

ESSENCE SUMMARY 21

Integrated housing with care and support for older people: economic evidence

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FUNDED BY
NIHR | National Institute
for Health Research

This summary presents findings from independent research funded by the National Institute for Health Research School for Social Care Research. The views expressed are those of the author(s) and not necessarily those of the NIHR SSCR, the National Institute for Health Research or the Department of Health and Social Care.

KEY POINTS

- Extra care housing is diverse. Key elements include self-contained accommodation, 24-hour accessible on-site care and support, some collective meal provision and a range of leisure and communal facilities on site.
- There is evidence to suggest that extra-care housing can be cost-effective.
- However, research has focused on comparison with the cost of living in a residential care home, which may not always be the relevant comparator. More research is required to examine the cohort of people in extra-care housing schemes to establish how their needs would otherwise be met.
- Most of the research evidence to date derives from schemes in England where government funding has promoted greater development of extra care. People are motivated to use extra care housing for physical and emotional security, availability of support and an accessible environment, and social contact.
- People living in extra care housing value the opportunities for friendship and social interaction. Carers value that it enables them to carry on leading an active life and enhances their relationship with their spouse.
- There is evidence that extra care housing produces health benefits and increases life expectancy. It also reduces needs for care and use of health and social care resources, which can reduce costs and generate economic value.
- The government should look at innovative ways to make sure that health, housing and social care sectors work together and support each other in planning and funding of extra care housing schemes.

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ACKNOWLEDGMENTS

We are grateful to the ESSENCE project advisory group (in particular Dr Aija Kettunen, Research and Development Services for Social and Health Economics, Diaconia University of Applied Sciences, Pieksämäki, Finland) and Sam Rickman (CPEC, LSE) for their helpful comments on an earlier draft of this case summary.

Production date: June 2019

BACKGROUND

Extra care housing offers an additional housing accommodation option 'with care and support' services for older people. It is distinguished from sheltered housing as there is 24-hour on-site care. However, unlike a care home, tenants or homeowners live in self-contained flats and, apart from in emergencies, care visits occur at scheduled times.

The flexibility of extra care housing enables residents to continue living independently. With the help of 'extra care', this may reduce the need for transferring to a care home in the long term.

Extra care housing is particularly relevant to the English healthy ageing policy agenda. Increased life expectancy implies that older people may need retirement housing, such as extra care housing schemes, for longer. In England, around 20,000 extra care homes for older people are needed every year. However, this is about more than double the amount of currently provided extra homes. In fact, estimates from the Housing Learning and Improvement Network anticipate a shortfall of 61,000 units of extra care housing in England by 2030.

CONTEXT

England is facing a long-standing housing crisis. In fact, by 2030 hundreds of thousands of new homes would need to be built each year to deal with the increasing shortfall in social and affordable housing (1). Specifically, the Local government Association has argued that the number of extra homes for older people will need to increase by 400,000 units by 2030 as a result of our ageing population (2). This equates to about 20,000 extra homes per year.

Part of this housing shortage problem lies with the 'retirement' property market. In particular, there are not enough new properties attracting older people who want to downsize. Almost a third (29%) of all households aged over 55 and almost

two-thirds (63%) of those in houses with more than two bedrooms want to downsize (3). However, the most common reason for not moving to a smaller accommodation is a lack of suitable properties (25%) (4).

The lack of feasible options for retired, older people looking to downsize their properties may be preventing significant savings to the health and social care sector. In particular, the vast majority of savings are associated with severe hazards and falls (5). Extra care housing may be a solution to this problem. It includes various models of retirement housing and targets people who need extra help to look after themselves but not enough to be in a residential care home (6).

WHAT IS EXTRA CARE HOUSING?

Extra care housing may also be called assisted living, housing with care, or very sheltered housing (6). Individuals or couples may rent, buy or partially own extra care housing schemes. Residents enjoy the freedom and independence of having their own accommodation, while having the reassurance that support and care staff are available when needed. Different schemes may be available to include small communities of flats and bungalows as well as retirement villages.

The type of support and care will vary from scheme to scheme. Usually residents receive

support services such as an emergency alarm system and care staff may be on call 24 hours a day. The care provided might include help with daily activities such as washing, getting dressed and using the toilet or reminders to take medication. Support may also be provided with weekly shopping, laundry or other domestic tasks. The care staff may be employed by the local council social services department, the housing provider or private home care agencies.

Schemes may provide hot meals, and residents can eat with other people in the dining area or in

their own flat. Some may also have cafe or bar facilities. Schemes may offer organised activities for residents to socialise and to encourage a community feel within the scheme, such as group

activities on site or day outs. Certain larger extra care housing schemes may have facilities such as hairdresser, shop, GP practice, restaurant or gym on site.

IS EXTRA CARE HOUSING EFFECTIVE?

Health, wellbeing, cognitive ability and mobility

Aston Research Centre for Healthy Ageing and the ExtraCare Charitable Trust conducted a collaborative research project on extra care housing. They compared 162 new residents across thirteen ExtraCare villages and schemes with 39 control participants (sampled from the local community) at 3, 12 and 18 months. The research showed positive health, wellbeing and cognitive outcomes across the ExtraCare residents (7).

