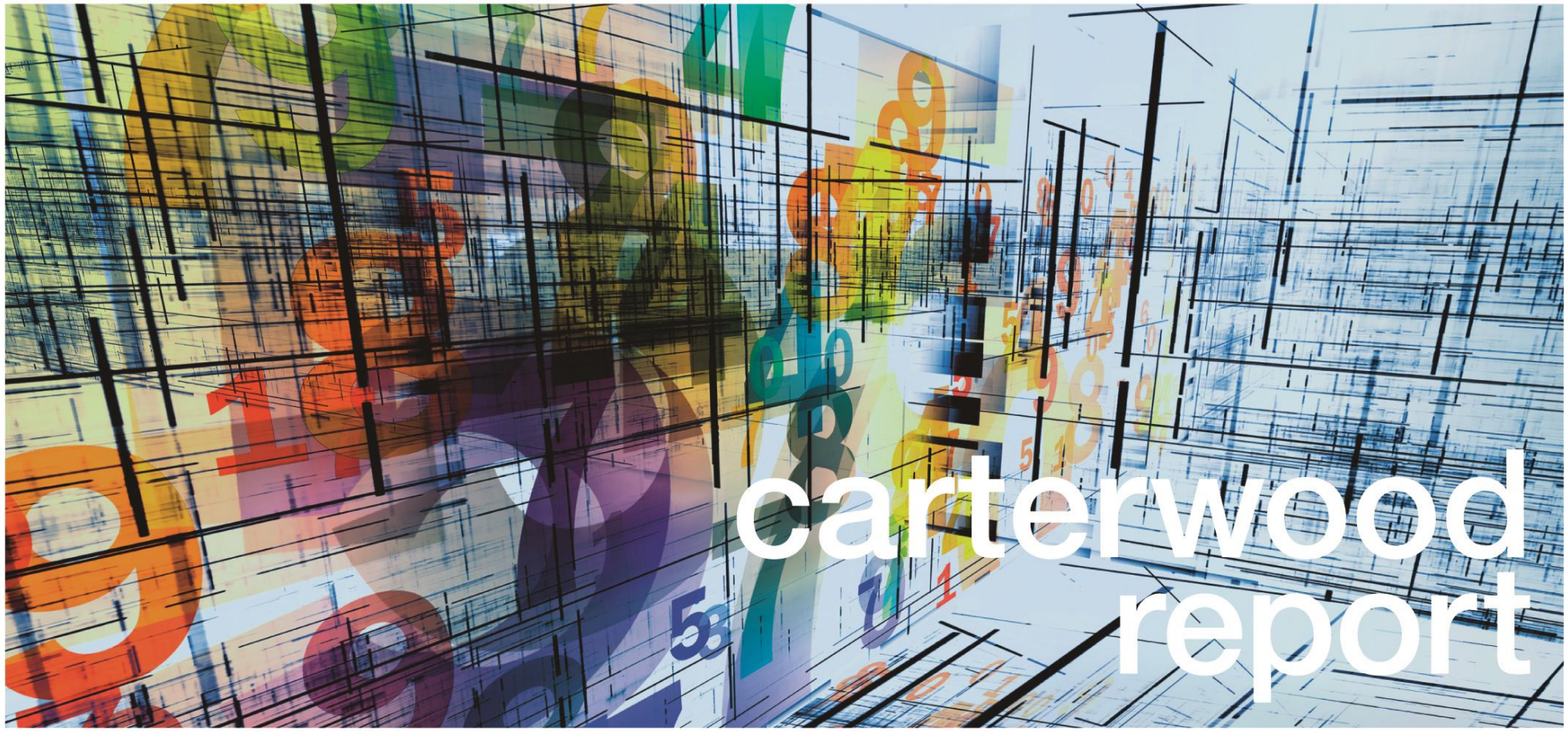


Regulated by RICS

May 2018

T: 08458 690 777

Planning need assessment
for Castleoak

Land at Burston Garden Centre, North Orbital Road, St Albans, AL2 2DS

Contents

EXECUTIVE SUMMARY

T1: Background

Castleoak is seeking to apply for planning permission in respect of a care village scheme on land at Burston Garden Centre, North Orbital Road, St Albans, AL2 2DS. Carterwood Chartered Surveyors has been commissioned to prepare a need assessment on behalf of Castleoak in relation to the development of a proposed care village comprising a 64-bed care home, 80 assisted living apartments and 45 care bungalows, together with ancillary facilities, car parking, enhancements to the local footpath and bridleway network, and landscaping.

T2: National overview

The population of the UK is set to age dramatically over the coming years, with a substantial increase in the number of people living to over the age of 85, when dependency levels and the prevalence of dementia increase dramatically. Nationally, approximately 30 per cent of existing care home provision is not to the standard required to cope with the needs and expectations of today's elderly care home residents. According to LaingBuisson, the supply of extra care provision is limited, with potential need nationally for an additional 600,000 extra care units by 2020.

T3: Indicative need for elderly care home market standard beds (2019)

Basis of assessment	St Albans City and District Council
Indicative shortfall including all planned beds	103
Indicative shortfall including beds under construction	120

T4: Indicative need for private extra care units (2019)

Basis of assessment	St Albans City and District Council
Indicative shortfall including all planned private units	415
Indicative shortfall including units under construction	415

T5: Conclusions and recommendations

- Our analysis shows there to be a large unmet need for market standard care home beds (defined as a bedroom with an en-suite comprising at least a WC and wash hand basin) within the St Albans City and District Council area (outlined blue opposite).
- Assuming existing provision remains equal and all current planned beds are developed, our projections show a sustained escalation in need for market standard care home beds in the St Albans City and District Council area, rising to 378 by 2028.
- Our analysis of private extra care units shows a significant shortfall of private extra care housing, and this unmet need is expected to increase substantially between 2019 and 2028, reflecting the sustained and escalating nature of need in the future.
- Hertfordshire County Council's older people's housing strategy and Market Position Statement recognise the need for new and innovative forms of elderly housing accommodation, particularly extra care housing, and for specialist nursing and dementia care, and we conclude that there is both a compelling quantitative and qualitative need for the proposed development, which seeks to cater for the full range of dependency levels within a self-contained village setting.

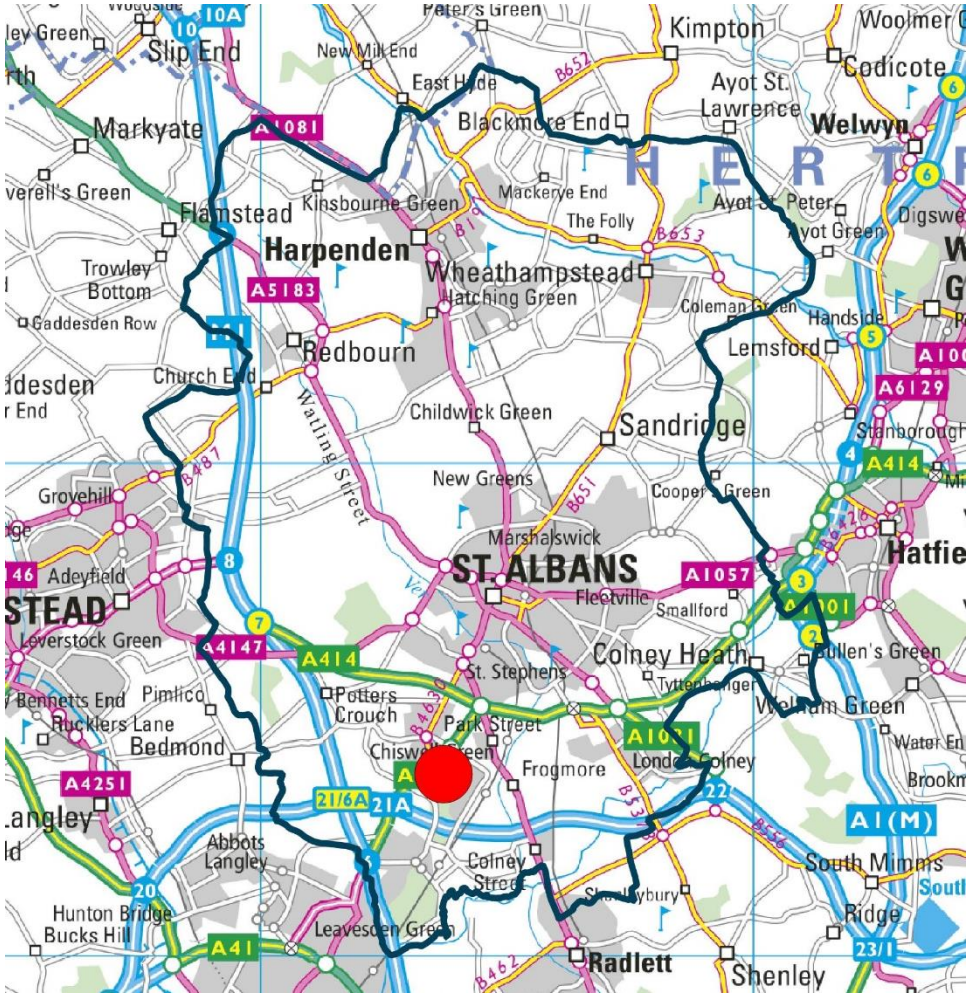


Figure 1: Location of the proposed scheme and our basis of assessment

Note: The proposed care village is indicated by the red dot. We have provided an assessment of care home and extra care need based on the St Albans City and District Council area, which is outlined in dark blue.
Full definitions in relation to the care home and extra care elements of the scheme are provided in Sections 5 & 6, on page 8 of the report.

