

COST MODEL: EXTRA CARE HOUSING

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Introduction

With a rapidly ageing population demanding high standards of both housing and care, while also imposing a rising cost on public finances, can 'extra care' housing be part of the solution? Kevin Smith of AECOM reports.

The UK has an ageing population. The Office for National Statistics forecasts that the number of people over the age of 60 will increase by seven million over the next 25 years.

Unprecedented financial pressures affect the provision of housing for older people through reductions in public funding. These include withdrawal of support for housing Private Finance Initiatives, cuts to local authority grants, the impact of welfare reforms and the attempts to integrate adult social care and the National Health Service while the latter is going through a radical restructuring.

The challenge of housing an ageing population is thus an ever-increasing problem.

Everyone involved needs to identify solutions that will meet the housing expectations of an increasingly ageing population whose members are also more demanding than ever in the type of accommodation they consider acceptable — old-style sheltered housing is no longer sufficient and residential care is considered a last resort.

It is therefore vital that local authorities, registered providers, developers and the health and social care sectors continue to develop effective partnerships and work closely together to find solutions.



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Government policy

In its 2011 paper, *Laying the Foundations: a housing strategy for England*, the Coalition Government committed itself to ensuring that housing and planning policies positively reflect the wide range of circumstances and lifestyles of older people, who already occupy nearly a third of all homes and that they can make an informed choice about their housing and care.

Nearly two thirds (60 per cent) of the projected increase in the number of households from 2008-33 will be headed by someone of 65 years of age or over.

Laying the Foundations also set out policy on how to plan for homes and communities that enable older people to remain economically active, involved with their families, friends and community and able to choose where and how they live.

This not only makes financial sense, but also seeks to foster a more inclusive society as provision of good housing for older people could enable them to live healthy, independent lives and so reduce pressure on working families in caring for older relatives.

Good housing can also reduce costs to the NHS and social care by preventing medical conditions that may arise if people live in lower standard accommodation.

Many older people choose to move home to enable them to remain independent, to release equity and to access appropriate support and care and this can sometimes have the additional benefit of freeing up scarce local family housing.

Laying the Foundations stated the Government is working with planners and developers to facilitate industry-led guidance to enable the local strategic planning and delivery of a wider range of innovative, high quality housing for older people based on robust data and needs analysis, including demographic projections and profiling.

Planning policy encourages local authorities to provide for a wide range of housing types across all tenures, including accessible and adaptable general-needs retirement housing, and specialised housing options including sheltered and extra care housing for older people.

The recent Elphicke-House review looks at local authority's role in stimulating housing supply. One of the report's recommendations is for councils to take robust approaches in housing demography as well as offering a broader choice for residents, including their economic wellbeing and changing needs in older age.

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What is extra care?

The key factor that differentiates extra care from sheltered housing or retirement housing is the 24-hour presence of care staff on site.

David Hughes, senior partner of architect Pozzoni LLP and a specialist extra care designer, points out other titles are sometimes used including 'assisted living', 'housing with care' and 'very sheltered housing'.

He explains: "Whatever their precise name, essentially, extra care units are self-contained homes with design and support features to enable self-care and independent living.

"The principle is to allow people to maintain an independent lifestyle but they may need some 'extra care' to do that.

"The key factor that differentiates extra care from sheltered housing or retirement housing is the 24-hour presence of care staff on site. Care is not brought in on a visiting basis.

"Extra care developments are often accessed from a communal corridor in a single building but there are many developments of conventional bungalows and houses.

"All these developments will have shared communal facilities, some of which can be quite extensive.

"Extra care schemes aim to create a 'home for life' where care is brought to the residents as needed. Residents should not have to move if their care needs change, because the building design and construction is flexible and adaptable to accommodate an individual's changing needs.

"Extra care is mostly for older people, but not exclusively. There are developments for people with learning or physical disabilities, which have successfully adopted the same principles."

For more on extra care housing, read the *Housing LIN Factsheet No1, Extra Care Housing: What is it?*

Design issues in extra care

Older people can be sensitive to their surroundings and the design of the built environment can have a significant impact on their welfare.

