

Chapter 4 Estimating Need and Demand

This Chapter illustrates the range of ECH provision that might be delivered within Oxfordshire. It presents a “Whole Population” model based on the work of the Institute of Public Care. The projected figures need to be kept under review given the imminent publication of “A National Housing Strategy for an Ageing Society”

Context

- 4.1 The County Council, together with its partners, has a specific responsibility to quantify need. It also has a responsibility to facilitate the provision of services for the whole population of older people and not just those who will eventually rely on the services provided by the County Council. This means also taking a view on the potential demand for ECH as well as the need. An ECH Strategy is a housing strategy designed to increase choice across all tenures with the real prospect of achieving significant gains in the prevention agenda.
- 4.2 An ECH Strategy should provide for both mixed tenure and mixed dependency schemes. The scale of new provision required is deliverable assuming the stimulation of a private sector market. The local authorities in the County cannot and should not meet all the needs.
- 4.3 The development targets are based on recent work by the Institute of Public Care, based at Oxford Brookes University (CSIP, Housing Learning Information Network, 2007), in developing a model of the need for ECH units applicable across all local authorities. The figures produced are significantly larger than those considered at the interim report stage in July 2007. This change flows from adopting a ‘whole population’ approach as opposed to focusing on the people that the County Council expects to fund in respect of care costs. The wider availability of ECH is likely to stimulate demand. It is therefore important to keep the projected development targets under review and to test the housing market needs analysis in specific localities as new mixed tenure scheme proposals are brought forward.
- 4.4 For the purposes of the overall Strategy we have provided a general estimate of how many ECH units we expect to be required, per District, based on population projections, Age Standardised Demand for residential care and likely diversion rates. The estimate of future ECH

need has to be tempered by the reality of what it is practical to deliver over certain time scales, but a well argued estimate is needed if the County Council is to secure eventual 'sign-up' to any such estimate.

Population Ageing

- 4.5 There is increasing recognition that as people age, accommodation becomes a key defining environment. Older people spend a much greater amount of their time at home than do other age groups. As our physical capacity declines with age, the condition, design and location of housing becomes increasingly influential on our health, mobility, social inclusion and wellbeing.
- 4.6 Age, ill-health and disability are useful indicators of likely demand for housing related services, such as maintenance work, adaptations, and domiciliary support services. They are also drivers of demand for specialist accommodation, such as ECH. Tenure is often a useful proxy for wealth inequalities and socio-economic groupings, which are in turn predictors of patterns of ill-health and disability.
- 4.7 The distribution of population by age, tenure, living alone and living with a limiting, long term illness therefore has major implications for public services and housing-related care strategies. This includes community based non-acute healthcare services, specialist housing, housing-related care provision and preventative strategies to maintain wellbeing and independence in later life.
- 4.8 There is a dilemma to resolve between acknowledging the widespread resistance amongst the younger old to living in designated older people housing built around 'corridor living' and the need for achieving cost savings in delivering support to increasing numbers of people. This is likely to be resolved on the basis of the real quality of housing options put before older people at the time they choose to move to find additional support, companionship and an increased sense of security.
- 4.9 The Strategy should take into account the role of sheltered housing within health and social care, as an 'enabling' service by developing an extra care approach that includes the principles of ageing in place and the commitment to a home for life in existing sheltered housing as well as the development of new extra care schemes, which offer a recognised alternative to residential care. Provision of ECH schemes will meet a small but significant niche in the market for older people's housing and will seem extremely attractive to isolated older people living in substandard housing or communities that no longer seem so welcoming.

Population Growth

4.10 The 65+ population in Oxfordshire is projected to grow from around 96,000 in 2008 to 136,000 in 2025, an increase of more than 40%. There will also be the consequences of an increasing proportion of very elderly people as can be seen from the fact that the 85+ population will grow by 62% over the same period.