INTRODUCTION

1. Introduction

1.1. Carterwood Chartered Surveyors has been commissioned to prepare a need assessment on behalf of Castleoak in relation to a planning application for the development of a care village, comprising a 64-bed care home, 80 assisted living apartments and 45 care bungalows, together with ancillary facilities, car parking, enhancements to the local footpath and bridleway network, and landscaping. We have referred to the assisted living and care bungalow units as extra care units for the purpose of our need assessment, as both provide 'housing with care' and the differentiation relates to a slight difference in the individual unit configuration and anticipated dependency levels.

1.2. Carterwood has been asked to prepare a need assessment of the subject site based on the St Albans City and District Council local authority area.

1.3. In this report, we have considered the national context of both the care home and extra care markets, together with a detailed study of the council area of the proposed development.

2. Sources of information

2.1. We have utilised the following sources of information:

- Census 2011 population statistics;
- Government actuarial population projections;
- LaingBuisson Dementia Care Services 2009;
- LaingBuisson Care of Older People UK Market Report (28th edition);
- A–Z Care Homes Guide January 2018;
- www.housingcare.org;
- www.cqc.org.uk;
- Relevant planning departments;
- Barbour ABI;
- EGi;
- Alzheimer's Society: Dementia UK Update 2014;
- Alzheimer's Society: Low expectations: Attitudes on choice, care and community for people with dementia in care homes, February 2013;
- Hertfordshire County Council;
- LaingBussion's Extra Care Housing UK Market Report 2010.

3. Carterwood

3.1. The company has grown from two founding directors to a team of 25, with active agency and valuation departments, and provides advice across the care sector to a range of operators, developers and other stakeholders.

3.2. Carterwood is the only chartered surveying practice dedicated to the care sector, and has become the market leader in preparing consultancy advice in relation to the feasibility of new elderly care developments for both the private and voluntary sectors.

3.3. Examples of private sector clients who have regularly commissioned need assessments or site feasibility studies include:

- Porthaven Care Homes
- Gracewell Healthcare
- Hallmark Healthcare
- Care UK
- Caring Homes
- Signature Senior Lifestyle
- MedicX
- Retirement Villages
- LifeCare Residences
- Waypoints Care Group
- Barchester Healthcare
- Four Seasons Health Care

3.4. Similarly, examples of Carterwood clients in the not-for-profit sector include:

- Anchor
- The Royal British Legion
- Mencap
- Leonard Cheshire Disability
- Sanctuary Care
- Brendoncare
- Care South
- The Hospital Management Trust
- Greensleeves Homes Trust
- Milestones Trust

3.5. Carterwood's client base represents the majority of operators currently seeking to develop new care homes and extra care schemes in the South of England. Accordingly, we are in an almost unique position in the sector, having assessed over 2,000 sites, with the majority located in the South East of England, for a range of different providers and a range of different scheme types and care categories.

3.6. This report has been prepared by Alex Taylor BSc (Hons) MA MRICS.

4. Our approach

4.1. Our report is split into sections as follows:

National context and key definitions

4.2. We outline some key definitions and background explanatory text for the social care sector. We have also considered the national overview of the demand and supply factors currently influencing the care home and extra care sectors, with an emphasis on the growing demographic pressures in relation to the United Kingdom's ageing population and the increasing prevalence of dementia.

The proposal

4.3. A description of the proposed scheme, its position on the elderly social care spectrum and research findings in relation to the wider benefits of care villages.

Commissioning overview

4.4. We have undertaken a review of the relevant strategy documentation from Hertfordshire County Council.

Care home need

4.5. We have prepared a detailed demand and supply analysis of the proposed care home based on the St Albans City and District Council local authority area. We have provided a full methodology of our approach as well as the results of our analysis.

Extra care need

4.6. We have assessed the existing and planned supply of extra care schemes within the St Albans City and District Council local authority area. We have included our methodology and outlined the difficulties in assessing the demand for extra care units more generally in the private sector.

Conclusions

4.7. We have provided our overall assessment of the extent of the unmet need for market standard care home bedspaces and extra care units within the catchment areas. We also provide an overview of the key qualitative and quantitative factors influencing our opinion of need for the proposed scheme.

NATIONAL CONTEXT AND KEY DEFINITIONS

5. Definition of a care home

5.1. Elderly care homes fall within Class C2 ("residential institution") of The Town and Country Planning (Use Classes) Order 1987. Section 3 of the Care Standards Act 2000, defines an elderly care home as '*any home which provides accommodation together with nursing or personal care for any person who is or has been ill (including mental disorder), is disabled or infirm, or who has a past or present dependence on drugs or alcohol'*.

5.2. Elderly care homes operate in a highly regulated sector administered by the CQC, which is responsible for registering and monitoring elderly care homes across all sectors, as well as other care providers, such as domiciliary care agencies. The regulation of health and adult social care is governed by the Health and Social Care Act 2008.

5.3. There are approximately 18,857 care homes in the United Kingdom, around 11,600 of which care for elderly people, according to the *A–Z Care Homes Guide 2018*.

Personal care and nursing

5.4. To assist the reader, we provide below an explanation of the difference between personal care and nursing care, both of which can be provided within registered care facilities. The subject community will be seeking to provide both personal and nursing care, together with specialist dementia care.

5.5. Personal care homes, or residential elderly care homes, as they are sometimes referred to, provide both short-term and long-term accommodation to elderly people. They also offer help with personal hygiene, continence management, food and diet management, counselling and support, simple treatments, personal assistance with dressing, mechanical or manual aids, and assistance getting up from or going to bed.

5.6. Nursing homes offer the same services as personal care homes, but also provide registered nurses to care for residents with more complex health issues as prescribed by doctors. These nurses are available 24 hours a day.

6. Definition of extra care

6.1. Accommodation for older people has traditionally been limited to three options:

A. Remaining in the family home;
B. Moving into sheltered housing accommodation;
C. Moving into a residential care environment.

6.2. Extra care accommodation has evolved in recent years to respond to the growing need from older people for greater choice, quality and independence.

6.3. As the supply of extra care has expanded, so has the number of different models and designs, making it difficult to define this form of accommodation. However, the Department of Health (DoH) has identified three common features. These are as follows:

A. It is first and foremost a type of residential accommodation. It is a person's own home. It is not a care home or a hospital and this is reflected in the nature of its occupancy through ownership whether it be lease or tenancy.
B. It is accommodation that has been specifically designed, built or adapted to facilitate the care and support needs of its owners or tenants.
C. Access to care and support is available 24 hours per day.

6.4. Extra care schemes, providing 24-hour on-site care and support, fall within Class C2 ("residential institution") of The Town and Country Planning (Use Classes) Order 1987. This is because they provide both accommodation and care/support on a 24-hour/day basis.

Extra care models

6.5. Extra care (often used as a generic term) is frequently referred to as a concept rather than a type of accommodation and the term covers a range of different accommodation models.

6.6. Extra care housing is referred to by a number of different names, again depending upon whether the accommodation is operated by a provider/developer or social services. Current terms used include independent living, extra care, very sheltered housing, assisted living, category 2.5 accommodation and close care.

6.7. The accommodation options offered range from flats or housing to a small village model. The accommodation provided is available on a variety of tenures; shared ownership, long leasehold and rent (social and private).

6.8. Central to the philosophy of extra care is that it should provide a "home for life". The accommodation element of the scheme will not be registered by the CQC. The care required by the residents will be provided either by an in-house or external domiciliary care agency.

6.9. All of the above are common traits of all forms of extra care accommodation, but similar to current market trends, three specific forms have evolved, which are differentiated as follows:

- Extra care – a standalone development of elderly housing with on-site care not operated in conjunction with a care home;
- Close care – elderly persons' accommodation linked to a registered care home;
- Care village/CCRC (continuing care retirement community) – large schemes offering an extended range of services for older people; often providing a range of accommodation types and with many including a registered care home on the site (although this is not compulsory).

