

Home Sweet Home?



Housing and older people

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DRAFT

NPC policy on housing and older people

Recommendations

1. 65,000 houses need to be built every year for older people in order to meet the current demand and the projected population rise

This figure is based on the common consensus that we need 250,000 houses in total across the population, and that by 2040 one in four households will be headed by someone over the age of 65. The picture on specialist housing for older people is one of under supply and need a 75% increase in specialist properties by 2035 if we are to meet a growing older population. An urgent house building programme is therefore needed to match this under supply with the growing demand. This should include both sheltered and supported housing options, older LGBT housing projects and lifetime homes that can adapt around the resident as they age. Older people's housing needs to be affordable, accessible, safe and located close to good quality public transport links and other essential amenities such as GP surgeries, shops and post offices. In addition, the housing needs to be well designed with the intention to create sustainable communities. This could be achieved by allocating government funding for older people homes and only accepting bids for this type of housing.

2. Enable Local Authorities to build houses again by setting up their own housing company

Councils should be encouraged to set up their own housing companies, which would be able to buy land and borrow cheaply from the council. Any profits generated would then go straight back to the community and future building programmes. For example, Brick by Brick was set up by the Croydon Council in 2016 as a way of building affordable housing. Not only does this approach provide housing; it provides jobs, a skilled workforce and new communities.

3. Fast track building applications for those developers who propose affordable and suitable accommodation for older people

Property developers have got away for too long with not building their proposed allocation of affordable accommodation, through the use of "viability assessments". A first step would be to make these public to allow for greater accountability. In addition, local authorities should be given new legal powers to fast track planning applications from developers who propose affordable and suitable accommodation for older people, ensure that affordable accommodation is included in the first phase of any construction programme and introduce an agreed quota of older people's housing in all developments.

4. Ensure older people are at the heart of planning decisions

It is clear then that ensuring a larger number of older people are able to live in housing that has a design and ethos suitable to supporting and creating sociable communities, is going to be an increasingly crucial part of future housing policy. More broadly, this thinking should be extended to underpin a more creative and community-focused approach to planning, which better reflects the specific needs of different demographics. For example, through the creation of "cities for all

ages”, we should ensure that public transport, public spaces and even street furniture are designed to better enable older people to remain socially, physically and mentally active.

5. Introduce a Stamp Duty holiday for older people

There has been a constant suggestion that many older people are occupying homes that are now either too big for their needs or too difficult for them to maintain. Whilst the decision to downsize should be one of choice rather than compulsion, introducing a three-year stamp duty holiday for older people right sizing into homes under £200,000 could release up to 111,000 properties for younger families. The effectiveness of this measure could then be reviewed and assessed after the three-year period had elapsed.

6. Improve the financial situation of downsizers

Whilst older people should never be forced to move, it is essential that for those who want to, help is available. Alongside this, it is important that free information is available, both online and in print, which offers advice about how to start the process of moving to a new house. In addition, further investigation and regulation into the Equity Release market needs to be considered. These forms of loans come with high interest rates and are costing older people tens of thousands of pounds. It is essential that alternative forms of finance are made available for people who want to right size their home.

7. Stronger rights for older tenants

Some tenants are living in unsafe and poor conditions and are discouraged from reporting, since some landlords fail to take action, while other tenants worry of retaliatory eviction. This suggests renters lack basic consumer power to bargain for decent conditions of renting. To gain confidence in the rental market, a Tenants Charter should be introduced to raise awareness of tenant rights. These rights should include the availability of longer tenancies of up to three years, an end to letting agent fees and an agreed formula for rent increases.

In addition, landlords should be required to register with the local authority for a five year licence to rent their property out. To receive a licence, landlords would have to demonstrate their ability to maintain their property to pre-agreed standards with the council. Landlords should be required to put in place robust tenancy management arrangements, giving more safeguards and greater protection to tenants and the council would have the power to fine landlords who fail to register with the scheme and recover any rents or housing benefits paid while a property was not licensed.

8. End the right to buy policy

Whilst acknowledging that right to buy enabled thousands of people in the 1980s and beyond who would otherwise have been unable to buy their own home, it nevertheless seriously depleted the stock of social housing and now needs to be abandoned, in order for more people to access social housing and relieve the pressure on waiting lists.

9. End the 'Bedroom Tax' for all social tenants

Housing benefit claimants in social rented housing do not experience a reduction in their entitlement if they occupy a home that is deemed to be larger than they need if they are over the state pension age. However, the policy is widely regarded as punitive and regressive and should now be removed from social tenant of all ages.

10. Change the definition of affordable housing

The government definition of affordable housing states it must be provided at a level at which the mortgage payments on the property should be more than would be paid in rent on council housing, but below market levels. This is no longer fit for purpose. Instead, affordable housing should be defined as when an individual is paying anything up to 35% of net income (after tax and benefits) on housing costs. By adopting this new definition, regional differences and incomes can be taken into account.