- **Personal health.** There was a 75% increase in residents' level of exercise in ExtraCare villages and schemes in addition to improvements in residents' perceived health as indicator of their actual health status. Residents also increased their walking speed, which is important since slow walking speed is an indicator of falls risk. As such, there was also a reduction in risk of falls over the first two years of living in ExtraCare.
- **Psychological wellbeing.** Residents in ExtraCare villages and schemes had low levels of depression and depressive symptoms as well as a 23% decrease in anxiety symptoms. Additionally, improvements in physical fitness measured using walking speed benefited residents in terms of psychological wellbeing and reduced depressive symptoms. Residents also showed improvements in memory and cognitive skills, with a 24% increase in autobiographical memory and 17% increase in memory recall tests. However, there was no change in measures of executive function over the range of the study.
- **Social wellbeing.** Most (86.5%) residents in ExtraCare villages and schemes were 'never or

hardly ever' lonely. Furthermore, levels of loneliness were lower for residents in ExtraCare than national averages. More evidence from Shelter confirmed that communal areas offer a chance for social interaction (8). Additionally, almost 45% of residents reported having better or much better contact with family and friends.

Improving life expectancy

The International Longevity Centre UK and Cass Business School investigated the possible benefits of people living in an extra care housing scheme with respect to life expectancy. Specifically, they measured whether residents live longer on average than the general population, using Whiteley Village as a case study (9). Their research provided evidence that living in an extra care housing scheme may increase life expectancy by up to 5 years.

Reducing demand for care and use of healthcare resources

The Nehemiah Housing Association researched an extra care housing scheme in the West Midlands. They examined the effects of having an on-site scheme manager focused on wellbeing five days a week. The research showed improvements in self-reported resident satisfaction and reductions in the number of fire emergency calls, ambulance emergency calls and the number of vacancies in the scheme (10). The ExtraCare Charitable Trust also delivered evidence⁷ on the extra care housing scheme. Their research confirmed that residents make more effective use of healthcare resources and reduce visits to GPs while increasing visits to Practice Nurses. Additionally, residents report three fewer days per year in hospital than before entering the scheme.

WHAT DO PEOPLE SAY ABOUT EXTRA CARE HOUSING?

The Housing Learning and Improvement Network reported on Strand Court, an extra care housing scheme in North East Lincolnshire (11). The case study looked at the benefits of extra care housing from the residents' perspective and their experience of wellbeing and satisfaction within the scheme. Overall, the scheme brought positive outcomes for residents in terms of integrity, respect, fairness, compassion and trust in the local system.

The report described such outcomes for one resident:

"Mrs W lives in her own flat in Strand Court extra care housing ... and she states that she has been a lot better physically and mentally since she has moved. She states that she enjoys being able to sit outside in the pergola when the weather is nice, and that there is a nice atmosphere with the other residents as they call to say hello to each other. She states this did not happen at her last address: *Here I'm a different person, because the carers have gone out of their way to get me to mix with people, and I'm finding I can chat to the residents, and that just is not me in the past*".

An additional case study published by the Housing Learning and Improvement Network

looked at the experience of people living in an extra care housing scheme that the Orders of St John Care Trust provided. The provision of care on site had the benefit of enabling the carer to carry on leading an active life and to avoid separation even when their spouse required very high levels of care (12).

As part of the Provision of Social Care in Extra Care Housing project, researchers listened to residents in different extra care housing schemes and gained their perspective on their living arrangements. The Housing Learning and Improvement Network captured the evidence in two YouTube films¹. The system was successful and was able to provide independence, social engagement, formed connections, friendships and a sense of community. Not only did it provide social support but it also helped to reduce the amount of care needed. However, residents reported some tension about extra care housing turning into residential care. In particular those clients that spent more time in extra care housing noticed that residents moving in more recently had higher needs than was the case in the past and they felt that this was changing the nature of the community in their setting.

IS EXTRA-CARE HOUSING COST-EFFECTIVE?

In England extra care development has been supported through the Department of Health and Social Care's Extra Care Housing Fund. Between 2004 and 2010 this fund provided £227 million to local authorities and housing associations to encourage innovative schemes and partnerships. A detailed evaluation of the overall initiative was completed by Personal Social Services Research Unit at Kent University (13).

Key findings confirmed that extra care housing can provide a quality alternative to residential care from public housing, social and health care perspectives. The study found that over 6 months, cost of capital, housing management, support, activities, social care and living expenses were lower (at 2008 prices) when comparing equivalent people who moved into publicly-funded residential care homes in 1995. In particular, per 6 months,

¹ www.housinglin.org.uk/Topics/browse/HousingExtraCare/Evaluation/echo

extra care housing had a mean cost saving of £902. The same costs were similar when comparing people moving into extra care housing to people moving into care homes in 2005. In this case, extra care housing had mean cost savings of £252 per 6 months. Such cost saving estimates combined with better physical functioning outcomes implied that extra care housing can support some older people at risk of moving into residential care homes in a cost-effective way. Overall, the researchers reported a cost saving of £1,406 or £329 per additional point gained on a measure of physical functioning for the extra care group over the 6-month period. It is worth noting, however, that the comparator in this research was with adults who moved into care homes. There are likely to be adults with a range of needs in most extra-care schemes, some of whom may have been able to continue to receive care in their own home if they had not moved into extra care.