6.10. The proposed scheme is the third of these models, i.e. 'care village' or 'CCRC'. We have referred to the non-care home element of this scheme as the 'extra care element' of the proposed care village.

6.11. In addition to the above, within the wider definition of "housing with care" a form of older people's housing exists called "enhanced sheltered housing". This is in response to a number of hybrid schemes that have been developed over the years that seek to provide some form of on-site facilities/amenities and/or some form of additional support packages to scheme residents, but which does not meet the full definition of extra care housing.

Other forms of elderly housing

6.12. There are other forms of elderly housing accommodation that fall outside of this definition.

6.13. The vast majority of elderly housing across the UK is made up of traditional sheltered housing. This essentially comprises a flat/apartment, generally one- or sometimes two-bed units in older schemes, where there is limited care and support on site, other than a resident warden and a small communal lounge. The main providers of this accommodation are either housing associations/registered social landlords (RSL) or private developers, amongst the largest of which are McCarthy & Stone and Churchill Retirement Living. These forms of accommodation are not included within our analysis as they do not provide 24-hour on site care and are not comparable to the application scheme. McCarthy & Stone do, however, provide an assisted living type service, which is different to the aforementioned sheltered housing and is more akin to extra care as 24-hour care is available on site.

Typical extra care resident profile

6.14. There is a strong wish amongst elderly Britons to remain independent as long as possible. Extra care units appeal to this sentiment, given the style and design of the accommodation, and the creation of a valuable legal interest, i.e. sale on a long leasehold basis.

6.15. The decision to move into retirement housing is often strongly influenced by immediate relatives. The more confused the elderly person, the more this applies. Aspects such as accessibility and convenience for visiting relatives play a major role. Elderly people generally seek to move to care facilities either close to their own homes or close to relatives' homes. Sometimes, therefore, this may involve the resident moving away from his or her own area.

6.16. In operational extra care developments of which we are aware, the residents typically range in age between 70 and 90 years, with an average resident age of around 80 years.

6.17. Typically, single females occupy 65–70 per cent of units, married couples 20–25 per cent, and single males 10 per cent of the units.

6.18. The key issues leading people to move into extra care are health and care needs, often prompted by the death of a spouse or partner.

7. Elderly population trends

7.1. The elderly UK population is set to grow dramatically over the coming years, with the over-85-years age band, from which the bulk of care home referrals are drawn, set to increase by 40 per cent between 2011 and 2021, as illustrated in Figure 2 below. The rapid increase in numbers of 65- to 84-year-olds is likely to continue to drive demand for both non-residential care, such as extra care schemes and other accommodation options, as well as care home beds.

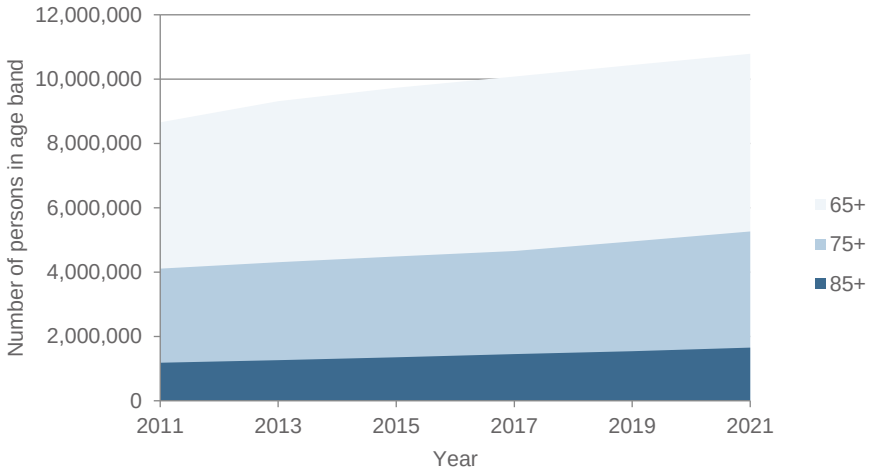


Figure 2: UK population growth, 2011–2021

Source: 2011 Census, government population projections.

7.2. LaingBuisson's *Care of Older People UK Market Report (28th edition)* states that the percentage of the UK population over the age of 85 is projected to multiply more than five times, from 1.6 million in 2017 (2.3 per cent of the population) to c. 7.4 million in 2086 (8.7 per cent of the population), while the 75- to 84-year-old segment will rise from 3.831 million in 2017 (5.8 per cent of the population) to 7.6 million in 2086 (8.7 per cent of the population).

7.3. The demand for care rises dramatically with age. Approximately 0.59 per cent of persons aged 65 to 74 live in a care home or in a long-stay hospital setting, rising to 14.80 per cent for the over-85s.

8. National provision

Care homes

8.1. LaingBuisson's *Care of Older People UK Market Report (28th Edition)* states that as of January 2017 there were approximately 465,100 registered nursing and personal care bedspaces for the elderly and physically disabled in the United Kingdom. There was a general reduction in capacity from the mid-1990s until approximately 2010, and since 2010 the reduction in overall capacity has ceased and capacity has remained broadly static or in marginal decline.

8.2. Capacity is actually down from a 1995 peak of 557,400, but evidence now indicates that a new phase of essential expansion is underway across the country, as the number of very old people at risk of entering a care home rises significantly.

8.3. According to the *A–Z Care Homes Guide 2018*, approximately 390,000 of these beds have en-suite provision, meaning that around 30 per cent of current registered bedspaces do not conform to the current market standard of providing a bedroom with en-suite facilities.

Extra care

8.4. Determining the size of the extra care market is dependent on the definition of 'extra care', which we discussed in detail in Section 6 of this report. According to LaingBuisson's Extra Care Housing UK Market Report 2010, there were approximately 25,000 to 35,000 units within England. In 2009, RSLs in England owned 27,000 units within the category 'Housing for older people', many of which could be considered extra care housing. There are an additional circa 7,000 extra care units owned by local authorities, whilst in 2010, the Elderly Accommodation Counsel identified a further 44,000 dwellings in England that met its loose definition of extra care.

8.5. Based upon the experience within the US and Australia, within which there is significantly more extra care/assisted living provision, if we extrapolate these levels of provision and apply it to the UK market, there is potential need for a further 600,000 extra care units between 2010 and 2020.

9. The growing need for dementia care

9.1. '*The term "dementia" describes a set of symptoms that include loss of memory, mood changes and problems with communication and reasoning. There are many types of dementia, the most common being Alzheimer's disease and vascular dementia. Dementia is progressive, which means the symptoms gradually get worse'* (source: Alzheimer's Society website).

9.2. Both personal care and nursing homes can provide care to persons suffering from dementia and/or Alzheimer's disease. Whilst the preference is always to try to maintain an individual's independence at home, this is not always possible, given the nature of the condition.

9.3. Nationally, there are a large number of mixed-registration homes caring for both elderly frail and dementia sufferers; this is acknowledged to be operationally challenging, as most homes lack the specialist design and layout to meet the complex needs of the service users' requirements.

9.4. As with the need for care in a residential setting, dementia prevalence increases rapidly with age. In the 65–74 years age group, dementia prevalence ranges between 1.3 and 2.9 per cent, but rises steeply to between 20.3 and 32.5 per cent for those aged 85 years and above. Thus, with more people living longer, the number of people with dementia is also increasing significantly. Already two-thirds of people living in elderly care homes have dementia; an issue that *the National Dementia Strategy 2009* stated had *'not been planned for'*.

9.5. The following statistics have been sourced directly from the Alzheimer's Society website, which provides useful background on the condition and its growing importance in the UK social and health care sector:

- There are currently 850,000 people with dementia in the UK, with numbers set to rise to over 1 million by 2025;
- 225,000 people will develop dementia this year, that's one every three minutes;
- One in six people over the age of 80 have dementia;
- More than 40,000 below 65 years of age and 25,000 from black, Asian and minority ethnic groups in the UK are affected;
- 60,000 deaths a year are directly attributable to dementia;
- Delaying the onset of dementia by 5 years would reduce deaths directly attributable to dementia by 30,000 a year;
- The financial cost of dementia to the UK was £23 billion in 2012;
- Unpaid carers supporting someone with dementia save the UK economy £11 billion a year;
- 70 per cent of people living in elderly care homes have a form of dementia;
- Two-thirds of people with dementia live in the community while one-third live in an elderly care home; 40 per cent of people with dementia receive a diagnosis.
- Dementia is one of the main causes of disability later in life, ahead of cancer, cardiovascular disease and stroke. As a country, we spend much less on dementia than on these other conditions.