Population Growth 2008 - 2025 Oxfordshire Totals						
Age Bands	2008	2010	2015	2020	2025	% change 2008-2025
65-69	26,300	28,100	34,300	31,300	34,200	30.04%
70-74	22,800	23,700	26,300	32,100	29,300	28.51%
75-79	19,100	19,200	21,300	23,800	29,400	53.93%
80-84	14,300	14,900	15,900	18,100	20,500	43.36%
85+	13,900	14,600	16,600	19,000	22,600	62.59%
Total 65+	96,400	100,500	114,400	124,300	136,000	41.08%

Population Change in Oxfordshire 2008 - 2025 by District Area

GEOGRAPHICAL AREA	AGE 65+ POP IN 2008 (1,000s)	AGE 65+ POP IN 2025 (1,000s)	AGE 65+ %AGE INCREASE 2008 TO 2025	AGE 85+ POP IN 2008 (1,000s)	AGE 85+ POP IN 2025 (1,000s)	AGE 85+ %AGE INCREASE 2008 TO 2025
CHERWELL	20.2	31.5	55.9%	2.7	4.7	74.1%
OXFORD CITY	16.7	20.9	25.2%	2.7	3.5	29.6%
SOUTH OXFORDSHIRE	21.8	30.3	39.0%	3.1	4.2	64.5%
VALE OF WHITE HORSE	19.8	27.6	39.4%	2.8	4.8	71.4%
WEST OXFORDSHIRE	17.6	25.7	46.0%	2.6	4.5	73.1%
OXFORDSHIRE	96.4	136.0	41.1%	13.9	22.6	62.6%

Source: ONS: Sub-national population projections based on 2004 mid-year estimates. These show what the population will be in the future, given the current trends

4.11 The tables above and graph below show the projected growth in the population of older people in Oxfordshire. It is striking that there is a substantial increase in just this 17 year period expected in the older elderly: those over 85. In addition, these figures indicate that there is also a marked increase in the newly retired population who will, in effect, become the next generation of ECH residents.

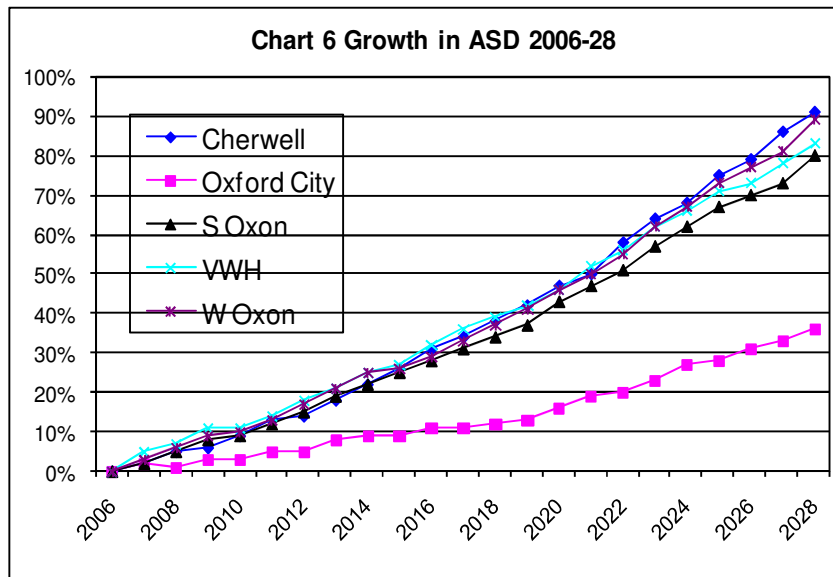


Diagram 1 Taken from Lang & Buisson report

- 4.12 In addition to simple population growth, demand for services will also be influenced by changing standards of acceptable quality of life amongst older generations and changing service policies.
- 4.13 Population growth will not be evenly distributed across the County with the lowest projected increase seen in the City and the largest increases in the Cherwell and West Oxfordshire Districts. Taking the County as a whole, and allowing for the growth in Age Standardised Demand, there would have to be a 76% increase in care home funding if the relative provision of residential care, demand and the thresholds of eligibility remained the same (see Diagram 1). Age Standardised Demand uses national data that records the ratio of older people in care homes by various age groups. These ratios are then applied to Oxfordshire population projections. Whilst ASD is a good estimate for future demand of people in need of care it assumes current care methods will remain unchanged. However, more initiatives, such as the development of Extra Care Housing, to support older people at home could reduce the projected increase in care home demand.
- 4.14 The picture of a high level of owner occupation applies to older people just as much as it does to the general population. In nearly every local authority, between three-fifths and three-quarters of the retired population are now owner-occupiers. This has implications for the type and location of the models of Extra Care Housing which will be appropriate to different parts of the County. The 2001 Census data shows a marked difference between the City (63%) and the four rural Districts which all have a much higher proportion of owner occupiers ranging from 72 - 75%. According to the Institute of Public Care, amongst the 65+ age group home ownership is likely to increase to 80%

with the level of social renting falling to just 12% over the period to 2025.