11. Reinstate the ring-fenced Supporting People Programme

The needs of older residents can be addressed by obliging local authorities to take the actions necessary to ensure older and disabled people can live independently in safe and secure homes, and as a result, reducing costs to the NHS from illnesses and injuries caused by poor quality homes. The Supporting People Programme was launched in 2003 as a scheme which helps vulnerable and older people to carry on living independently in their own homes. Initially, this fund was ring fenced, but in 2009 this protection was removed. Concerns have been voiced that local authorities are using their Supporting People grant to fund other expenditure – across 152 local authorities, Supporting People funding had been withdrawn entirely from 305 services, and reduced for a further 685 services. Given that the programme has in the past produced £3.41 billion savings in NHS and social care costs, it is time the government reinstated its ring-fencing.

12. End the use of leasehold in retirement properties

There seems to be little ongoing support for expanding the number of leasehold retirement properties, and it now seems appropriate to enable the purchase of freehold by all leaseholders at a maximum charge and to establish a compensation scheme for cases where misleading particulars have led to certain leasehold agreements.

13. Tackle fuel poverty

The Office for National Statistics figures for December 2016 to March 2017 show 34,300 mainly older people died of cold related illnesses, equivalent to over 285 a day. There is no figure of how many were from each housing sector, but it is well known that there is a clear problem for those who are privately renting. In particular, this sector has the highest energy costs. That is why there is an urgent need for a national programme to improve the heating and insulation standards of existing homes so that they reach the standards of new homes built today. In particular, the homes of all low income and fuel poor households should be improved to the standard by 2020. Furthermore, the annual fuel allowance should

be paid to all vulnerable, older and low income households, set initially at £500 and indexed to annual increases in average energy bills.

Background

1. The housing market in Britain is broken; there is an urgent need for reform and a large house building programme of good quality, suitable and affordable accommodation for all the generations. Over the last few years, older people have often been portrayed as having unfairly amassed huge housing wealth and deliberately holding onto under-occupied properties to the detriment of younger generations that are struggling to buy their first home. In reality though, it is not older people, but central government who have failed to deliver for those just starting out.
2. Over the last 30 years, the majority of home ownership has shifted from those below 45 in the early 1990s, to those between 45 and 64 in the 2000s to the over 65s in 2010. But this says more about the nature of employment, the availability of mortgages, the state of the financial markets and the growth of personal debt than a concerted effort by older people to accumulate property wealth.
3. It is also important to remember that home ownership does not always equate to wealth. Figures from the Ready for Ageing Alliance show that 2.6 million older people who have assets greater than £100,000, survive on an income of less than £15,000 a year. Two in ten households aged 60-64 have outstanding mortgage debts of £50,000 and fewer than 48% of 55-64 year olds own their property outright.¹ So even in a generation that apparently has had the best of everything from free education to final salary pensions – less than half own their homes outright.
4. Furthermore, Britain's older generation face a contradictory approach from government towards their housing wealth. It is widely accepted that our social care system has collapsed, and there is no long-term solution to the question of funding. In fact, the government's existing model relies on older people having housing wealth which they can use in order to fund their long-term care. At the same time, politicians accuse older people of having accumulated housing wealth, and portray it as a deceitful act for which they should, in some way be punished. The myth of older people having vast housing wealth which they can use to fund a lavish lifestyle therefore has to be busted.
5. The current state of older people's housing is also having a negative impact on their independence, autonomy and health. Poor housing costs the NHS £2.4 billion a year in the UK, when combining costs to the NHS from falls, coldness and poor sanitation.² But this issue is more than just about saving the NHS money, it's about ensuring older people today, and those future generations, are safe and happy in their homes.

¹ D. Sinclair, *The Myth of the Baby Boomer* (Ready for Ageing Alliance, 2015).

² S. Nicol, M. Roys and H. Garrett, *The cost of poor housing to the NHS* (Building Research Establishment, 2011).

6. Most of those involved in housing policy will acknowledge that not enough houses are being built, local authority stock has been sold off and not replaced and now housing association properties, independent organisations regulated and often funded by the government, are facing the same fate.
7. In the past 50 years, housebuilding in the UK has fluctuated vastly. In the year of 1969-1970, 378,320 houses were built. In 2015-2016, just 168,000 houses were built. In a similar vein, Local Authority housebuilding reached its peak in 1969-1970 when 185,000 houses were built. In 2004-2005 only 250 houses were built, the lowest in 50 years. In 2015-2016, only 3,040 were built.
8. When focussing solely on older people's specialist housing, the picture is also one of under supply. Current data shows that as of September 2017, in the UK there were:
 - 720,000 retirement housing units
 - 4,699 nursing homes
 - 6,023 residential homes
 - 18,000 sheltered housing complexes and around 500,000 sheltered housing dwellings³
9. Analysis from the Local Government Association shows that specialist homes for older people will need to increase by 75% by 2035 if we are to meet a growing older population. This represents just over 51,280 dwellings a year for the next 18 years, well below the current building rate.⁴ In 2014, just 1% of UK new build were bungalows, down from 7% in 1996.⁵
10. The government therefore needs to encourage both the public and private sector to build more affordable housing. Under the Coalition government, the Affordable Homes Programme was introduced with an aim of increasing the supply of new affordable homes in England by March 2018. Whilst it is not open for new applications, funding continued to come in for bids proposed prior to November. The programme is designed to use the government's fiscal credibility to reduce the cost of borrowing for housing providers. The 2017 Autumn Budget confirmed a further £2 billion of funding to the programme. Taking the total budget from £7.1 billion to £9.1 billion to 2020-21.
11. However, one of the weaknesses of the programme is that it makes no requirement for bids to contain older or vulnerable people's housing. Any future housebuilding therefore need to include a quota for older people's housing.
12. One of the main reasons why private companies are not building enough affordable houses is because they can make more profit through general housing. Despite housing developers being required by local authorities to

³ *Later Life in the United Kingdom* (Age UK, 2017).