9.6. A study published in the *Lancet* medical journal in July 2013 suggests there are at least 670,000 people living in the UK with dementia. This is down from 800,000–900,000 people in previous studies. The decline is attributed to a reduction in the prevalence of known risk factors, such as cardiovascular disease, as well as more people spending longer in education. However, the risk factors associated with the disease are still not fully understood and this figure could fluctuate over time, particularly given the increasing prevalence of obesity in the population. The Alzheimer's Society has produced a report (*Low expectations: Attitudes on choice, care and community for people with dementia in care homes*, February 2013) that sets out quantitative and qualitative research on dementia provision in the UK. The Alzheimer's Society recognises that for people with moderate and severe dementia needs an elderly care home placement may be the safest and most sustainable option available. Their report states that:

9.7. *'While there has been significant focus on delivering care to people in the community in recent years, care homes remain often the most appropriate place of care for many people with dementia, especially those with more advanced dementia'* (page 5).

9.8. It also goes on to state that:

9.9. *'There is significant evidence that the environment that people with dementia live in can have profound implications for their quality of life. Dementia can make it difficult for people to negotiate environments, potentially increasing the risk of accidents. Furthermore, many people with dementia are prone to walking about, and need environments which can enable this while remaining safe and secure'* (page 26).

9.10. *'The focus on new-build care homes should be on how environments can support good quality of life for residents, and existing good practice design guidance should be considered early on in building processes'* (page 29).

9.11. Whilst the document also considers other outcomes in a very positive light (including domiciliary care and other alternatives), the above illustrates that provision of residential care is an important part of the approach required to tackle the increasing demographic pressures and increased levels of acuity in care home placements.

10. Paying for care

10.1. According to LaingBuisson, as of March 2017, 56 per cent of care home residents were having their fees paid, in part or in full, by local authorities. Consequently, the resources that government makes available to local authorities to fund community care are very important to the care home sector, particularly in less affluent areas of the country.

10.2. According to LaingBuisson, as at March 2017, an estimated 44 per cent of older or physically disabled residents in care homes were self-payers, receiving no funding from the state across the whole of England. Currently if a prospective resident has assets of over £23,250 (for England and Wales), they will have to pay the full accommodation and personal care costs as a 'self-funded' service user. In many circumstances, an individual's own home is taken into account and the sale proceeds used to fund their ongoing care needs. In the more affluent counties of the South East, we have been advised by the commissioning teams that the proportion of private funders is closer to 80 per cent.

10.3. The remaining proportion of funding is driven from NHS or Continuing Healthcare referrals for high-acuity placements.

11. Key issues for the sector

11.1. The national requirement for the development of new elderly care home beds is growing. This is due to a number of factors, including:

- The increasing dependency level of service users;
- Increasing expectations from regulators and the marketplace;
- Many existing elderly care homes are converted, and unsuitable for use in their current configuration without physical adaptation of the property;
- Constantly changing population demographics leading to a much older and more dependent population;
- The significant and growing increase in the incidence of dementia in older people;
- Impact of older people on the NHS and wider healthcare policy as levels of dependency increase and the burden of this age group on NHS facilities increases. This is also linked to the impact of social care funding and responsibility for paying for social care over the coming decades;
- The increasing requirement for extra care and other alternative forms of housing accommodation as an alternative to residential care, where suitable for the needs of the residents;
- The Care Act;
- National Living Wage and its implications on staff retention and recruitment and sustainability of some current business models.

11.2. In response to these changing demographics, market-based and regulatory factors, the subject scheme will meet a wide variety of needs for the elderly population in the area.

THE PROPOSAL

12. Description of application proposal

12.1. The proposed care home is to comprise 64 beds and will provide 100 per cent single occupancy accommodation, with each bedroom equipped with an en-suite wetroom.

12.2. In addition, the care village will provide 125 extra care units (comprising 80 assisted living apartments and 45 care bungalows), designed for varying degrees of dependency of older people who need care. This is beneficial because as the level of acuity generally increases with age, individuals will be able to receive the amount of care they require, and in terms of the units, this care will be able to be administered easily within the person's own home.

12.3. It is anticipated that as a result of this development, significant full- and part-time jobs will be created across a range of job types, from higher grade management positions to care workers and ancillary staff.

12.4. Further details in respect of the proposal can be found in the planning statement accompanying the application.

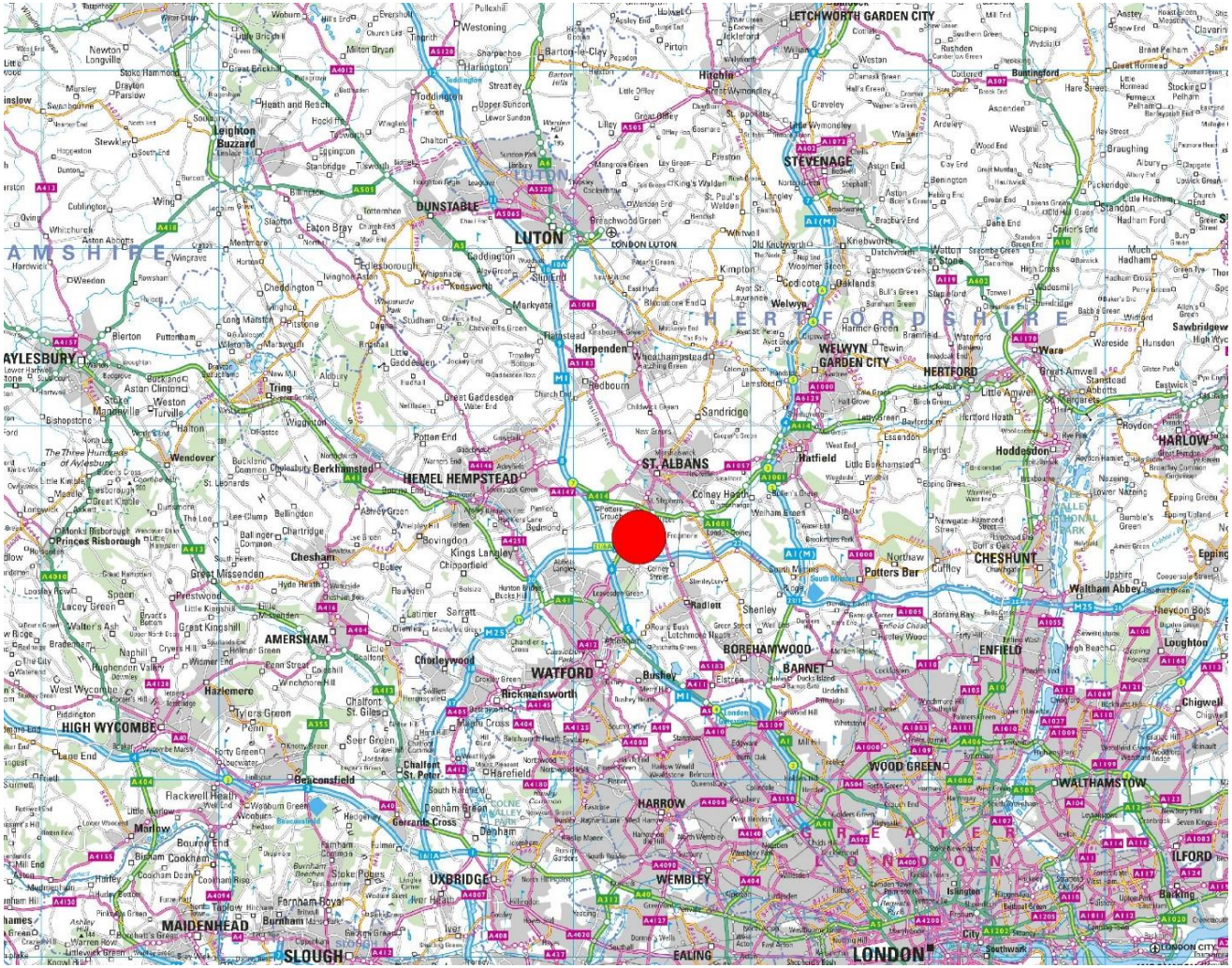


Figure 3: Location map of the subject site

13. The proposed care home - its position in the local market

Elderly care spectrum

13.1. To illustrate where we consider the subject scheme lies within the various models of care provided in the UK long-term elderly care market, we have compared the proposed scheme against other accommodation types in respect of care provided, cost of care, accommodation type and regulation. Table T6 below shows the range of options available within this 'spectrum of care'.

13.2. Increasingly, prospective service users are delaying their decision to move into residential care until later in life and sometimes the catalyst for a move is a fall or illness causing a short-term hospital stay. Due to the increasing needs placed upon the NHS and hospital beds, as well as the introduction of delayed discharge legislation, which imposes fines for 'blocked beds' upon local authorities, hospital stays are increasingly shorter and residential care at this higher level of dependency may be the only short-term option. Conversely, an increasing number of older people are choosing sheltered housing and extra care schemes as a middle ground between living in their own homes and full 24-hour residential care.