Key Factors in the Need for Extra Care Housing

4.15 The key factors linked to needing ECH are age, gender, living alone, and the involvement of a resident carer. One further indicator as to the need for ECH provision, both now and in the future, is the number of people with a ‘long term limiting illness’. This implies some level of disability or sensory impairment. Table 3 below shows that this affects around one in two of the 75+ population. The picture by District area of the number of older people aged over 75 years, who are living alone and who have self reported a long-term limiting illness is set out below for both 2008 and 2025. The importance of this group is that it represents a good proxy indicator of those vulnerable older people living in the community for whom ECH offers more appropriate housing with care to meet their increasing care and support needs. ECH offers a proportion of this group a way of avoiding or deferring the need for more intensive care and support in future. These are people, who have not yet reached the point at which residential care or its alternatives are necessary, but nevertheless have an emerging or imminent need for an intensive level of home care that can be organised more effectively and delivered in an ECH scheme.

Table 3a Number of People aged 75+ Living Alone in 2008 and 2025

Area	All 75+ People Living Alone		No. of 75+ People Living Alone with Limiting Long Term Illness	
	2008	2025	2008	2025
Cherwell	4458	7298	2318	3795
Oxford	4101	4794	2133	2493
South Oxfordshire	4893	7534	2544	3918
Vale of White Horse	4514	6832	2347	3553
West Oxfordshire	4079	6400	2121	3328
Oxfordshire	22017	32917	11449	17117

Source: Office for National Statistics, 2004 midyear population estimates

Demand for Extra Care Housing

4.16 The demand for ECH across the whole population of older people has been estimated following a model developed by the Institute of Public Care, Oxford Brookes University based on the following four factors:

- A high-level dependency needs stream based on diversion from residential and nursing home care purchased by Oxfordshire County Council,

- Vulnerable older people living in the community,
- People choosing to move in later life seeking accommodation with care, and
- Allowing for a 5% void level in schemes.

4.17 The IPC model has been adapted, where appropriate to fit the-proposed Oxfordshire County Council Strategy. The detailed figures for 2007 as given below are:

- Oxfordshire County Council Social & Community Services purchased 1,850 residential care and nursing home places for older people (including 100% NHS funded patients) in September 2007. A total of 841 residential care places were purchased, including 79 out-of-County placements. The strategy is that 60% of the older population that currently enters residential care will be diverted into new ECH schemes requiring provision of 505 of ECH units.
- Self funded residential care purchases in the private sector are likely to generate a similar level of demand for ECH once the choice begins to be more freely available. Demand from this source is counted against the older people moving in later life to seek more appropriate accommodation with care in order to avoid double counting those people currently self funding their residential care.
- Oxfordshire SCS believes that a proportion of the older people entering Nursing Home care do not need intensive and continuing nursing care. The reason for seeking a Nursing Home placement is often more related to stress on the carer and that at any particular time they might need nursing supervised care. The development of ECH, particularly with appropriate back up from telecare and telehealth facilities could divert or delay some 20% of nursing home admissions. This will require 202 units of ECH.
- Vulnerable older people - Table 3a showed that across Oxfordshire there are some 22,000 over 75 year olds living alone of whom just over 50% report a limiting, long term illness. ECH will provide accommodation for 15% of these households (using the Oxford Brookes formula) requiring provision of 1,719 units.
- Accommodation choice - according to a recent MORI survey of The Aspirations of Older People (MORI, 2004) 30% of the over 65 population choose to move to different accommodation of whom 12% seek accommodation with care. This will require 3,463 ECH units to meet the demand arising from Oxfordshire's 96,000 65+ year olds. In order to avoid the risk of double counting we have discounted those people entering residential care and nursing home care against this block of the model. This reduces the total number of units to meet people's accommodation choices to 2,706.
- Allowing for a 5% void level the total projected requirement for Oxfordshire would be 5,442 units in 2008.

4.18 The core projection for 2007 for the number of ECH units required is 5442 units of which between 25 - 37%, depending on the District, will be provided by the social renting sector, namely some 1,537 units of socially rented ECH units.