⁴ *'Residential revolution' needed for England's ageing population*, (Local Government Association, September 2017).

⁵ *Why has Britain stopped building bungalows?* (BBC News, March 2016).

include between 30% to 50% of affordable homes in each new development, there is a simple way to get around this and actually build much less.

13. Once housing developers gain the permission to start building they deploy the viability assessment. This allows them to go back to the council and say the number of affordable houses they were going to build is no longer possible. Developers can cite numerous reasons for this, from unanticipated costs to lower than predicted house prices. This task is made easier for the developers because they can cite the 2012 law which states that a developer must make returns of 20% profit. Furthermore, these viability assessments are private, reducing any chance of public accountability.
14. Despite scores of policy initiatives and announcements, very few have made any real significant impact on the housing crises. Frankly, this country does not need another housing initiative or white paper, it needs an urgent house building programme to match the under supply, with the growing demand, along with a number of other significant housing reforms.

Owner Occupiers

15. The majority of older people in Britain are classed as owner occupiers or home owners, making up 77% of older people households. In certain quarters, this group has been blamed for Britain's housing crisis, with the picture often painted of wealthy pensioners, rattling around huge properties with lots of unoccupied bedrooms. Headlines such as 'Baby boomers are hoarding big homes at the expense of the young', have become all too common in recent years.⁶
16. The notion of downsizing in later life should be about choice rather than obligation, and the debate around housing has to be widened beyond the simplistic suggestion that the crisis would be solved if only all older people moved to smaller properties. Crucial to finding a more credible solution to this issue would be to look at building more homes that are suitable for everyone, including older people, recognising the barriers to downsizing and acknowledging that a lack of housing for younger families is not the fault of older generations.

Downsizing

17. The UK currently has one of the lowest moving rates among its older population compared to other developed countries. In 2011, only 1% of people aged 60 or over had moved into retirement housing,⁷ compared to 17% in the United States and 13% in Australia and New Zealand.
18. It is also useful to look at the prevalence of older 'under-occupation'. Only just over half (52%) of all people who classify as under-occupiers are older people aged 55+, and among this age group the proportion of under-occupancy actually declines with age (64% of those 55-64 gradually down to 40% of those 85+). It is also worth noting that under-occupation has not been rising as some

⁶ P. Inman, *Baby boomers are hoarding big homes at the expense of the young* (The Guardian, October 2011)

⁷ N. Hudson, *Housing an ageing population* (Savills World Research, 2015).

commentators claim, with data showing the rate has essentially remained level from 2003/04 to 2012/13, from 35.7% to 36.6% of all households.⁸

19. Clearly, for those that do downsize, the advantages are often cited as financial, reducing the cost and burden of domestic maintenance, allowing individuals to gain health benefits by living in more suitable accommodation and helping to combat loneliness for those who move to specialist retirement developments.

20. However, there are understandable barriers to downsizing that any future government housing policy would need to address:

- Supply: There is a general recognition that the UK housing market does not currently have sufficient supply to enable an increase in the current level of downsizing. For example, it would take 20 years for supply to meet the demand of just half of people aged 60+ interested in downsizing.⁹
- Disruption: The very nature of moving – packing up the house or exploring the housing market – may put off people from considering downsizing. The idea of being put off by the disruption of moving home was reported as high as 40% among those aged 75 +.¹⁰ The emotional attachment to a property is so greatest amongst the over 75s, as too is the fact that some older households need additional space to accommodate regular visiting friends and family.
- Cost: Moving to a new house can cost up to £8,451.49 in fees from estate agents, removal companies, solicitors and stamp duty.¹¹ There is evidence from Saga that a third of over 60s want to downsize, but they are being deterred by the cost of moving.
- Lack of information: A quick search on the internet of ‘help me to downsize’ leads to no information from the government or any of its arms length bodies. Many older people would have lived in their homes for over 40 years and thus may need some added help with how to go about selling their home and right sizing into something more suitable. The lack of online information puts up an immediate barrier, even more so the lack of paper accessible information makes access very difficult to the many older people who are not online.

Buying leasehold retirement properties

21. Retirement properties are a great source of suitable and safe accommodation for older people. They can comprise of one-bedroom ground floor flats to two bedroom houses. The average price, across the UK, is around £135,000. However, recently there have been fresh concerns over whether they are a sound investment. According to research, 51% of retirement properties built and sold between 2000 and 2010, and then sold again between 2006 and 2016, suffered a loss in value.¹² In fact, retirement homes seem to be the only

⁸ B. Beach, *Generation Stuck: Exploring the reality of downsizing in Later Life* (International Longevity Centre, January 2016).

⁹ *Generation Stuck: The Downsizing Report* (McCarthy & Stone, January 2016).

¹⁰ Ibid.