13.3. A substantial addition to the care provision element of the care spectrum below is informal/family care. An estimated six million people provide significant support to elderly relatives, neighbours and friends. This allows many thousands of people to remain in their own home, particularly when the support is alongside home care and/or day care. The effect is to delay the person's move into a care home, maybe even to the extent of by-passing care homes altogether and only moving, when dependency is very high, into a nursing home or hospital. However, the burden placed upon the spouse or primary carer can be phenomenally high and there is very little, if any, accommodation available across the UK to meet these needs. Thus, a range of care needs and a range of services co-exist, sometimes overlapping considerably.

The proposed care home

13.4. The proposed care community will be capable of providing care to residents of all dependency levels, including the capability of providing care to those with higher dependency levels who require nursing care or dementia care within a specialist service specifically designed to cater to their needs. Without this ability a number of very high-dependency residents, who would otherwise have to have an enforced hospital stay, could be accommodated on a continuing-care basis.

The proposed extra care units

13.5. The extra care units will cater to older people with lower dependency levels than the care beds, will be flexible and adaptable, with additional care and support required 24 hours a day. The units create an environment that allows people with care needs to maintain their independence for as long as possible.

T6: Elderly care spectrum

Accommodation	Standard housing	Sheltered housing	Extra care/independent living/assisted living	Care homes	Care homes with nursing	Hospitals
Care provided	Domiciliary care			Personal care	Nursing and medical care	
Cost of care	Low to medium and highly variable			Medium to high	High	Very high
Accommodation type	Standard housing	Specialist elderly housing		Residential setting		
CQC regulation	Regulated only if care provided			Highly regulated – all care and accommodation		
Proposed community		Needs met in the proposed extra care scheme		Needs met in the proposed care home		

14. Tangible benefits for the wider community

Benefits to the housing chain

14.1. The care village offers a unique combination of independence and security of lifestyle within a socially active and supportive community. Here, older people are able to continue to live in their own space, supported by a comprehensive and flexible network of personal care services and activities.

14.2. People moving into a care village will release large family homes back into the community, which is key to offering more options for families living locally.

14.3. A report ("The top of the ladder", prepared in September 2013) by Demos, the leading cross-party think tank, has considered the above issue in significant detail. We have reproduced some of the key issues and findings raised as part of this research below:

14.4. *'Retirement properties make up just 2 per cent of the UK housing stock, or 533,000 homes, with just over 100,000 to buy. One in four (25 per cent) over 60s would be interested in buying a retirement property – equating to 3.5 million people nationally.*

14.5. *More than half (58 per cent) of people over 60 were interested in moving. More than half (57 per cent) of those interested in moving wanted to downsize by at least one bedroom, rising to 76 per cent among older people currently occupying three-, four- and five-bedroom homes. These figures show that 33 per cent of over 60s want to downsize, which equates to 4.6 million over 60s nationally. More than four in five (83 per cent) of the over 60s living in England (so not Scotland, Wales or Northern Ireland) own their own homes, and 64 per cent own their home without a mortgage. This equates to £1.28 trillion in housing wealth, of which £1.23 trillion is unmortgaged. This is far more than the amount of savings this group has (£769 billion). Therefore the over 60s interested in downsizing specifically are sitting on £400 billion of housing wealth.*

14.6. *If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would release around £356 billion worth of (mainly family-sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes.*

14.7. *If those wanting to buy a retirement property were able to do so, this would release £307 billion worth of housing.*

14.8. *Combining New Policy Institute (NPI) analysis of current market chain effects of older people dying and moving each year with our own analysis of ELSA, we can estimate that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move, freeing up 3.29 million properties, including nearly 2 million three-bedroom homes.*

14.9. *If just half of those interested in downsizing more generally were able to do so, 4 million older people would be able to move, freeing up 3.5 million homes.'*

14.10. The report goes on to suggest a number of national policy recommendations to assist in overcoming these problems:

14.11. *'Giving retirement housing special planning status akin to affordable housing, given its clear and demonstrable social value.*

14.12. *Tackling S106 and community infrastructure levy (CIL) planning charges, which make many developments untenable and affect them disproportionately compared with general needs housing developments.*

14.13. *Quotas and incentives for reserving land for retirement housing, and linking this to joint strategic needs assessment and health and wellbeing strategies for local areas.'*

14.14. Whilst, to our knowledge, the above have yet to be implemented through any national or other local government policy, they serve to illustrate some of the hurdles faced by developers of retirement housing across the UK. The report's key conclusions are summed up in the following statement:

14.15. *'We conclude by reflecting on the fact that the housing needs of our rapidly ageing population (the number of over 85s will double by 2030) is the next big challenge this government faces. And yet the costs associated with overcoming this are far lower than those related to the effects of the ageing population on health or social care. The money is there already – locked up in over a trillion pounds' worth of assets across the country. Hundreds of millions of pounds could be released to stimulate the housing market if (low-cost) steps were taken to unlock the supply to meet the demand already there – let alone if demand were further stimulated. While there must always be a place for social housing and affordable tenancy for older people, the vast majority of older people can be helped into more appropriate owner-occupied housing without any direct delivery costs incurred by government or local authorities.'*

A social hub for older people

14.16. At a time when financial constraints are forcing some day care facilities to close, the central core or 'hub' will fulfil an increasing need for a welcoming community where older people living locally, who may well be lonely or bored, can enjoy a variety of pursuits and experience activity, friendship and a sense of belonging.

14.17. These facilities will be available for use by healthcare professionals delivering post-operative, rehabilitation and respite care to anyone within the local community needing such services, enabling local healthcare professionals, both NHS and private, to prescribe or advise attendance at falls prevention, stroke rehabilitation, assessment clinics, physiotherapy, long-term conditions management and the promotion of self-care, including expert patients' programmes, cognitive stimulation and pulmonary and cardiac rehabilitation programmes. GPs and other healthcare professionals will use the treatment room to provide surgeries and consultations both for residents and those living in the wider community

A new concept in care

14.18. Government and local policy is driving provision of care and support firmly away from traditional residential care home settings towards new alternatives where the individual can remain in their own home unless their care needs progress to very high levels of dependency. The vast majority of the proposed scheme is the provision of extra care accommodation that is fully in line with this strategy, providing care and support within an individual's own home.

14.19. However the proposed retirement village concept goes further and allows highly trained staff to offer unparalleled support to those with even the highest dependency needs in small friendly family groups, so that residents, secure in an environment where family involvement is actively promoted, feel encouraged to engage, participate and be independent where possible, and to benefit from quality care that directly responds to their needs when necessary.

14.20. Provision of domiciliary care and support to occupants of the extra care units can be provided in much smaller time segments than is possible to achieve in someone's own home in a traditional way. Often visits in traditional home care within a person's own home are limited to a minimum of 30 minutes or even an hour, which is very impractical to meet the needs of the person concerned if they require a more bespoke service. In the subject scheme, escorting duties and home visits can be offered in time intervals of as little as 15 minutes to offer a tailored approach to care provision and fully meet the social as well as care-driven needs of the residents across the care dependency spectrum.

The transport service

14.21. Residents will benefit from on-site transportation, and an on-site activities coordinator will also arrange trips to galleries, historic houses, exhibitions and places of interest.

15. Empirical research into benefits of a retirement village for its residents

15.1. The primary purpose of the recent literature on retirement villages has been to evaluate the success of existing schemes. While the volume of literature has gradually increased, to date there still remains only a handful of papers that document and evaluate primary research from UK schemes. We have extracted the text below verbatim from a report prepared by Tetlow King, published in 2011, which summarises the empirical evidence available in respect of the benefits of retirement villages to the individuals who are cared for within the developments.

