need is set only to grow. (para 43)

The Council sought to undermine the Appellant's need case with reference to earlier data from Housing LIN and the @SHOP tool. This on-line tool is highlighted in the PPG as a basis for calculating need. But the fact is it only provides a figure based on existing prevalence and then seeks to project that forward with a proportion increase based on the increase in the 75+ age group in the District. This is not a measure of need. (para 44)

Homebase, New Zealand Avenue, Walton-on-Thames Surrey KT12 1XA (Ref: APP/K3605/W/20/3263347), (June 2021), appeal allowed for a development comprising 222 units of care accommodation with associated communal facilities:

The [Surrey County Council] SCC Commissioning Statement, whilst dated April 2019 onwards, is a leaping off point and one which adopts the methodology of Housing LIN. Whilst not specified, it is likely that this would have been SHOP@. It uses a prevalence rate of 25/1000 for extra care. This needs to be adjusted to include enhanced sheltered housing at 20/1000 and the split tenure of 73/27 applied. It produces a need figure of 493 units with a population aged 75+ in 2025 being 15,000. Purely based on this figure up to 2025 with a supply of 235 there is a net need of 258. I am conscious that these figures do not pay any regard to those between 65 and 74 years of age who may generate further uncertain levels of need. Figures into the future suggest an upward trend for unmet need, but considering up to 2025 is sufficient to make the point. (para 87)

Land between Haverhill Road and Hinton Way, Stapleford, Cambridge CB22 5BX. Appeal Ref: APP/W0530/W/21/3280395 (December 2021) appeal allowed for a proposed Retirement care village in Use Class C2 comprising housing with care, communal health, wellbeing and leisure facilities.

The application was originally refused on the basis that it comprised inappropriate development in the Green Belt. The net need figures for both care home bedspaces and private housing-with-care (utilising the same methodology as in this assessment) were attributed very significant weight.

The Inspector considered that 'Despite a plethora of studies, the Council's approach has not delivered and is not expected to deliver special care housing in anything like sufficient quantities. No policy nor any allocation in the adopted plan requires a specific proportion of dwellings to be delivered as special care housing' also, that 'Government advice is that housing need alone does not amount to the very special circumstances required to justify inappropriate development within the Green Belt but, in this case, that housing need is combined with a lack of effective action to meet the need'.

Land to rear of 163 to 187 High Street and east of Rowan Close, Bottisham CB25 9BJ. (Appeal Ref: APP/V0510/W/23/3324141 (February 2024)) Appeal allowed for the 'Development of a retirement care village in class C2 comprising housing with care, communal health, wellbeing and leisure facilities; and C3 affordable dwellings (comprising up to 30 percent on-site provision), public open space, play provision, landscaping, car parking, access and associated development' on a site located in Green Belt.

The inspector recognised that 'Whilst it falls within the C2 use class, extra care housing is distinctly different from other forms of older people's accommodation such as care homes and retirement housing.'

The inspector agreed with the need for this type of accommodation, based on an assessment utilising the SHOP and Housing in Later Life toolkits (the same as the Carterwood assessment in this report), finding that 'In summary, it is clear that when considering the short, medium, or long-term net need for extra care housing for those aged 75 or over, this is likely to far exceed supply. Whilst the figures have been updated by the appellant, they do not markedly alter the appellant's evidence as it was considered by the previous appeal Inspector. I also find that the need is acute.'

'This leads me to conclude that the identified acute extra care housing needs are unlikely to be realised over the plan period. This proposal would make a significant and meaningful contribution to addressing the need for older people's extra care housing, a matter which attracts very substantial weight in favour.'

Housing for Older People Supply Recommendations (HOPSR) and Three Dragons/RHG

Housing for Older People Supply Recommendations (2017)

HOPSR was created by the Centre for Regional and Economic Social Research (CRESR) (Sheffield Hallam University and the University of Sheffield). It is a tool to assist local authorities understand the requirements for older people's housing in their area. The associated model 'Extra Care Demand Assessor' (ECDA) (2018) is available online and provides the output of research with South Cambridgeshire District Council, Cambridge City Council and Cambridgeshire County Council, funded by NHS England's Healthy New Towns programme.