¹¹ K. Cullen, *The Cost of Moving House* (Compare My Move Website, March 2017).

¹² L. Hodgkinson, *The hidden costs of retirement properties* (The Telegraph, April 2015).

residential property asset in the UK that can unfailingly ignore all local market trends and plummet downwards.

22. The main reason being cited, for why they lose value, is because they are sold as leaseholds. If you own a leasehold property, you only own it for a fixed period of time. You'll have a legal agreement with a 'freeholder' on how many years you own the property for, called a 'lease'. This tells you how many years you'll own the property. When your lease expires, it does not mean you have to leave the property. In the vast majority of cases, the lease will carry on in the exact same terms, unless your freeholder takes specific steps. However, as the lease get shorter the value of the property will drop and people are less likely to want to buy it.
23. As a leaseholder, you will have to pay a number of different charges to the freeholder, this will normally include a ground rent. Ground rent is the rent to the freeholder or landlord of the property. In the past, leasehold property owners were generally charged just a small amount of ground rent, sometimes as little as £1 a year, and many freeholders did not bother to collect it. But the picture changed earlier this century, when developers started to insert clauses into leasehold contracts where the ground rent was set at £200-£400 a year, doubling every ten years. Direct Line estimates the typical ground rent to be currently £371.
24. It is well documented that retirement properties are subject to unregulated service charges, which can rise without much warning at all. In addition, there needs to be more investigation into the way in which assisted living accommodation functions. Whilst of course there will be a cost of having onsite care, the charges can be raised with little warning. Regulation needs to be put into place to ensure a notice period is given to residents and there is a pre-determined limit that charges cannot go beyond.
25. Recent concern at leasehold practices has prompted political intervention, with Communities Secretary Sajid Javid announcing in December 2017 that leaseholds will be banned on new-build houses in England. In addition, anyone buying a flat - or a house - on a new long lease will not have to pay any ground rent. This is a welcome announcement and will help hundreds of thousands of future home owners. However, some politicians are pushing for this to go further. One such suggestion put forward by Justin Madders MP is to allow the purchase of freehold by all leaseholders; to introduce a system for establishing the maximum charge for such freehold and to establish a compensation scheme for cases where misleading particulars have led to certain leasehold agreements. Madders' 'Leasehold Reform Bill' is currently in the process of being passed by the House of Commons.

The availability of finance to help 'right size'

26. Older people who wish to right size in retirement may need financial assistance in achieving this, but there are currently very few options available to help finance a right move in retirement, with equity release being the dominant method.

27. Using the capital tied up in your home remains a controversial approach to retirement housing. Equity release refers to a range of options which lets you access the cash tied up in your home if you are over the age of 55. You receive the loan now and it would be paid back when your home is sold or on your death. In the first half of 2017, £305,810,476 was released via this scheme, with the majority being from the South East and London.¹³
28. Whilst on the face of it this appears to be a simple way to free up cash in your home and make those much-needed improvements, they are a very expensive form of loan. The loans have much higher interest rates than a conventional mortgage and can be hugely expensive because the longer you live, the more interest accumulates and there are no repayments being made along the way to reduce the debt. For example, if you release £50,000 now from a home worth £250,000 and the loan runs for 15 years, you will build up a debt of £123,000.¹⁴
29. Little wonder that two in three complaints received by the Financial Ombudsman are from relatives of vulnerable older people who were sold an equity release plan, without knowing fully what it involves. It is therefore vital that further investigation and regulation is considered into this area.
30. A much better way to assist older homeowners to downsize and release family-sized property onto the market would be to offer a three-year Stamp Duty holiday for all those buying properties in retirement that were less than £200,000. The trial could be reviewed afterwards to assess its effectiveness, before any decision was made to extend it more permanently.

Improving your existing home

31. Many older people with neither the desire nor the finances to buy a new home; would prefer to stay in their existing home living independent and fulfilling lives. To achieve this though, adaptations may be needed to make it safer and more accessible. The government has produced free practical resources and guides on how to improve health in the home for older people. However, this comes with only means tested financial help, which is dependent on a care need assessment from your local authority.
32. Local housing authorities are paid an annual capital grant through the Better Care Fund to help them with the cost of providing means tested 'disabled facilities grants'. The Autumn Budget announced an increase of £42m in this funding for 2017/18 to £473m. In England and Wales, through the Better Care fund, your local authority will normally provide you with disability equipment and small adaptations costing less than £1,000 free of charge, as long as you've been assessed as needing it and you are eligible. If you live in Scotland, your local council will normally provide you with essential equipment or adaptations costing less than £1,500 free of charge.

¹³ *Regional Equity release statistics*, (Key Retirement, 2017).

¹⁴ S. Meadows, *Equity release: how much can I borrow and what will it cost?* (The Telegraph, July 2017).