Planning and Delivering Continuing Care Retirement Communities (Tetlow King 2011)

15.2. *'There are two recent large scale longitudinal studies of CCRCs, one by Bernard et al. (2004) of Berryhill Village operated by the ExtraCare Charitable Trust and the other by Croucher et al. (2003) of Hartrigg Oaks, operated by the Joseph Rowntree Housing Trust.*

15.3. *Both of these studies offer in depth accounts of living in retirement communities. More recently an evaluation of the first 10 years of Hartrigg Oaks has been produced by the residents and staff (JRF 2009). The other UK based studies cover smaller time frames (e.g. Evans and Means 2007) and so adopt different methods and sample sizes, ranging from around 15 participants to over 100. Another approach by Biggs et al. (2001) adopts a comparative analysis, comparing those within a CCRC to a sample from the wider community. This produces an effective analysis of life within a retirement community as it enables direct comparisons to be drawn. Across these evaluations a number of key themes can be identified.*

Safety and Security

15.4. *A number of sources refer to the sense of safety and security experienced by residents (e.g. Phillips et al. 2001, Baker 2002, Biggs et al. 2001). This is most often related to knowing that care staff are available on site day and night, and knowing that help is available across a range of domains, including home maintenance (Croucher 2006). It is also acknowledged that being in such a community reduces the risk of being a victim of crime or harassment.*

Health

15.5. *Within a CCRC, the onsite care provision ensures that all residents are fully cared for and supported. Hayes (2006) acknowledges that this provides residents with peace of mind from knowing that they can stay at home even if their care needs change. Throughout their comparative studies both Croucher (2006) and Biggs et al. (2001) found that the self-reported health status of residents within the village tended to remain much higher than those living outside.*

Impacts on the wider community

15.6. *There are also wider community benefits of such provision. These include much faster discharges from hospital as well as lower admission rates (Idle 2003). Some literature sources describe a negative impact on local GP surgeries with the influx of older people; however in evaluating such evidence, Croucher (2006) expresses that such concerns may be overstated. The benefits to families are also important in terms of relieving them of the pressure to provide care and in particular freeing up for the younger generation larger units of family housing (Phillips et al. 2001; JRF 2009).*

Social Inclusion

15.7. *The issue of social inclusion is commonly cited as an important reason for moving into such a community. Social inclusion is a key theme throughout government policy and it is widely recognised that older age groups with reduced mobility increasingly suffer from social exclusion (Battersby 2007; OCSI 2009). It is well documented that CCRCs offer opportunities for companionship and social interaction. This occurs both formally within organised clubs or activities and informally within communal areas (see for example Bernard et al. 2007; Croucher 2006; JRF 2009; Evans and Means 2007 and Phillips et al. 2001). Some authors report instances of conflict or marginalisation of those who don't fit in with the norm (Croucher et al. 2006; Phillips et al. 2001). In general however this is heavily outweighed by the volume of evidence documenting the mutual support that exists between residents, creating a true sense of place and community spirit.'*

The Joseph Rowntree Foundation

15.8. In addition to the above commentary, we have mirrored the Joseph Rowntree Foundation paper published in April 2006 called "Making the Case for Care Villages". Drawing on previously published studies and data from an on-going comparative evaluation of seven different housing with care schemes for older people they found that evidence shows very clearly that older people see care villages as a positive choice.

15.9. We have extracted a few examples of the research that underpins the key observations made on the benefits.

15.10. *'Care Villages also play an important role in promoting health and well-being. Increased opportunities for social interaction and engagement can reduce the experience of social isolation, with consequent benefits to health, well-being, and quality of life…'*

15.11. *'...Living in a purpose-built, barrier-free, efficiently heated environment removes many of the difficulties and dangers of living in inappropriate accommodation, in particular the risk of falls. Resident groups can be effectively targeted for health promotion initiatives..... On-site catering services can promote healthy eating, and cater for particular dietary requirements and ensure that everyone has the opportunity to have a hot, nutritious meal every day.'*

COMMISSIONING ENQUIRIES

16. Documentation review

16.1. We have evaluated the published documentation relating to commissioning strategies for older people within Hertfordshire County Council (HCC). We have provided extracts verbatim.

Market Position Statement for Older People's Services (2016)

16.2. *'We want to engage with new and existing housing and care providers to deliver high quality services for older people in Hertfordshire that are:*

Person centred and outcome focused.

- *Personalised services developed to meet the needs, wishes and views of older people and their families and carers;*
- *Developed and shaped together with service users and their families;*
- *Provides a variety of different support to meet different needs.*

Inclusive

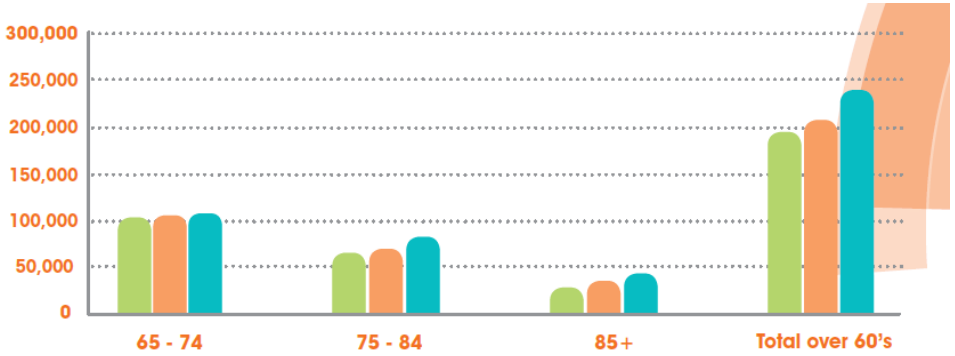
- *Works in an integrated way across the health and social care partnership.*

Well Led

- *Has a clear and joined-up strategy for what we want to achieve together;*
- *Uses data and intelligence on what works and what older people want and need;*
- *Promotes a diverse and sustainable market;*
- *Works together with service providers;*
- *Effective monitoring to deliver high quality, value for money services;*
- *Values the richness and variety of support that exists for older people, including through the public, voluntary and private sectors;*
- *Mitigate impacts of the increase of the National Living Wage 16 April 2016* (page 4).

Population profile and demand

16.3. *'It is estimated that there are currently 195,000 people over the age of 65 in Hertfordshire. It is projected that the elderly population in Hertfordshire will increase by 23% over the next 10 years to 240,000. The rate of increase in people over 85 is particularly pronounced as projections estimate an increase of 45% by 2025 (29,000 to 42,000)'* (page 13).



Source: 2012-based Subnational population projections (Office for National Statistics)

Figure 4: Hertfordshire older people population projection 2015–2025

16.4. The above indicates that the elderly population is set to grow significantly over the 2015 to 2025 period.

16.5. The table overleaf indicates that St Albans has the fifth largest 85+ years banding in Hertfordshire as at 2015, and this is set to increase over a 10-year period.

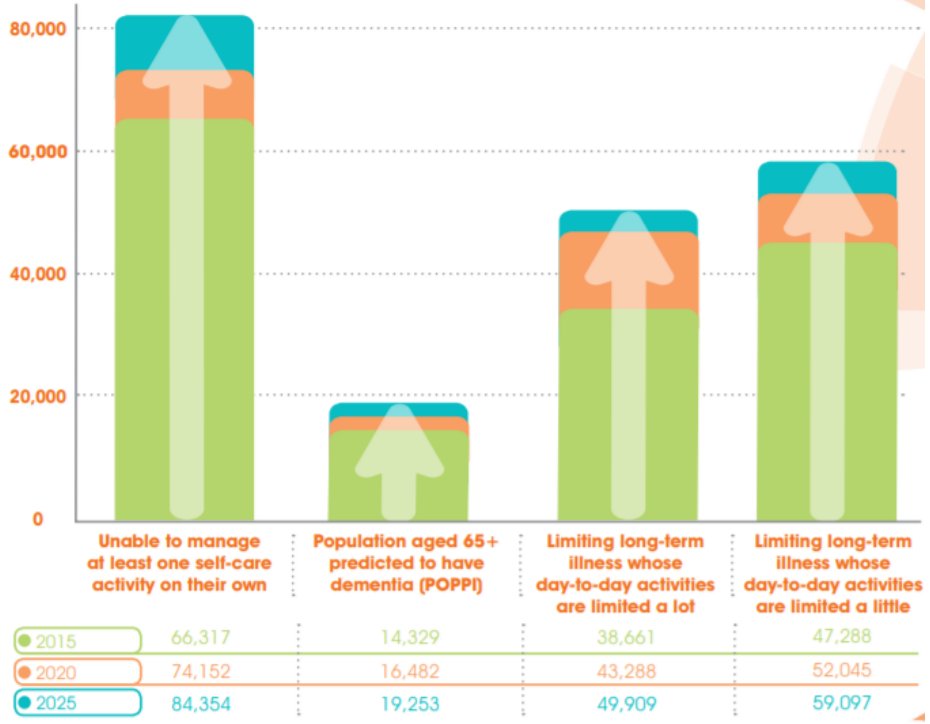
	age 60 -74		age 75 -84		85+	
	2011	2021	2011	2021	2011	2021
Broxbourne	13,400	14,600	5,500	6,400	1,800	2,900
Dacorum	19,800	23,400	8,200	9,100	3,400	4,600
East Herts	19,600	23,200	8,200	9,100	2,800	4,500
East and North CCG	75,400	88,200	32,000	35,900	12,700	18,700
Hertsmere	13,800	16,200	5,700	6,700	2,700	3,800
Herts Valleys CCG	75,100	86,000	30,600	35,000	13,200	19,000
North Herts	18,600	21,400	7,500	9,200	3,400	4,800
St Albans	18,900	20,600	7,600	8,600	3,200	4,200
Stevenage	10,200	12,500	4,400	4,700	1,600	2,100
Three Rivers	2,700	14,600	5,200	6,100	2,200	4,100
Watford	9,800	11,200	3,900	4,600	1,600	2,300
Welwyn & Hatfield	13,600	16,500	6,400	6,400	3,000	4,300
Hertfordshire	50,500	174,200	61,600	71,100	25,400	36,600

*based on population projections from POPPI.

