

SPARC Workshop

26th January 2006

The Strategic Importance of Leasehold Very Sheltered Housing *Bob Bessell, Operations Director, Retirement Securities Ltd*

According to the 2001 Census, there were 3.8 million people in Britain over the age of 75 years and their number is increasing fast.

Approximately 90% of all elderly people live and die in their own home, and by 2011, the 2001 census estimates that 80% of 75 year olds will own their own homes with a total value of £480 billion. They make minimal demands on public services, apart from increased attendance at their GP Surgeries. The cost of this is more than compensated for by the paucity of help they have from other public services. They receive practically nothing from the Education Service and their only demand on the Police is to protect them from the rest of us. They have paid for their State Pensions for, in advance, through over 40 years of contributions in taxes and National Insurance Contributions, all of which have been spent, rather than saved, by successive Governments who, now the bills are coming in, are solving their problem by progressively reducing the real value of the Retirement Pension, which is now worth less than half the value that it had 50 years ago.

Added to this, it is their private pension funds, represented by their savings, which provide the working capital for almost the whole of industry, on which the rest of us depend.

Apart from making additional use of the GP Surgeries, their only other extra demand on the Health Service is go to hospital for a few days before they die, having suffered from either a Stroke or a heart attack.

In these circumstances, the question arises why, when older people have such massive resources in their own ownership, is 'The Care of the Elderly' seen as one of the major problems of social policy, with the plain inference that the growing number of elderly people are unfairly diverting resources from younger members of the community, thereby fuelling the increasing violence of which many elderly people are rightly afraid.

The answer which I wish to suggest is that the very real problems which are involved in the care of elderly people, particularly those who are disabled is largely the result of the misallocation of the massive resources which are already available, rather than the need for more, and a failure to consider the issues from the point of view of older people, but instead, to use them to satisfy other agendas.

The example closest to home for me is Sheltered Housing, which was largely developed after the Second World War, in response to the housing shortage, to decant single Widows from family-size Council Houses, which had been extensively built in the period between the Wars.

As a result, approximately 300,000 sheltered dwellings were built by the local authorities between 1945-1970, but little attention was given to the needs of the prospective occupants, with the result that tens of thousands of flats were built above ground level, without lifts, even though the commonest form of severe disability of elderly people is difficulty in climbing stairs. As recently as 1969, the Department of the Environment issued a Circular forbidding the installation of lifts in local authority flat blocks of less than 4 storeys.

One of my abiding memories as Director of Social Services in Warwickshire was visiting a three storey block of sheltered flats in Nuneaton, where the only access to the upper floors was by an outside concrete staircase. The tenant I visited was confined to a wheel-chair and to leave his flat, he had to be physically carried, in the wheel chair from the second storey.

To compound the mischief, tens of thousands more Sheltered Housing 'bed sitters', ie single room flats, were built which are now largely abandoned as 'unlettable' and the only surprise is that so many elderly people put up with these conditions, but the waste of money involved in constructing all of these completely unsuitable sheltered dwellings is the real indictment of the social planners.

Just to complete the story, the provision of all of this sheltered housing did nothing to free up the under-occupied Council houses, as the sheltered housing was almost all occupied by older people from the private-rented sector, living in slum-housing which was condemned as uninhabitable.

In case anyone thinks that everything in the Sheltered Housing market is now fine, they should look at the financial restrictions imposed by the Housing Corporation on new developments which mean that sub-standard design will inevitably lead to serious maintenance problems in the future, some of which is already becoming apparent.

Care Homes.

Apart from the misguided rush into traditional sheltered housing following the Second World War, the other specialist provisions for older people are the geriatric hospital Wards and the Old People's Homes, both of which are the lineal descendants of the Poor Law.

Peter Townsend fully chronicled the situation in the 1950's in 'The Last Refuge', and while there is no doubt that conditions have improved considerably since then, it is still not unusual for residents to have to share a bedroom with a stranger. However, the fundamental issue is that the residents of even the best-appointed Homes have no security of tenure so that there is a fundamental lack of independence.

The same problems, but greatly magnified, apply to the geriatric wards in hospital where there is even less privacy but the costs to the public purse are much greater.

The Genesis of Very Sheltered Housing.

Faced with this lack of acceptable alternatives for the minority of older people who could not stay in their family homes, as a newly appointed Director of Social Services in Warwickshire in 1973, it seemed appropriate to ask the older people themselves what they wanted. The answers were quite clear,

- Independence.
- Design for mobility.
- Adequacy of staff and availability 24 hours.
- Availability of a cooked meal every day.

It was on this basis that Very Sheltered Housing was pioneered by Warwickshire County Council with the active assistance of the District Councils in Warwickshire. The result, within 5 years was to abolish the waiting list for the County Old People's Homes and even allow several to be closed.

However, because these Very Sheltered Housing developments were exclusively for rent and as the vast majority of older people were Owner-Occupiers, it seemed logical to carry the concept through to the private sector, which is how Retirement Security Ltd came to be founded in 1984. Since then, the Company has been involved in 31 developments of Leasehold Very Sheltered Housing, comprising about 1,600 dwellings spread throughout England.

The major benefit of Very Sheltered Housing for the public sector is that the Leaseholders spend an average of 5.6 nights a year in hospital, compared with the Department of Health statistic that the generality of people of the same age, spend 17 nights a year in hospital. At a minimum of £500 a day for a hospital bed, this means a saving of about £9 million a year on this score alone, by one small Company.

So far as the Leaseholders themselves are concerned, they see the advantage of Leasehold Very Sheltered Housing as gaining them continuing independence for either the whole, or almost the whole of their lives, with the huge financial advantage to them and their families that by not having to move to residential care, they can maintain their capital, as represented principally by the value of their house.

Present situation.

The present position is a complete enigma. The number of disabled elderly people is growing apace and the more elderly cohorts of the population are increasing fastest of all. Whereas this increase in life expectancy might have been heralded as one of the triumphs of the age, it is widely seen as one of the most serious social problems.

Faced with this demographic surge, it might have been expected that all forms of provision for elderly people would be expanded, but instead, Governments have steadily reduced the number of specialist hospital beds, local authorities and voluntary organisations have been closing Care Homes and the number of private Care Homes, instead of increasing, as may have been expected, has recently fallen from 247,000 to 237,000.

In view of this scenario, I might have been expected to argue that Very Sheltered Housing is the panacea, but this is patently not the case. Despite the fact that the model has now been in existence for nearly thirty years and although there are no precise statistics, largely due to problems of definition, there are no more than 5,000 units of Very Sheltered Housing in existence and few signs that the number will increase significantly in the future. The worst irony, from my point of view is that the South Warwickshire Housing Association has dismantled the Very Sheltered elements of the schemes which they inherited from the local authority.

There is no suggestion that the mass provision of Very Sheltered, or Extra-Care Sheltered Housing, as the Government prefers to call it, is a feasible proposition. It is far too expensive both to build and to run, but it could be an essential catalyst in the spectrum of services for older people.

So far as the private sector is concerned, the price mechanism will govern the supply and demand, but in the public sector, there has to be a much more sophisticated process of assessment than has previously been in place to avoid the dissipation of scarce resources.

The Challenge.

I do not believe that the present situation is rational and the principal reason I accepted the invitation to speak at this SPARC conference was the opportunity to invite the researchers to examine the potential of Very Sheltered Housing both in the public and private sectors based on the records which have been kept by Retirement Security Ltd over a period of twenty years.

Bob Bessell
Chairman, Retirement Security Ltd.
January 2006