33. If your local authority cannot help you, a Home Improvement Agency (HIA) can help make home adaptations. These are not-for-profit organisations that help owner-occupiers or tenants of private rented accommodation who are older, disabled or on low incomes to repair, improve or adapt their homes.
34. A more targeted approach to addressing the needs of older residents could come in the shape of the Supporting People Programme. This was launched in 2003 as a scheme which helps vulnerable and older people to carry on living independently in their own homes. Initially, £1.8 billion was ring fenced which allowed local authorities to make improvements to people's homes to ensure they were safe and suitable. The grant funded services including wardens in sheltered houses and housing related support services to allow continued independent living. In 2009, an assessment undertaken for the Department for Communities and Local Government calculated that the net financial benefits of the programme were £3.41 billion due to savings in NHS and social care costs. Regarding older people, the programme achieved a net financial benefit of £628 million - over six times the initial cost of £97.3 million.¹⁵
35. However, despite these clear benefits, it is no longer a form of ring fenced funding and the grant has been heavily reduced. As of 2014/2015 the grants were worth £1.59 billion, and cash strapped local councils are no longer obliged to put the money towards homes. In fact, across 152 local authorities, Supporting People funding has been withdrawn altogether, with other services heavily reduced. The net financial benefits of this scheme are a clear indicator of the importance of it being properly funded and re-introduced as a ring-fenced grant.

Summary

36. In summary, older people in Britain are often accused of sitting on vast sums of housing wealth, at a disadvantage to younger people trying to get on to the property ladder, but this rhetoric is too simplistic. Those that wish to downsize face a distinct lack of advice and financial support, whilst those in specialist retirement properties face huge financial disincentives such as rising ground rents and service charges. Fundamentally, there would need to be a dramatic increase in the supply of affordable and suitable accommodation to enable older people to even consider downsizing. Furthermore, for those who want to stay in their own homes, it is vital that the policies for help with home adaptations are expanded to ensure people can stay safe in their property.

Social Housing

Background

37. Around 18% of people aged 65 or over live in social housing.¹⁶ In the UK, social housing is let at low rents on a secure basis to those who are most in need or struggling with their housing costs. Older residents in the social housing sector face the exact same problems which are facing the younger generations; poor quality housing, limited rights and a chronic shortage of a range of suitable

¹⁵ *The Supporting People programme*, House of Commons Research Paper 12/40 (House of Commons Library, July 2012)

¹⁶ *Later Life in the United Kingdom* (Age UK, August 2017)

accommodation. In Britain today, hundreds of thousands of people of all ages sit on waiting lists for social housing, simply because not enough is being built to meet the demand. If nothing is done to increase the supply of social housing stock, the waiting lists are only going to get longer.

Right to buy

38. Right to buy was a scheme rolled out throughout the UK in the 1980s. It allowed certain social sector tenants to buy their homes, but the scheme has been widely criticised for reducing the social housing stock. The scheme led to houses being sold off, but they were not replaced by new social housing. The scheme was abolished by Scotland in July 2016 and Wales in March 2017. However, it has been expanded in England under the 2016 Housing Act. Whilst acknowledging that right to buy enabled thousands of people who would otherwise have been unable to buy their own home, it nevertheless seriously depleted the stock of social housing and now needs to be abandoned, in order for more people to access social housing and relieve the pressure on waiting lists.

Rights in social housing

39. Rights for tenants in social housing have traditionally been stronger than in the private rented sector. For example, most housing association tenants enjoyed security of tenure, rent controls, a regulated landlord and the right to democratic oversight. However, the Housing and Planning Act 2016 (HPA) effectively allowed housing associations to act like private landlords rather than 'social' ones. As of 6 April 2017 housing associations are free to sell flats and houses, without needing to gain the consent from the government regulator, known as the Homes and Communities Agency. Under the old 'consents regime' housing associations were given permission to sell property with tenants only in exceptional circumstances, but this will no longer be the case. Housing associations are also free to transfer socially rented homes to existing or newly created private sector arms of their organisations. From that date, housing associations are no longer expected to have local councillors on their Boards, thus eliminating one of their few ties to genuine public accountability.

40. Understandably, older tenants are concerned what effect these changes will have on their security of tenure, rent control and current tenancy agreements, and there should be a moratorium on any changes unless and until the government can offer greater clarity and reassurance on these issues.

Sheltered and Supported housing

41. Around 500,000 older people live in sheltered housing, allowing them to remain independent but with access to help should they need it. Sheltered accommodation is usually a flat or bungalow specially designed and built with the needs of older people or people with a disability in mind. On the other hand, supported housing is usually for people with disabilities who need housing-related or care-related support. There are approximately 716,000 people living in supported housing, across Britain. Social landlords are the main providers, with housing associations providing the majority (71%), alongside local authorities and third sector providers. A small proportion is provided by the private sector.

42. Demand for help to live independently is set to rise as the population ages and medical advances are able to help more people with acute health conditions and disabilities to enjoy longer lives. Projections suggest that the overall number of supported homes may need to rise across Britain from 650,000 to 845,000 by 2030 (a 30% increase), particularly among older people (a 35% increase on current demand) and people with disabilities (a 53% increase).¹⁷ It is therefore paramount that sheltered and supported housing has a key role in future housebuilding projects.

Housing benefit

43. Housing benefit is a means tested benefit to help with all, or part of your social housing rent. It differs from Local Housing Allowance (LHA) rates which are used to calculate housing benefit for tenants renting from private landlords. There is no set amount of housing benefit and what you get will depend on individual circumstances. Broadly speaking, if you have savings exceeding £16,000, you are not entitled housing benefit, unless you receive Pension Credit Guarantee.