Figure 5: Hertfordshire older people population projection 2015-2025

16.6. The key factors that may influence Health & Social care needs over the next 10 years can be identified from the chart below.

Table 7 Key factors that may influence potential changes in demand for health and social care in people age 65+ living in Hertfordshire



Nursing homes

16.7. *'There is a current shortage of capacity (particularly nursing dementia/older people with complex mental health issues) that is available for health and social care funded placements. We predict a significant gap in supply of nursing beds between 2016 and 2020, with supply for people with dementia/complex mental health issues experiencing the greatest shortage. The capacity issue partly relates to bed numbers, but also relates to affordability of beds that can be accessed. We need to improve access to existing capacity, for example by commissioning services that can make admissions on weekends. To meet this challenge HCC, both CCGs and Hertfordshire Partnership Foundation Trust (HPFT) are committed to working with the market to explore new models of care. Specifically, we intend to pilot a new*

model of care in partnership with interested providers, for each CCG area during 2016/17' (page 24).

Dementia

16.8. *Hertfordshire County Council, East and North Hertfordshire Clinical Commissioning Group and Herts Valleys Clinical Commissioning Group are delivering a joint Dementia Strategy. The Strategy explains our joint approach to ensuring that people with dementia and their carers are able to live well in Hertfordshire.*

16.9. *A pilot project to provide four specialist Carers' health and care practitioners to carers of people with dementia was started around a year ago, funded by both CCGs, with a target of 100 carers per worker. The project is due to be evaluated this year, as qualified nurses were recruited, in order to understand the impact of support provided by medical professionals.*

16.10. *Future Commissioning Intentions - Supporting people with dementia in the community is a key strand of our dementia strategy and involves two large tenders this year for community based services and one to one non-clinical support that wraps around the Early Memory Diagnosis And Support Service (EMDASS) pathway. Both of these services currently exist and provide people with dementia and their carers with the information and support they need to stay living independently, as well as a range of activities that they can access locally. However, the recommissioning of them, with an increased budget, will enable more effective coverage across the whole of Hertfordshire. Recommissioning these services will support the development of links to organisations such as Hertshelp; which will enable a more strategic approach in responding to the needs of isolated individuals; and to the future development of the services.*

16.11. *In addition to this increased investment in community based services we continue to support the promotion of Dementia Friendly communities including a small grants process for voluntary and community based organisations to make a positive difference to people with dementia and their carers at a very local level* (page 31).

Flexicare

16.12. *Flexicare housing is the Hertfordshire model of Extra Care housing. It offers Service Users the privacy of their own flat with access to on-site care provision. It aims to provide more support than sheltered housing and more independence than residential care. There are 23 Flexicare schemes in Hertfordshire that range from small (10 bed) to large (108 bed) and include purpose built schemes and converted sheltered housing.*

Future Commissioning Intentions

16.13. *Health and Community Services wants to help enable and develop a range of new flexicare housing options that are based on the most recent research and best practice guidance and that can meet the future housing and care needs of older people in Hertfordshire, including people with dementia, disabilities and mental health needs.*

16.14. Carterwood note: Hertfordshire County Council set out within their Market Position Statement that the '*Housing Learning and Improvement Network's guidance for developing a housing strategy for accommodation with care for older people set an aspirational target of 25 units of extra care (flexicare) per 1,000 people aged over 75.'*

On this basis the Council has calculated that the growth required in the St Albans District (from current capacity of 73 in the 2016 report) is from 149 to 250 units between 2015 and 2030.

Integrated Accommodation Commissioning – Ten Year Supported Accommodation Strategy 2017-2027

16.15. *This ambitious strategy outlines our intention to develop more supported accommodation for the people of Hertfordshire. 'Supported accommodation' means any scheme where accommodation is combined with a support and/or social care service, provided with the purpose of enabling a person to live as independently as possible. This could range from nursing and residential care homes through to supported living schemes, Flexicare Housing or short-term accommodation to help people back to independence (page 3).*

16.16. *By 2027 we want all people that need supported accommodation to have a choice of high quality housing. Hertfordshire County Council is looking for partners who want to help deliver this. This strategy sets out the way that the County Council will work with new and existing partners to develop both large scale supported accommodation schemes and local initiatives that will benefit smaller communities. This strategy compliments and develops upon the strategic intentions set out in Hertfordshire's Market Position Statements (page 3).*

16.17. *We know the population is ageing, that disabled people's life expectancy is increasing and that people's expectations of independent living are higher. The demographic pressures in Hertfordshire, like the rent of the country, are set to create challenges for local authorities both financially and with regard to increasing numbers in the care workforce to meet people's needs in the future. Projected demographics will create a surge in demand for support services for older people*

(specifically within the 85+ age range, which will more than double in the next 10 years). (page 7)

16.18. *By 2025, if we continue to commission services for people as we have in the past in line with demography, we would expect to see the following growth in social care funded services across Hertfordshire:*

Care group	Predicted growth to meet demand by 2025
Older people	1,200 additional nursing beds
	1,500 additional residential beds
	1,200 additional Flexicare Housing places
Learning disability	700 additional supported living places
Physical disability	175 additional supported living places

16.19. *This strategy proposes a fundamental change to our current service models. People say they want to see more accommodation that supports them to live independently but connected to their local communities. The following table shows the alternative commissioning intention from Hertfordshire County Council to achieve that ambition (page 7):*

Care group	Predicted net growth to meet demand by 2025
Older people	1,000 additional nursing beds
	600 additional residential beds
	1,500 additional flexi care units
	50 short-stay 'step up/down' beds
	700 more older people supported in their own homes
Learning disability	500 additional supported living places
	20 transitional places for people learning life skills
	200 more people supported in their own homes
Physical disability	75 additional supported living places
	100 more people supported in their own homes
Mental health	17 additional transitional places for people in recovery
	100 more people supported in their own homes

16.20. *It is our intention to change the proportion of the current long-term models of care being delivered to help more people stay in their own home – and to develop new short-term models of care to manage Hertfordshire's future demand for supported accommodation. To meet demand by 2025, we would like to stimulate the market to deliver:*

PEOPLE AGED 65+	HCC's Future intentions
Residential care homes	Slowing growth in residential care home beds and actively reducing long stay placements in residential care. Place a greater focus on supporting older people with dementia in the remaining places.
	Greater investment in short stay, rehabilitation, 'step down' and assessment bedded services to enable people to return home from hospital
	Reduction in overall commissions from HCC.
Nursing care homes	Growth and increased investment across all services within nursing sector.
	Accelerated growth in nursing dementia care
	Integrated nursing services across the NHS, social care, continuing health care and high needs dementia.
Flexicare Housing	Growth in local communities with greater flexibility of care to support a wide range of care needs
	More Flexicare accommodation for people and couples living with dementia

16.21. *Hertfordshire County Council currently commissions 49% of the residential care market and 23% of the nursing market. 16% of the nursing market is commissioned by the NHS for continuing health care. A small number of beds are purchased by*

other councils; we plan to survey care homes during 2017/18 to quantify this. The remainder of beds are bought by people who self-fund, including people moving out of London and surrounding counties into care homes in Hertfordshire.

16.22. *It is our intention to reduce Hertfordshire County Council spend on long term residential care placements by approximately £5m over the next five years (9% of current council spend); approximately £1.5m-£2m will be re-invested to deliver short-stay type residential services to allow people to leave hospital and regain their confidence before returning home. Flexible contracts will be put in place with care home providers to secure capacity, provide market stability, take into account individual service pressures such as private and social funding ratios and incentivise service quality and performance.*

16.23. *Significant pressure in the nursing care home market will be resolved, in the first instance, by investing at least £3m over the course of 2017/2018 and 2018/2019 to provide additional nursing beds over and above existing capacity, to support hospital discharges. If the market is unable to respond the County Council will explore options for developing its own homes in those areas where additional market competition will have the greatest impact.*

16.24. *Flexicare Housing accommodation models for older people will be developed further and more housing will be commissioned. Additional investment into that accommodation will result from a review of services that is currently underway in spring 2017. The new model of Flexicare Housing will be aligned to changes in the residential and nursing markets. (page 9)*

Communities and Local Government (CLG) Committee – housing for older people

16.25. In addition to the above local commissioning documentation, the government is seeking to review the housing supply for older people, and we have provided verbatim wording from the UK Parliament website:

16.26. *'The Communities and Local Government (CLG) Committee has launched an inquiry into whether the housing on offer in England for older people is sufficiently available and suitable for their needs. The inquiry follows research which indicates pensioners are caught in oversized properties worth £820bn. The inquiry is launched to a backdrop of significant housing shortages, rising numbers of older people, pressures on adult social care and with just 2% of the country's housing stock designed with pensioners in mind'.*