Good design should create an environment that enables people to have independence, choice, maintain their lifestyle and have contact with the wider community.

Extra care developments should be a 'home for life' for residents, which as far as possible enables them to compensate for impairments that may include reduced mobility, vision and hearing and cognitive loss (including dementia).

Older people can also be more sensitive to changes in temperature so careful consideration of the environmental design is important.

Extra care should create an environment that is domestic and homely, one of which residents can be proud and that enhances their quality of life.

Its design should facilitate the efficient delivery of care and support for the residents and enable the staff to manage both the building and care delivery.

It should also create opportunities for residents to have privacy, comfort, support and companionship, both in their own private spaces and as part of a vibrant community.

This means that the design should balance commercial issues of construction and operating costs with the space and configurations needed to accommodate residents' lifestyles.

There also needs to be mix of tenure options and the flexibility to change according to care needs and market conditions.

In some cases, extra care housing will additionally function as a community hub and resource base, and this should be allowed for without compromising the privacy and security of residents.

Key design factors

The Housing our Ageing Population: Panel for Innovation (HAPPI) report was published in 2009 following in-depth research of housing for older people across Europe, and was followed by the HAPPI2 report in 2012. It made 10 recommendations for the design of housing for older people:

- Generous space standards and flexibility;
- Maximise daylight, particularly into circulation spaces for example with single bank corridors;
- Natural light and ventilation with balconies and patios for private external space;
- Ensure adaptability and 'care readiness' so that assistive technology can be easily installed as and when required;

- Make a positive use of circulation space to create opportunities for social interaction and natural surveillance;
- Communal facilities should also be able to serve as a community hub if required;
- The public realm should enhance the natural environment;
- Homes should be energy efficient but avoid overheating;
- Adequate storage, both for household storage plus mobility aids and bicycles;
- Create shared external surfaces such as 'home zones'.

While few would disagree with these principles, there has been some criticism that there was little apparent consideration of cost or potential site constraints, though HAPPI2 discussed reducing the footprint for communal areas and a greater use of technology among other refinements.

For comprehensive information on HAPPI and designing for an ageing population, visit the [Housing LIN's online 'design hub'](#).

Trends in the development of extra care housing

With land and construction costs increasing there is pressure for higher density developments that cater for a wide range of needs.

Community hubs

Extra care schemes are increasingly becoming community hubs. This is where they become a base for home care, health, social care and other services provided for the wider local community, not just those services delivered to residents.

When the communal facilities in extra care schemes are accessible to the public, such as a café, hair salon, or well-being suite, for example, this brings life and activity into the scheme and residents can still be part, actively or passively, of their wider neighbourhood. Many extra care schemes now use or rent out their multi-purpose room as a village hall.

Joint commissioning of health and social care

Extra care housing is being recognised as an essential component of joint commissioning by health and social care services. It has an increasingly common role for intermediate care and rehabilitation helping to overcome bed-blocking of hospital beds by allowing patients to move to an extra care facility when they would otherwise be unable to leave hospital since their own home might no longer suit their care needs.

Components in larger care schemes

Several developments now have an extra care building within a larger campus that can include a care home for people with high-dependency needs and retirement dwellings for people who are more independent.

Densities and regeneration

With land and construction costs increasing there is pressure for higher density developments that cater for a wide range of needs. Extra care schemes may also be used for regeneration as they can sometimes be used to meet the 'affordable housing' element in Section 106 agreements, with the additional advantage that those moving into them may release family-sized houses onto the market.



Factors in extra care

Funding the investment to achieve strategic priorities requires commissioners from health, housing, care and support working together.

The necessity of good partnerships at both a strategic and service commissioning level is vital, as good commissioning and procurement cannot be done without these. Such partnerships should include the private sector as well as social providers.

Funding the investment to achieve strategic priorities requires commissioners from health, housing, care and support working together. There are also regional changes affecting funding for housing and planning that must be understood. It is vital to have intelligence about local markets and demand — to understand local supply and ensure that service commissioning for extra care takes account of what can be used and re-used or re-modelled.