44. Currently, housing benefit claimants in social rented housing do not experience a reduction in their entitlement if they occupy a home that is deemed to be larger than they need and have reached the qualifying age for the State Pension. This reduction is often referred to as the 'bedroom tax'. However, this is a punitive and regressive policy which should now be removed from all social tenants.

45. In the 2015 Autumn Statement, the then Chancellor George Osborne announced an intention to restrict the level of housing benefit claimed by tenants in social housing (council and housing association stock) to the LHA rate. Entitlement to housing benefit for those in the private sector is related to household size rather than the size of the property. However, there were concerns that it would impact on hundreds of thousands of pensioners who are currently exempt from the under-occupation deduction from housing benefit.

46. In response to those concerns the Prime Minister announced in October 2017 that the government will not apply the LHA rates to tenants in supported housing, nor to the wider social rented sector. However, this policy has just simply been deferred to April 2019 and will need continued monitoring.

47. Instead of changing housing benefit, the government is amending supported housing funding. The policy outlines various changes to the system which includes introducing a sheltered housing rent. The government will set an overall limit on the amount that providers can charge in sheltered rent (rent inclusive of eligible service charges) on each unit of sheltered or extra care provision. It will also limit annual increases. This means that all the funding that was previously provided by housing benefit will instead be allocated to local authorities to fund and commission services at a local level. We therefore await further clarification from the government as to what the final rent is likely to look like.

¹⁷ R. Wittenberg and B. Hu, *Projected demand for supported housing in Great Britain 2015 to 2030* (Personal Social Services Research Unit of London School of Economics, March 2017)

Improving your existing home

48. Whilst many would like to downsize their social housing, most would prefer to live independent fulfilling lives in their current homes. However, improvements may be needed to achieve this. The help you can access from your local authority is the same as is offered to owner occupiers. The NPC welcomes the moves from central and devolved governments to invest in making essential improvements and adaptations to their social housing stock and it is fundamentally important this positive programme continues. However, programmes vary across the country.
49. For example, in London, £1.6 billion was made available from the 2010 Spending Review to help local authority landlords improve the houses that did not meet the Decent Homes Standard. This fund also included those with housing stock managed by 'arms-length management organisations (ALMO)'. A total of 14 London Local Authority and ALMO landlords received £821 million in backlog funding during 2011-15. This funding brought approximately 51,000 homes up to the Decent Homes Standard. This demonstrates what can be done to improve existing homes for older people and this policy should be rolled out across the country.
50. Furthermore, since April 2012, councils who own their own stock took control of their own housing rental income allowing them to plan for the long-term management of their housing assets, to ensure the stock remains attractive and easy to let. Some would view this as a way government has removed the burden of housing maintenance and placed it onto local authorities. However, it does ensure local authorities have direct access to the funds to make improvements
51. In Scotland, the government introduced the Scottish Housing Quality Standard (SHQS). The SHQS is a set of five broad housing criteria which must all be met if the property is to pass SHQS. These criteria comprise of 55 elements and nine sub-elements against which properties need to be measured. The purpose of introducing a minimum housing standard in Scotland is essentially to provide a 'floor' below which a property ideally should not fall. In March 2014, a progress report was published. It showed that landlords expected that 2,408 houses would not meet the target, which is less than 0.4% of all social housing.
52. In Wales, the Assembly has introduced a similar policy to Scotland; a minimum standard of social housing. The Welsh Housing Quality Standard requires all homes owned by social landlords to meet a set of criteria, including being in a good state of repair, safe and secure and adequately heated, by 2020. Figures have shown 86% of social housing met the standard at the end of March this year, up from 79% the previous year.

Regeneration in the social sector

53. Across the UK, but mainly focussed in the cities, large scale regeneration programmes have taken place. For example, in Stratford, Smithfield in Birmingham and in Clyde Gateway in Scotland.
54. Paul Watt, a prominent housing academic, argues that large scale regeneration programmes in London are a third wave of gentrification and puts the case forward for more affordable housing.¹⁸ Focussing on the regeneration projects that occurred in London in the build up to the London 2012 Olympics, he argued the regeneration projects were commissioned in East London to 'improve' the area. However, the people living in working class areas did not necessarily welcome such changes; it threatened their sense of place and disrupted their community, employment and family life.
55. Watt argues there are two underlying mechanisms in London which are creating rent gaps and cutting the amount of public council housing and associated land ownership. On the one hand, it is the absolute gap between central London house prices and those in the second lowest priced boroughs which has widened from 1996 to 2006. On the other hand, there has been a long term running down of council housing in those areas both in terms of numbers and quality since the 1970s.
56. The result of this two-pronged effect is that the disinvested local authority housing stock in London and the highly valued land it sits on creates enormous capital accumulation potential. In other words, council tenants pay relatively low rent whilst sitting on land of potentially very large value. Therefore, there is a huge financial incentive to house those residents elsewhere, sell the land to developers who then build new private apartments for sale. This forces property prices up, diminishes social housing stock and breaks up communities.