Below are extracts summarising the model's approach:

'HOPSR uses national data from the Elderly Accommodation Counsel (EAC) about older people's housing schemes. Looking specifically at the local authorities with the highest level of current supply, it uses this as the basis to recommend a level of supply for each local authority, accounting for local demographic, health and place trends.'

'The ECDA builds on the work to provide localised assessments of demand for Extra Care housing. The model has been developed through a series of stages: The first stage assessed the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).'

'This exercise does, however, reveal which authorities are supplying units at high levels given the measure of older people locally, and provides a sufficiently large sample on which to explore the factors associated with higher provision. In the 100 local authorities with the highest level of specialist housing, these provide 172.6 units per 1,000 people aged 75 years and older. This was made up of:

- 153.2 units of sheltered per 1,000 people aged 75 years and older*
- 4.4 units of enhanced sheltered per 1,000 people aged 75 years and older; and*
- 15.1 units of extra care per 1,000 people aged 75 years and older.'*

'The second stage used 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 of age-exclusive, specialist and care beds respectively.

'This analysis revealed a number of relationships within local authorities, including:

- The supply of specialist housing being positively associated with the level of people aged 75 years and older limited by a LTHCD [long term health care condition].*
- Sheltered housing is positively associated with the level of people aged 75 years and over limited by a LTHCD. Furthermore, the level of sheltered housing was negatively associated with supply of extra care per 1,000 people aged 75 years and over.*
- Extra care accommodation was positively associated with the level of people aged 75 years and older limited by a LTHCD. As above, this form of provision was negatively associated with supply of sheltered housing per 1,000 people aged 75 years and over.*
- Enhanced sheltered was not associated with any of the variables considered.'*

The CRESR model recommends a level of supply at the aggregate rate for the 100 local authorities with the highest level of provision, but it adjusts this with localised data – for example, the proportion of people aged 75 years and older with a limiting LTHCD in the case of specialist housing.

'This model has a number of strengths and weaknesses. Its strengths are that it is based on the realities of supply and demand in other local authorities and it provides a distinctly grounded and realistic estimate of what supply is possible. One criticism of models based purely on future projected demand is that they can be viewed as somewhat idealistic, and therefore susceptible to challenge on this basis. One might argue that a weakness of employing quantitative estimates based on other local authority provision is that it makes the model merely reactive to what is happening in those other areas, rather than responding to underlying or changing needs. To counter this, the model should be re-run regularly to take account of changing provision which reflects changes to the determinants of demand and supply of specialist housing.'

'Our model suggests only one in 10 of the recommended supply of specialist units in Greater Cambridge are either enhanced sheltered or extra care. This reflects the fact that our modelling is premised on existing provision in 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 (e.g. in residential care), then this could dramatically change how many units of extra care are required' (page 28).

In our opinion the weaknesses of the model pointed out within the documentation far outweigh the strengths when it comes to

assessing demand for private extra care housing; there is a national recognised shortfall on what is an immature market – therefore any model that bases requirements on current provision is fundamentally flawed.

Three Dragons/Retirement Housing Group (2017)

The Retirement Housing Group's (RHG) model and approach, which is recommended in Housing in Later Life, forecasts demand for specialist housing in London. The model is based on the number of older person households and not on the population of older persons. In England, 9.5 per cent of households aged 65+ are in specialist older person's housing, equating to 533,201 households. The equivalent for London is 8.5 per cent.