In partnership with EAC (Elderly Accommodation Counsel), the Housing LIN has developed a free online Strategic Housing for Older People Analysis Tool which can predict, by local authority area, the demand for and supply of specialist accommodation for older people.

The philosophy of independent living and re-enablement requires different staff skills and ways of working for care providers and has implications for their workforce planning.

Considerations when converting sheltered housing to extra care

Many registered providers have outdated sheltered housing and are considering converting these properties to extra care. In principle, this should be a sensible approach. However, practicalities often prevent successful conversions.

Typically, sheltered housing flats are under-sized, sometimes only bedsits. Their corridors may be narrow, creating problems for wheelchair users, flat layouts often provide poor mobility access, requiring internal re-planning, and lifts may be undersized for wheelchair or bed/ stretcher use.

Additionally, value added tax is payable on conversions, which, when taken with other costs, may make a new-build a more attractive option as the tax does not apply there.

David Hughes, of Pozzoni LLP, recalls a project at Pickmere Court, Crewe, where Wulvern Housing redeveloped a sheltered block as part of a larger extra care development.

He says: “The existing flats were small, with poor circulation. These were improved by widening their entrance halls, refitting kitchens and installing level access showers and by adding a bay extension to living/ dining rooms.

“Even so, the resulting flats are best suited to single residents. The existing corridors are narrow, and have been enhanced by forming a recessed ‘front porch’ at flat entrances.

“An extra floor was added over the flat-roofed building, providing additional, larger apartments and visually tying the converted block into the contemporary later phases.

“The communal facilities were added in a separate, linked single storey block, which serves the whole scheme and the wider community.”

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Financial challenges for extra care

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Extra care faces a variety of financial issues, which have proved especially difficult in the recent economic climate. Capital finance can be hard to secure, and lenders may stipulate onerous borrowing criteria. While there has been government funding via the Homes and Community Agency (HCA) and Greater London Authority, up until now this has been for registered providers only and demand exceeds the money available.

A stagnant housing market has meant that older people who wish to move may find it difficult or impossible to sell their home to finance move into an extra care scheme, although the recent upturn in the housing market should see this challenge lessen.

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Optimum sizes

While there are many small-scale developments across the UK, these pressures indicate that an extra care development requires a minimum of 40 units to be economically viable.

At the other end of the scale, there are several very large extra care villages, each of several hundred units. These achieve an economy of scale but require careful design and management to ensure community links are maintained so as to avoid the inadvertent creation of a retirement ghetto.

There are also issues arising from pressure on land, land costs and maximising density to achieve an economy of scale.

On the revenue side, paying for planned care and support by local authorities or continuing care by health, the use of personal budgets and the search for a self-funder market can put pressure on the way schemes are managed. In addition, welfare reforms such as changes to pensions, housing benefit, and the 'bedroom tax' all also bring uncertainty, although their impact is more on younger people.

Planning and policy challenges for extra care

Drawing on his experience of negotiating planning permission for extra care developments, David Hughes notes: "In planning use class terms extra care housing is neither C2 (residential institutional) nor C3 (dwelling houses) but is sui-generis (without classification).

"Different planning authorities have different interpretations of this, so there is inconsistency across the country as to what constitutes extra care, and planning conditions may be imposed to prevent a conventional block of flats being developed by just calling the proposed development 'extra care'.

"Such planning conditions can include a requirement for residents to receive a minimum number of care hours per week or that residents having a diagnosed medical condition. There have been calls for a new planning use class for extra care housing."

Dealing with dementia

Mr Hughes notes catering for residents who have dementia can affect a project's design:

"Along with the ageing population, there are an increasing number of people being diagnosed with dementia. Dementia can affect people in different ways and good design can compensate for its impairments.

"Anecdotal evidence shows that while extra care housing is suitable for people with relatively low or mild levels of dementia, it is not suitable for people with its more severe forms, who inevitably have to move on to a specialist high-dependency care environment, which contradicts the principle of a 'home for life.'

"Providing a dementia care facility on site can to a degree resolve this, as an individual is still in the same place and with the same housing provider, hence the rise of 'continuing care communities'.