- 4.19 These findings give a planning norm of 115 units per 1000 75 year olds. This contrasts with the existing, baseline provision of some 252 units in total as reported in recent SCS returns to the Department of Health. The provision of this new level of ECH units will take a number of years to deliver depending on the availability of suitable sites and the commissioners and partners ability to develop schemes without reliance on Housing Corporation funding.

Total Projected Number of Extra Care Housing Units - 2008 to 2025

- 4.20 The demographic challenge will apply equally to the ECH as it does to residential care provision and the target number of units to keep pace with population growth by 2025 will be 7,832 based on a whole population projection model. The more detailed breakdown of how these figures were calculated is set out below.
- 4.21 Using the Oxford Brookes model the core projection for 2025 is built up as follows:
- The County Council demand for care home places or alternatives is projected to grow by 11 percent within five years, 26 percent within ten years and by 76% percent by 2028. These projections are based on 'Age Standardised Demand' (ASD) calculations prepared by Laing & Buisson.
 - The demand for Oxfordshire SCS to purchase residential care will have risen by 2025; everything else being equal, to 1480 places and a 66% diversion rate will require the provision of 977 ECH units in 2025.
 - Diversion from Nursing Home Care will require by 2025 the provision of 355 ECH units.
 - Vulnerable older people - Table 3 showed that across Oxfordshire by 2025 there will be some 33,000 over 75 year olds living alone of whom just over 50% or 17,085 older people will report a limiting, long term illness. ECH will provide accommodation for 15% of these households requiring provision of 2563 units.
 - Accommodation choice - 30% of the over 65 population choose to move to different accommodation of whom 12% seek accommodation with care. This will require 4,896 ECH units to meet the demand arising from the projected growth in the Oxfordshire population of 65+ year olds to 136,000. Discounting the number of people moving to residential or nursing home care reduces the requirement to 3,564.
 - Allowing for a 5% void level the total projected requirement for Oxfordshire would be 7,832 units in 2025.

4.22 The summarised position for 2025 is as follows:

- A need for 7,832 units.
- The number of units at social rents will account for between 24% to 37% of the above and totals 2,192 units for Oxfordshire.
- This equates to a continuous development requirement of roughly 129 units per annum from 2009 onwards.

4.23 The development programme must cope with the backlog of under provision of ECH up to 2007 and then with the impact of the significant population growth between 2007 and 2025. An early task for the Oxfordshire County Council should be to review existing schemes which claim to provide Extra Care Housing facilities. The County Council could usefully better codify the existing provision and build a local register of ECH schemes. There is room for discussion of how many schemes there are but what is certain is that by comparison with the planning norm presented in this strategy the current level of provision is minimal. There is only one scheme in the County, commissioned by the County Council that provides for 24/7 support. There may be other schemes provided in the private sector or by Housing Associations that are close to providing Extra care Housing in all its dimensions and upgrading these schemes may provide a good source of more Extra Care Housing schemes.

4.24 Applying the “Whole Population” model norm to Oxfordshire would see a pattern of ECH developed across the County by 2025 with a total of 7,832 units. The detailed breakdown of the pattern by each District Housing Authority area is shown in the tables below. If Oxfordshire adopts a planning norm based on the Oxford Brookes model then it will need to commission some 2, 200 units and encourage the development of over 5, 640 new household units of Extra Care Housing. This will amount to some 10% of the new housing to be developed in the County.

4.25 These numbers are significantly higher than any projections considered previously. This is because the model takes a whole population perspective. Most significantly it includes a substantial amount of private sector development to improve and meet older people’s housing choices. It relates to a broader concept of choice and a long-term preventative strategy based on research findings from talking with older people about their future housing options and choices. The Local Authorities will not play a direct development or service provision role but should build these needs into their strategic plans because they will need to stimulate a private sector market in ECH to deliver this level of development.

4.24 Development on this scale could be seen as a threat to the strategic affordable housing priorities for delivering more family housing. Such a response would be misconceived on two fronts. Firstly, the ECH build programme will release a significant proportion of larger family housing

which is currently under occupied. Many people over retirement age will be living in their own occupied home or renting from the local authority (or housing associations) but be living in ordinary general needs accommodation rather than sheltered housing. Enabling these people to exercise their choice to opt for more age appropriate accommodation with care will therefore lead to no net loss to the supply of larger family housing. The more efficient use of the existing stock of family housing is an important social policy objective in its own right.