Summary

57. Older people in the social housing sector face similar problems to the younger generation. There is a chronic shortage of social housing and the current stock is inadequate for those who need accessible and suitable accommodation. Older people are pressured into downsizing their homes, with nowhere to go to. The programme of improving social housing needs to be rolled out across the country to ensure that all social housing meets a minimum requirement so it is fit for all generations.

Private Rented Sector

Background

58. The private rented sector has overtaken social housing and is now the UK's second largest tenure after owner occupation. In 2015-2016, 20% (4.5 million) of households were renting privately.¹⁹ According to campaign group Generation Rent, by 2035 there will be 1 million older people in the private rented sector. The Office of National Statistics has found that 21% of people over 55 have no

¹⁸ P. Watt, *'Its not for us' analysis of urban trends, culture, theory, policy, action* (City, 2013).

¹⁹ *The English Housing Survey* (EHS, July 2017)

housing wealth at all. In addition, SpareRoom.co.uk, an online rental company reported that almost 40,000 of its users are now over the age of 55 and the number of over-65s seeking a room to rent has soared by 725% since 2009.²⁰

59. The current crisis in private renting in Britain is often termed 'generation rent' and focuses on the plight of young people. However, this popular rhetoric fails to consider older tenants. Whilst only 5 to 7% of older households are privately renting, their experience of the troubles with private rent is very similar to those of younger generations. They too face the problems of security of tenure, high rents, problems with repairs, but have the added issue of poor health and loss of mobility.²¹

High cost of renting

60. In the private sector rents are increasingly higher than pensions. Average rents across the UK rose by 2.1% in September 2017 compared to the same month a year ago.²² The median private rent rose to over £1,300 per month, double the amount of the state single tier pension introduced in 2016.²³ Older people have less capacity for increasing their earnings in line with rising rent costs. In addition, many older people are trapped in poor quality private accommodation due to the hundreds of thousands of people on the social housing waiting list, which makes a move further out of reach.

61. As of November 2017, for a periodic tenancy (rolling on a week-by-week or month-by-month basis) your landlord cannot normally increase the rent more than once a year without your agreement. For a fixed-term tenancy (running for a set period) your landlord can only increase the rent if you agree. If you don't agree, the rent can only be increased when the fixed term ends.

62. Giving the expansion of the private rented sector in recent years, rent controls are now a rising issue in current political debate. Before the 1988 Housing Act reduced regulation of the private rented sector, rents were usually decided by the Valuation Office Agency, which set a "fair" level of rent for the property and calculated by how much that amount could increase. Further policy needs to therefore be developed as to how some form of rent control could be reintroduced into the private sector, especially in areas where the difference between market and social housing rents is greatest.

Assured shorthold tenancies

63. In the private rented sector, assured shorthold tenancies usually last for 6 months. According to a study by the University of York, a large amount of older people end up in these tenancies due to 'crises' in their lives and these tenancies offer a quick home.²⁴ However, these arrangements allow landlords to give notice

²⁰ *The Forgotten Faces of Generation Rent* (Age UK Blog, January 2017).

²¹ *Living in Fear, Experience of Older Private-Renters in London* (AGE UK London, September 2017)

²² *HomeLet Rental Index* (Home Let, September 2017).

²³ A. Tinker and J. Ginn, *An Age Friendly City –how far has London come?* (King's College London, February 2015).

²⁴ K. Croucher and J. Rugg, *Older People's Experiences of Renting Privately* (Age Concern London, 2010).

for eviction without specifying a reason. This places older people in a situation where they don't know where they will be living in 6 months' time. We therefore need stronger rights for those older people in assured shorthold tenancies.

Fuel poverty

64. Fuel poverty is most common amongst those who privately rent.²⁵ The Office for National Statistics figures for December 2016 to March 2017 show 34,300 mainly older people died of cold related illnesses, equivalent to over 285 a day. There is no figure of how many were from the private rented sector. However, we do know that the private rented sector has the highest energy costs. This sector has the lowest Standard Assessment Procedure (SAP) score. A SAP rating is a calculation of how much the annual energy running costs. A score of 100 represents zero energy costs. Private renting has a score of 45, compared 60 in the local authority sector.

65. This signals a clear problem within the private rented sector of older people living in poor quality homes. That is why there is an urgent need for a national programme to improve the heating and insulation standards of existing homes so that they reach the standards of new homes built today. In particular, the homes of all low income and fuel poor households should be improved to the standard by 2020. Furthermore, the annual fuel allowance should be paid to all vulnerable, older and low income households, set initially at £500 and indexed to annual increases in average energy bills.

Rights in private renting

66. Rights in the private rented sector are more limited than in social housing. As a tenant, you have the right to: live in a property that's safe and in a good state of repair, have your deposit returned when the tenancy ends - and in some circumstances, have it protected, challenge excessively high charges, live in the property undisturbed, be protected from unfair eviction and unfair rent and have a written agreement if you have a fixed-term tenancy of more than 3 years.²⁶

67. However, if rights are infringed in the private sector, many tenants fear raising this issue in case they are evicted. Further protection is therefore needed to improve private tenants' rights to ensure security in their homes.

68. In Scotland and Wales, landlords must register with their local authority. This allows for greater transparency, and accountability, when it comes to raising your rights and infringements in the private renting sector. England has yet to make this move, but the government should consider this as a matter of urgency to further protect rights.