"The Housing and Dementia Research Consortium has been set up by several of the larger housing providers to initiate in-depth research into how extra care can be suitable for people with dementia."

For more useful information on dementia-friendly housing and the built environment, visit the dedicated pages on the [Housing LIN website](#).

Community balance

There are also points to note concerning the balance of extra care communities.

He says: "In recent years, many local authorities have viewed extra care as a less expensive option to care homes, and have closed these and decanted residents into extra care. Often this creates an inappropriate community in the extra care scheme, with an over-provision within the apartments and challenges in maintaining adequate care and supervision.

"Successful extra care schemes should maintain a balanced community with differing levels of need, where true independent living is promoted."

"Successful extra care schemes should maintain a balanced community with differing levels of need..."



Conclusion

The key challenge for all concerned with extra care housing is to create attractive, affordable homes so that people can make the positive choice to move to specialised housing, not being admitted at a point of crisis.

Design is only part of the jigsaw; the people and community are equally important.

Kevin Smith: Director at AECOM

With thanks to David Hughes, Senior Partner of Pozzoni LLP and Jeremy Porteus, Director of the Housing Learning and Improvement Network for their contributions.

The Housing Learning and Improvement Network provides a wealth of resource material, references and case studies on planning, designing, funding, building and managing extra care housing and other innovative housing choices for older people (www.housinglin.org.uk).

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Cost model

The cost model below is for a three-storey, traditional construction, extra care facility in the north of England. The development comprises 77 one and two bedroom apartments covering a gross internal area (GIA) of 6,855 m². Costs exclude site works and relate to 1st quarter 2015.

Description	Quantity	Rate	Total (£)	£/m ²	% of total
Substructure			693,550	101	8.83%
Allowance for site clearance, excavation and disposal	6210	6.18	38,378		
Allowance for site remediation, includes, removal of contaminated material, vaporised membrane to footprint of the building and 600mm cover to all soft landscaped areas	1	227,115	227,115		
Trench fill foundations, beam and block floor, floor insulation and screed	1970	157	298,278		
Allowance for piled foundation, beam and block, floor insulation and screed	1	129,780	129,780		
Frame & Upper Floors			424,072	62	5.40%
Allowance for steel framing and supporting columns to GF main entrance	1	21,630	21,630		
Concrete beam and block upper floors	4884	82.4	402,442		
Roof			285,559	42	3.64%
Concrete pitched tiled roof, timber structure battens and felt.	1380	124	170,568		
Single ply membrane roof, timber structure	751	146	109,841		
Allowance for front entrance inc structural steel and roof finish	1	5,150	5,150		
Stairs			43,801	6	0.56%
Pre cast concrete stairs over 4 storeys including balustrade/handrail; over 4 storeys; half landing	3	14,600	43,801		
External Walls, Windows and Doors			810,590	118	10.32%
Traditional external wall construction comprising facing brick, cavity and internal skin of external wall blockwork, including dpc, cavity trays and insulation, joints and lintels	916	134	122,652		
Traditional external wall construction comprising blockwork and through colour render, cavity and internal skin of external wall blockwork including dpc, cavity trays and insulation, joints and lintels	1131	131	148,529		
Traditional external wall construction comprising blockwork and through dressed metal colour, cavity and internal skin of external wall blockwork including dpc, cavity trays and insulation, joints and lintels	39	198	7,713		