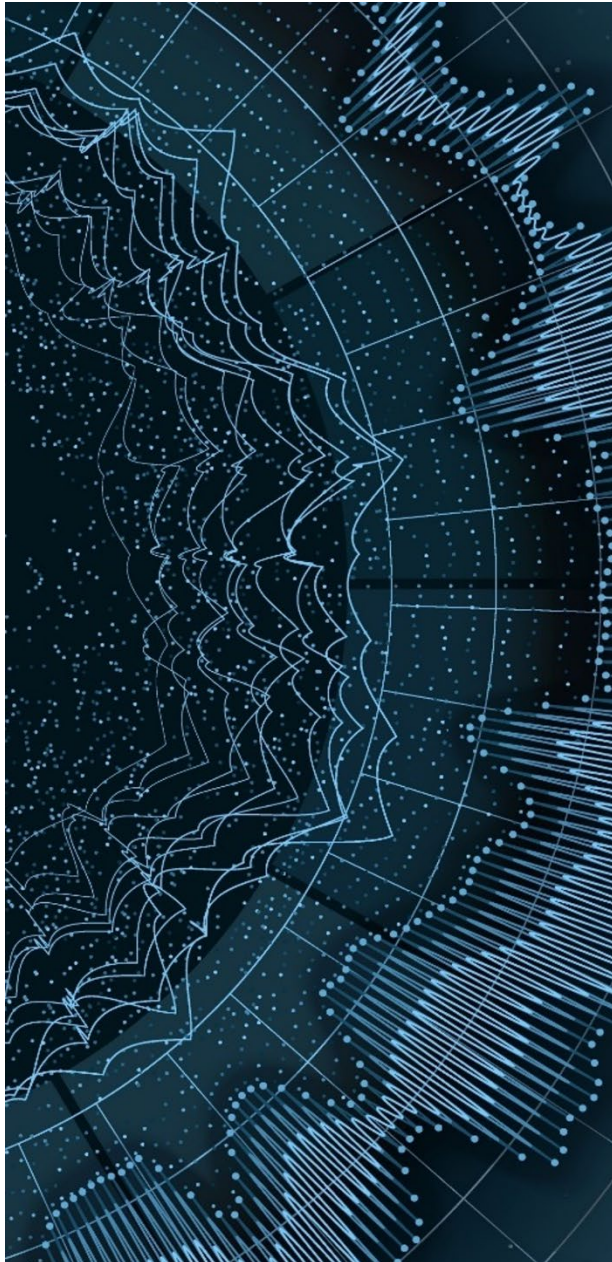
RHG's model is based on the propensity to move and assumes that nationally, 15 to 20 per cent of all person households (age 75+) would live in specialist older person's housing if it were available.

Due to the higher proportion of general needs flats in London, the study uses 15 per cent. Analysis of older person's housing for sale suggests that 18 per cent is acquired by those aged under 75 and therefore assumes that 2.5 per cent of households aged 65 to 75 would also live in specialist older person's housing if it were available:

- 'There is an acute shortage of specialised retirement housing. Out of 515,666 units of sheltered and extra care accommodation in England in 2015, 75% were for social rent with only about 174,000 for owner occupation.*
- Estimated supply needs to more than double by 2025. At least 11,000 need to be built every year.'*

In its report to the Greater London Authority (GLA) in 2017, Three Dragons expected that around 15 per cent of older households would want retirement housing by 2029, with most demand for privately owned or shared ownership. The point was made that although there are large stocks of affordable rented sheltered housing, much is old and requires updating. Total potential demand is for 4,000 plus units a year of both extra care and sheltered housing.

In our opinion, it is challenging to adopt this model formally, despite its strengths, as there is no publicly available guidance in respect of separating the need for private extra care in a non-London market and drivers of future need are based upon existing provision to some degree.