A more recent evaluation from The ExtraCare Charitable Trust measured the economic savings for social and health care perspectives of providing an ExtraCare Wellbeing Service to residents living in their extra care scheme (at 2012 prices). The Service covers an informal drop-in service for preventive health care and day-to-day chronic illness support. The evaluation compared their care scheme residents with individuals that received no service over a 3-year follow up period (7, 14). Key findings showed that:

- Planned GP visits fell by 46% among the intervention group versus no change among control participants. Additionally, planned hospital admissions fell by 31% versus no change among control participants. There was also no difference in unplanned visits between the two groups.
- NHS costs for the intervention group decreased by 38% compared to control participants over 12 months. This meant

savings of £1,115 per person per year.

- The cost reduction was most significant for residents who were assessed as being frail – from £3,374 to £1,588 on average per person per year.
- The cost of lower-level social care using the ExtraCare model was £1,222 (i.e. 17%) less per person per year than providing the same level of care in the wider community. Also, providing higher-level social care was £4,556 (i.e. 26%) cheaper per person per year.
- Scaling up to the ExtraCare population of 5,000, the drop-in service could save the health and care sector around £5.57 million per year.

Although the Wellbeing Service was a cost-effective intervention, it is not inherent to the extra-care model. It could in a modified form be carried out in care homes, sheltered housing or with a targeted cohort in the community.

Other economic case studies have been collated elsewhere. For example, a report (15) by the Housing Learning and Improvement Network sets out the economic case for developing specialist retirement housing, such as extra care housing with services and care available on-site, for people aged over 55. It summarises the evidence for the numerous benefits of extra care housing accommodation, together with the savings to the public providers.

In addition, a report (16) commissioned by the National Housing Federation from The King's Fund and the New NHS Alliance looked at the economic case for closer working between the housing and health sectors. It demonstrates how extra care housing, alongside a wider range of services provided by housing associations, produces health benefits. These benefits can reduce demand on the NHS and create social value.

HOW IS EXTRA CARE HOUSING IMPLEMENTED?

There are various providers of extra care housing including councils, housing associations, charities or private companies. To ensure that extra care provision is tailored to population needs, it is

recognised that commissioners need to develop overall strategies for individual areas or regions. Good working partnerships between health, housing and social care sectors is also needed to

secure the success of the schemes. The Housing Learning and Improvement Network provides updated evidence and information about extra care housing schemes available across the UK¹⁷ in particular:

- The Housing Strategies webpage² lists examples of how extra care strategies have been developed in different places.

- The Extra Care Housing webpage³ provides access to a collection of resources to help plan, invest, develop and improve the range of extra care housing schemes with care choices of older people.

It also provides a specific set of resources about design guides, case studies of design in practice and tools for evaluating design features in the 'design hub'⁴.

MORE INFORMATION

FirstStop⁵ allows users to contact one of their trained advisors to discuss any matters relating to housing, care or finance. They also provide resources with information for older people and their families on a range of topics⁶. For example, Housing & Care Options for Older People (HOOP)⁷ is a questionnaire that can help users identify the information they need and help them find it. It may also guide users to the most appropriate agency to provide necessary advice. They have more details on their Services for the public webpage⁸ For professionals, they have an Advice network⁹ that provides information on housing and care options to older people across

the country and consultancy services¹⁰ to help organisations to better understand current trends and policy and collect user views and experiences via online surveys. They have more details on other services for professionals on their website¹¹.

Elderly Accommodation Counsel (EAC)¹² also provides a wide range of information and advice materials available to download or view online. Similarly, Independent Age¹³ published a webpage¹⁴ and factsheet¹⁵ on extra care housing to explain what it is, how to access it and how to pay for it. Age UK also provides similar information on their webpage¹⁶ on extra care housing.

² www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/HousingStrategyExamples

³ www.housinglin.org.uk/Topics/browse/HousingExtraCare

⁴ www.housinglin.org.uk/Topics/browse/Design-building/Design

⁵ www.firststopcareadvice.org.uk

⁶ www.housingcare.org/information/publisher-23740-firststop-advice-pg2.aspx

⁷ <https://hoop.eac.org.uk/hoop/start.aspx>

⁸ www.firststopcareadvice.org.uk/access-services/public

⁹ www.housingcare.org/downloads/kbase/3432.pdf

¹⁰ <http://wp.firststopcareadvice.org.uk/new-research-big-family-conversation>

¹¹ www.firststopcareadvice.org.uk/access-services/professional

¹² www.eac.org.uk

¹³ www.independentage.org

¹⁴ www.independentage.org/information/housing-options/types-of-housing/extra-care-housing

¹⁵ www.firststopcareadvice.org.uk/downloads/kbase/2954.pdf

¹⁶ www.ageuk.org.uk/information-advice/care/housing-options/assisted-living-and-extra-care-housing

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