Description	Quantity	Rate	Total (£)	£/m ²	% of total
Traditional external wall construction comprising blockwork and through accent colour render, cavity and internal skin of external wall blockwork including dpc, cavity trays and insulation, joints and lintels	34	131	4,465		
Juliette balconies including steel structure posts	32	379	12,113		
Allowance for balconies including steel structure posts, foundations and non slip decking	26	3,785	98,417		
Composite windows	708	324	229,711		
Allowance for glazed curtain walling and cladding to resident stairwells	110	379	41,638		
External doors — single and double	89	1,633	145,354		
Internal Walls, Partitions, Windows and Doors			626,771	91	7.98%
Metal stud partitions to internal Walls — 100mm	3767	32	122,220		
Blockwork internal walls — 300mm	4249	67	284,471		
Internal timber six panel painted apartment entrance door; 60 min fire rated, salto door access ironmongery	77	649	49,965		
Internal apartment door 30 min fire rated; ironmongery	287	254	72,942		
Internal apartment store door; single 30 min fire rated; ironmongery	111	216	24,009		
Internal apartment store door; double 30 min fire rated; ironmongery	9	324.45	2,920		
Internal lobby entrance door, powder coated aluminium	2	1,622	3,245		
Ancillary communal doors; 30 min fire rated where required, ironmongery	62	342	21,197		
Communal circulation door; double veneered 60 min fire rated including vision panel	23	724	16,655		
Internal windows to apartments; 60 min fire rated	77	379	29,146		
Wall Finishes			387,749	57	4.94%
1 nr layer plasterboard and skim finish to all internal walls and the internal face of the external wall face incl	18152	18	333,734		
Ceramic wall tiles to apartment bathrooms & kitchens, craft room kitchenette, staff room kitchen, communal WC's, assisted bathrooms, including trim and sealant	1427	38	54,016		
Floor Finishes			128,194	19	1.63%
Dust sealer to apartments, halls, bedrooms, lounges and stores	3375	5	17,381		
Vinyl sheet flooring	1269	36	45,747		
Non slip ceramic tiles	203	62	12,545		
Carpet to communal areas incl underlay	1206	41	49,687		

Description	Quantity	Rate	Total (£)	£/m ²	% of total
High quality carpet	54	46	2,503		
Matting (grime buster)	4	82	330		
Ceiling Finishes			184,935	27	2.36%
Plasterboard and skim suspended ceiling to apartments and communal areas incl emulsion finish	5610	29	163,815		
Plasterboard and skim suspended ceiling to wet communal and apartment areas incl emulsion finish	501	31	15,713		
Allowance for access hatches and reflected suspended ceiling details	1	5408	5,408		
FF&E			352,497	51	4.49%
Standard kitchen units including oven, hob and extract	77	2,163	166,551		
Bespoke reception desk allowance	1	5,408	5,408		
Allowance for main kitchen and servery including store and cold store	1	81,113	81,113		
Shelving; generally	1	1,082	1,082		
Recycle bins	77	32	2,498		
Allowance for hair dressers salon and nail bar	1	5,408	5,408		
Allowance for staff laundry	1	21,630	21,630		
Allowance for painted curtain battens, window boards, handrails, pipe boxing etc.	1	21,630	21,630		
Allowance for internal and external signage	1	10,815	10,815		
Allowance for locker and benches to staff room	1	3,245	3,245		
Allowance for Kitchenettes	2	824	1,648		
Formica bathroom cupboards incl 2nr shelves and under light	77	378.525	29,146		
Allowance for stores and meeting rooms	4	581	2,325		
Sanitary Fittings			157,075	23	2.00%
Apartment ensuite inc WHB, WC, shower and curtain rail	77	1,803	138,793		
Assited Bathroom incl argo huntleigh malibu automatic disinfectant bath, WHB, WC	1	10,300	10,300		
Other WC incl WC and WHB	5	1,288	6,438		
Staff WC and shower	1	1,545	1,545		

Description	Quantity	Rate	Total (£)	£/m ²	% of total
Mechanical and Electrical Installations			2,329,706	340	29.67%
Mechanical and electrical installation comprising Hot and Cold water installation; CHP installation; sprinkler system; lighting and power; TV and telephone; fire/smoke alarm; CCTV/Intruder alarm; Door entry system; external lighting; incoming supply and distribution; heating and ventilation; allowance for BWIC with services	6855	330	2,259,408		
Lift installation for 13 persons	1	43,260	43,260		
Lift installation for 8 persons	1	27,038	27,038		
Sub-total			6,424,499		
Preliminaries @ 13%			835,185		
Contractors OHP @ 5%			362,984		
Design risk and contingencies @ 3%			228,680		
Total Build Cost (Square metre rate based on GIFA)			7,851,348	1,145	