Appendix

C: List of tables and figures

Tables

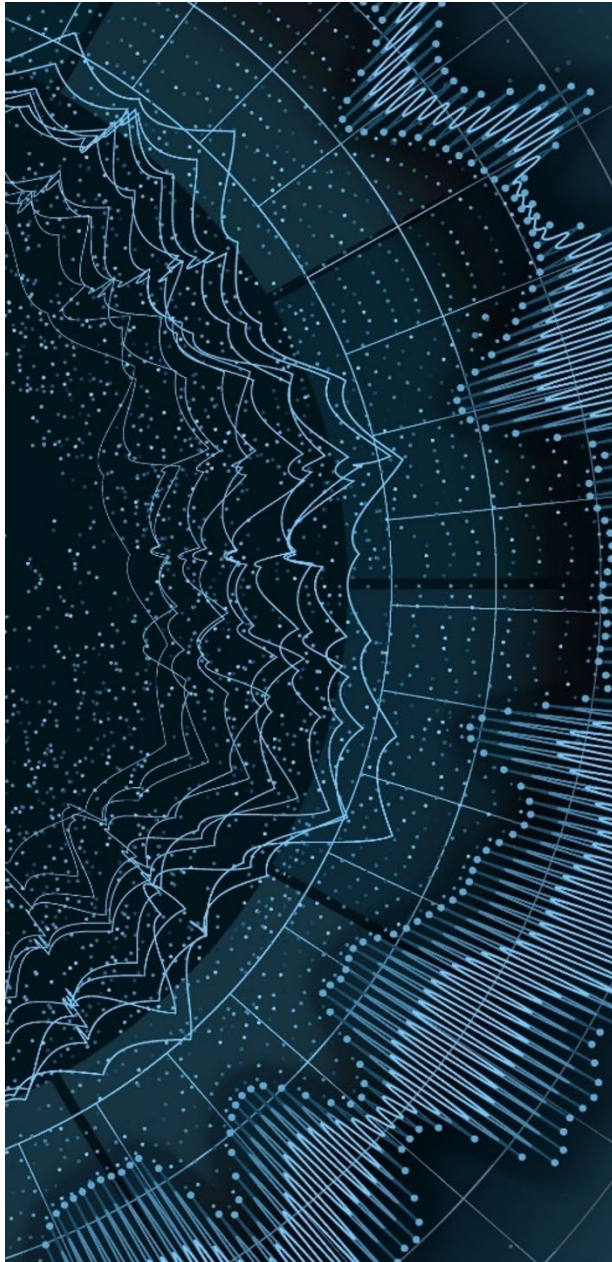
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Appendix

D: Definitions and reservations

Timing of advice

Our work commenced on the date of instruction and the collection and compilation of data and other research contained within our work 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 scope and requirements set out in the engagement letter. 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 these information 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 and may be subject to other variables and factors outside the scope of our report. Any assumptions stated in the report 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 may 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.

We have undertaken certain analytical activities on the underlying data provided by third parties to arrive at the information presented. We cannot and do not accept responsibility for the completeness or accuracy of this underlying data.

Where we have adapted and combined 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 absolute 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.

All advice has been prepared on a 'desktop' basis and where we have prepared advice on a 'headline basis', we have conducted a higher level and less detailed review of the market. If commissioning a Headline Market Analysis report it we recommend commissioning a comprehensive market analysis report before finalising the decision-making process. Where we have provided 'comprehensive' advice, we have used reasonable skill and endeavours in our analysis of primary 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 client and any other persons specifically named in our engagement letter and solely for the purposes stated in the report. The report should not be relied upon by any other person or for any other purposes. The report is given in confidence to the client and any other persons specifically named in our engagement letter and should not be quoted, referred to or shown to any other parties without our prior consent.

The data, information and any conclusions in the report 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. The client should independently verify any data or information in the report which may be relevant to taking a business decision.

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Extraordinary market factors

The trading environment of the care sector in the UK, which impacts upon market conditions, remains in a volatile state. Contributing factors include some ongoing uncertainty around the post-Brexit trading conditions, operating with the legacy and future risks of COVID-19 and the effect of the conflict in Ukraine and the resulting inflationary pressures. Our reports are prepared using high quality data and expert analysis from our experienced team. Any recommendations made are based upon the market and financial climate as at the date of the report, but do not take into account future economic or market fluctuations caused by the events outlined above or other unforeseen events. With this in mind, it may be prudent to review a commissioned report periodically in light of any significant developments that may affect the care sector.

Census 2021

This report contains data relating to the 2021 census for England and Wales. The Scottish census was delayed, with the collection phase taking place between 28 February and 1 June 2022. We will monitor the census data release schedule, reviewing new data as it is released and ensuring the data is embedded into our analysis as quickly as possible

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