Table 4 Whole Population Needs Model

District Area	Estimated Demand for ECH in 2008	Estimated Demand for ECH in 2025
Cherwell	1,129	1,788
Oxford City	971	1,183
South Oxfordshire	1,225	1,762
Vale of White Horse	1,118	1,603
West Oxfordshire	999	1,496
Oxfordshire	5,442	7,832

- 4.27 Secondly, the loss of the opportunity to develop a more diverse range of accommodation suited to provide a home for life for increasing numbers of frail elderly people will condemn yet further generations to live in unsuitable accommodation ramping up the costs of care and health.
- 4.28 The scale of provision of ECH units to meet the accommodation choices of older people is really for private sector developers to explore and then establish an accurate market assessment. The projection will clearly need validating but as such we believe it lies outside the scope of this Report.

Social Rented Units

- 4.29 The Local Authorities will be directly concerned with planning for the socially rented accommodation as either part of a single or mixed tenure scheme. The projection of the need for socially rented ECH units has been estimated taking into account the relevant District level of owner occupation and the demographic growth amongst the older population.
- 4.30 The detailed breakdown by each District Housing Authority area is shown in the following table for both 2008 and 2025:

Table 5 Socially Rented Units

District Area	2008	2025
Cherwell	313	495
Oxford City	360	439
South Oxfordshire	303	436
Vale of White Horse	281	403
West Oxfordshire	280	418
Oxfordshire	1,537	2,192

- 4.31 2,192 units are required across Oxfordshire by 2025. The City will show the smallest increase in demand due to demographic pressure but because it has a significantly larger social rented sector it will still require the second largest amount of socially rented ECH units to allow for equitable access to ECH across the County for all sections of the older population. The four rural Districts will exhibit similar levels of increase as shown above in Diagram 1.
- 4.32 The requirement for socially rented units will be subject to future trends in owner occupation and the projected estimates should be reviewed in the light of those trends. It can be seen that there is such a significant shortfall to be made good that substantial and early investment is required to even begin to provide sufficient units to meet the need for ECH before future population growth is taken into account. The tenure trends will not impact the total requirement for ECH units but may in future reduce the number of socially rented units required.

Other Local Authority Strategies

- 4.33 We have looked at other largely rural local authorities who are adopting a strategic commissioning approach to this issue. North Yorkshire County Council stands out as a leading example of good practice.

4.34 North Yorkshire County Council has been developing a broadly based ECH strategy to replace all its residential care homes together with some outdated sheltered housing schemes and to offer older people the choice of a Home for Life, through working with private sector developers. Its Commissioning Strategy aims to develop some 4,000 units of ECH by 2020. The Oxfordshire projections are comparable given the differences in population and tenure patterns and taking account of the significant growth expected between 2020 and 2028. The North Yorkshire Commissioning Strategy is aiming to provide for all its residential care provision and purchased places plus a 40% increase in units to allow for sustaining the mixed community within each ECH scheme.

Conclusions

- The targeting of new schemes should reflect both the opportunities to replace existing institutional care but should also target those areas of highest growth projections for the over-75 population as illustrated in the Director of Public Health's Annual report for 2007 as well as areas of social deprivation, particularly for publicly funded schemes. See the map overleaf.
- This more detailed needs analysis should be tested at the local level to also take into account the way people perceive the area they live in, and determine suitable locations, based on 'natural communities' identified by the community themselves.
- The suggested approach is to adopt a very broad brush planning norm and a phased approach to delivering the strategy. This will allow time to take into account the implications of the Government's National Housing Strategy for an Ageing Society, which is expected to be published in the near future and to do more work on the local POPPI figures; to research the care pathways to confirm the level of diversion that might be achievable, whilst making an urgent start on delivering the first schemes.
- The immediate target should be to establish a number of schemes in each District by taking advantage of the early opportunities provided by building on strategic sites, remodelling existing Sheltered Housing schemes and redeveloping residential care; a second stage would see an expansion of provision to meet a 2,596 unit target required to enable a substantial reduction in reliance on residential care and meet the demographic challenge by 2025; another strand would see the programme pushing on to encourage the private sector to develop the much greater availability of ECH units required to offer it as a mainstream housing option.

Potential Target localities for ECH schemes based on highest growth rates for the 85+ population