Housing benefit

69. Local Housing Allowance (LHA) is used to work out housing benefit for tenants who rent privately. LHA rates currently apply to most housing benefit claimants living in the private rented sector and entitlement is related to household size

²⁵ *Fuel Poverty* (The Poverty Site, September 2017).

²⁶ *Know your rights as a UK tenant* (Generation Rent, October 2015).

rather than the size of the property. You can claim LHA if you are a private tenant who needs help with paying the rent. How much you get is usually based on: where you live, your household size, your income - including benefits, pensions and savings (over £6,000) and your circumstances. However, how many bedrooms you occupy, or under occupy does not affect your entitlement if you are of state pension age.

Maintaining your property

70. In the private sector, it is much harder for older people to adapt their homes to make them safer and allow for continue independence, as it is solely dependent on the landlord. Your landlord must make repairs to the property's structure and exterior, basins, sinks, baths and other sanitary fittings including pipes and drains, heating and hot water, gas appliances, pipes, flues and ventilation, electrical wiring, and any damage they cause by attempting repairs. However, there is no obligation on the landlord to make the property safer.

Summary

71. The problems that currently occur in the private rented sector affect all the generations in Britain. Older people are facing rents which are rising more than the state pension, limited rights as tenants and are the group facing the biggest effects of fuel poverty. In addition, it is much harder for tenants to make those much-needed home adaptations to continually living independently.

Housing suitable for disabled older people

72. In the British housing market, disabled people and those with mobility problems are being left behind, with over 5 million people likely to need a disabled friendly home. Disability charity Leonard Cheshire found that more than half (54%) of those with mobility problems who have looked for accessible homes said they found them difficult to find.²⁷

73. If you are disabled, there is a Disabled Facilities grant which is available from your local authority to help a disabled person live an independent life. However, it is a means tested payment which may exclude many disabled people. This grant is for large adaptations which cost over £1,000. Small adaptations for disabled people, under £1,000, are easier to gain, but still require a care assessment.

LGBT housing

74. The charity Stonewall argue that those members of the LGBT community aged 55 and over were the first to "come out" and are now of an age where they need to consider older age care and support. However, older LGBT people in the UK continue to report that they do not have confidence in mainstream housing, support and care providers to offer safe and appropriate services that recognise and respond to their life experiences.²⁸ They have ongoing concerns about the

²⁷ The Hidden Housing Crises (Leonard Cheshire, July 2014).

²⁸ *Building Safe Choices* (Stonewall Housing, June 2016).

risk of harassment and abuse if they are open about their sexuality. Different housing and support options that meet their expressed wishes are not available; there is no tailored provision, let alone the possibility of considering a range of options.

75. Under the 2010 Equality Act, providers of housing (whether public or private) must not discriminate on grounds of sexual orientation or gender reassignment. Whilst this Act requires the housing sector to consider LGBT rights and wishes, the UK has no housing that is designed, built and provided in response to the wishes and needs of the older LGBT population. This is different to the USA and across Europe which do have specialised housing.
76. Stonewall recommend the development of specialist older LGBT housing schemes across tenures. Initially though, a greater understanding of LGBT needs is crucial. Like many other housing problems identified here, there is a need for information and advice for individuals to help with their housing.²⁹ In a similar fashion to older people disabled housing, building older LGBT housing today will also benefit future generations.

Homelessness and older people

77. In Britain, homelessness amongst older people is on the increase. Figures released in October 2017 show that people over 60 are more than twice as likely to be homeless now than they were in 2009, with homelessness amongst the elderly surging by 100% in seven years. The data shows that among the homeless elderly population in 2016, more than half (61%) were over the age of 65, and 21% were over the age of 75.³⁰ However, this is a hidden phenomenon which is not getting the government or press attention it urgently needs.
78. According to the Local Government Association (LGA), older homeless people are presenting to councils with a range of complex health conditions. Physical and mental health problems, alcohol abuse and gambling problems are contributory factors in later life homelessness, along with the death of a close relative, relationship breakdown, accommodation being sold or needing repair, and rent arrears. The LGA, which represents more than 370 councils in England and Wales, warned that based on existing trends, the scale of elderly homelessness is set to double by 2025.
79. Charities and campaigners warned that there is a lack of a “proper safety net” to help elderly people when they fall into housing difficulties, with drastic cuts to welfare and a lack of affordable homes leaving hundreds of thousands of people without a secure home of their own. Whilst the announcement of a Homelessness taskforce in the Autumn Budget was welcome, this must come with funding and affordable house building plans. Britain urgently needs more genuinely affordable housing for all ages and tenures.

²⁹ Ibid.

³⁰ *The impact of homelessness on health* (Local Government Association, October 2017).

Conclusion

Providing suitable and affordable accommodation for all generations is one of the biggest challenges facing our society, and there is little doubt that there is a shared interest in this regard between young and older people. This is not based on some kind of generational conflict, in which one side blames the other for their lack of somewhere decent to live - but on the clear understanding that critical to solving our housing crisis is the need to build more homes of all tenures and for all age groups. Furthermore, there are a number of fundamental reforms to our housing sector that must also be adopted if we are to see one of society's basic functions - that of ensuring everyone has a decent roof over their heads - become a reality.