16.27. *Clive Betts MP, Chair of the Committee, quoted:*

'Many pensioners may be interested in downsizing, but many are restricted from doing so by a lack of suitable options. As a Committee we want to examine what Government and local authorities can do to help expand housing supply for older people and ensure pensioners can live independent and fulfilling lives. Given the rising number of older people in England, there appears to be a glaring hole both in the housing market and in the way that authorities plan for the housing needs of older people. Getting this right could help to ease the housing shortage and improve well-being and reduce isolation for older people'

16.28. *'Government efforts to boost home building and home ownership focus on first time buyers and younger generations. However, some argue that boosting the delivery of specialist retirement housing would free up homes currently under-occupied by older people. Official data show that 8.1m properties, or 35pc of all homes in the country, are "under-occupied", which is defined as having at least two spare bedrooms.*

16.29. *'The Legal & General and Centre for Economic and Business Research study, published in June 2015, claimed that if all of the 3.3m over-55s who are looking to downsize could find suitable homes, the shift would unlock 18pc of the country's property market, worth £820bn. Households headed by someone aged 65 or over are projected to increase by 155,000 per year, about three quarters (74 per cent) of total household growth up to 2039'.*

Conclusions

16.30. The council's strategy is in line with the majority of councils' commissioning strategies across the country in that it is seeking to reduce the amount of residential care it commissions and increase community-based services, with older people living in their homes for as long as possible. However, the documentation clearly identifies a number of key demand drivers for new care home bedspaces, as the demographic pressures of an aging population become manifest over the coming decade. The strategy also states that there is a current shortage of capacity, particularly dementia, which is something all beds within the proposed scheme will be able to offer in the localised and wider markets.

16.31. The subject scheme will seek to address this by providing a care home and extra care units. It will also increase the quality of accommodation in the area by providing a fully compliant modern care home equipped with wetroom facilities.

16.32. In addition, the proposed care village will seek to address national concerns over the lack of specialist housing for older people.

16.33. Castleoak have made enquiries of Hertfordshire County Council Care Commissioning with regard to the proposed care village scheme and have had an initial conversation with Mr Kulbir Lalli, Head of Accommodation Commissioning (26 April 2018). The following points were made by Mr Lalli:

- The County and District Councils approached such proposals in a way which seeks to complement their respective adult services and housing policy objectives and are supportive of proposals which assist the wider health and social care system.
- The County Council favours older peoples' accommodation which promotes independence. The "right model" can create actual communities rather than more institutionalised care settings, where choice is often lacking.
- They like to encourage local people to downsize, into a mixture of tenures.
- The Ten Year Supported Accommodation Strategy 2017-2027, sets out how the County Council approaches the growing demand for residential and nursing care.
- Local Accommodation Boards have been established at district level to implement the strategy, and they work closely with the County Council.
- They like developments to be viable catering for a mixed market, and there is significant pressure for affordable accommodation. Delayed discharges from hospital are a significant issue and the subject site is equidistant from Luton and Dunstable Hospital and Watford General Hospital.

16.34. Castleoak's approach is to engage with key stakeholders at an early stage, which is exactly why they approached the Head of Accommodation Commissioning. Castleoak will continue to keep Hertfordshire Care Commissioning informed throughout the process.

16.35. Carterwood have contacted Kristian Tizzard, Deputy Head of Service, Integrated Accommodation Commissioning Team (4 May 2018) whose team are working on the development of residential/nursing and extra care housing in the St Albans area. Mr Tizzard advised that he and his colleague, Tarn Gascoyne are keen to discuss the proposals for the care village and we await confirmation of a suitable time for a conversation/meeting.

NEED ASSESSMENT FOR PROPOSED CARE HOME

17. Methodology for assessing need for general elderly care beds

17.1. Our methodology for the demand and supply analysis of the council local authority area is provided below.

17.2. The current and future demand for elderly care is influenced by a host of factors. These not only include the balance between demand and supply in any given area, but can also be influenced by social, political, regulatory and financial issues.

17.3. In our opinion, taking all factors into account, the most appropriate means of assessing whether a particular area or proposed development has sufficient demand to warrant additional beds seeks to measure the difference between demand for elderly care home beds and the current and future supply. Below we provide a fuller explanation of the process used when assessing the general elderly population.

Demand

17.4. We assess demand based upon Census population statistics and have applied elderly population growth rates to determine the current and future demand for beds.

17.5. We have adopted LaingBuisson's measure of 'Age Standardised Demand' (ASD). ASD is a tool used to predict the risk of an elderly person being in a residential setting at a given age.

17.6. The methodology involves taking population statistics by age (65–74, 75–84 and 85+ years) and applying standard UK patterns of care home admission. It must be understood that ASD is therefore a function of population; it is not a direct measure of demand for care services and is only an indicator of them. It is, however, the industry-recognised approach to determining demand for care in a residential setting.

Current supply

17.7. We assess supply by calculating the number of market standard elderly care home beds currently registered within the assessed area.

17.8. We have also provided a detailed analysis of the existing competing care provision. We have analysed the quality of accommodation, total number of bedspaces and market distribution between private operators, groups, local authority and voluntary operators.

17.9. In the event of any anomaly in our subscribed data source, A–Z Care Homes Guide 2018, we have cross-referenced against the CQC website and, where necessary, we have reviewed the home's/operator's website or telephoned the home directly to confirm the query.

17.10. In our assessment, we include both personal care and nursing homes, as there is no industry-recognised measure of assessing the need for solely nursing care or solely personal care as yet.

Planned supply

17.11. We assess planned supply by conducting a review of all new care home beds that have been granted planning permission within the catchment area. From our data sources, Barbour ABI ("ABI") and Estates Gazette Interactive ("EGi"), we have reviewed all planning applications for new care beds (both new build and extensions) that have been granted, refused, withdrawn or are pending decision. This has been cross-referenced against the online planning website for the relevant local authority, and where an anomaly exists, we have contacted the planning officer if required.

17.12. We have made enquiries with the relevant local authority and used our own data information sources and market knowledge to determine the number of planned beds, either with planning permission or under construction. Additional bedspaces in the area are of key importance as they are likely to be of a high standard and provide significant competition to the proposed home once completed and trading.

17.13. We have searched for planning applications submitted over the past 3 years. Where an application has been refused or withdrawn we have entered the postcode into the local authority's online planning facility to identify if a subsequent application or appeal application has been submitted. We would note that the planning registers that we subscribe to are not definitive and may exclude some applications as they rely upon each local authority for provision of the information.

17.14. A significant proportion of planned care beds are never implemented, however, we include all planned bedspaces regardless of their deliverability. It should be noted that beds granted permission, but not yet under construction, have potential for alternative residential C3 schemes to take their place.

17.15. We then differentiate the planned schemes depending on whether construction has commenced or not.

Estimating shortfall of elderly care home beds

17.16. We combine the results of our demand analysis with our assessment of the existing supply and planned provision to provide two measures of the demand and supply position within the catchment. The first includes all beds granted planning permission, regardless of whether construction has commenced, and the second includes only planned beds upon which construction has commenced.

17.17. The second measure thus provides a more accurate reflection of the current demand and supply position within the catchment area. The first measure assumes all planned beds are developed and operational regardless of the construction status or long-term deliverability, thereby assuming as high a supply figure as possible.

17.18. We consider that this methodology is a logical, industry-recognised means of establishing if there is demand for additional elderly care home beds in any given area.

17.19. Going forward, it is harder to predict future industry trends and there are other factors that may influence the longer term demand for care services, which include:

- Political and regulatory change;
- Funding constraints;
- Increase in adaptive technology and "telecare" prolonging the ability for people to remain in their own homes;
- Medical advancement.

17.20. We have provided an indication of the estimated balance of provision as at the year 2019.

18. Market standard beds

18.1. In calculating the current supply of beds, we have assessed the total provision of market standard beds. We have defined market standard beds as the total number of bedrooms operated by each home that provide en-suite facilities. An en-suite is defined as providing a WC and wash hand basin, and does not necessarily provide shower/bathing facilities.

18.2. We have not assessed the shortfall of bedspaces based upon the total registered capacity. A care home's total registered capacity is often greater, as it includes the maximum number of bedspaces that the care home is registered to provide by the sector's regulator, the Care Quality Commission (CQC). This registered provision will therefore include:

- Market standard bedrooms;
- Under-sized bedrooms;
- Homes with internal or external stepped access, which therefore limit the level of physical acuity that a resident must have in order to occupy the room;
- Bedrooms accessed via narrow corridors, making them unsuitable for persons confined to a wheelchair;
- Bedrooms accessed without a shaft lift, which is a significant challenge in the provision of any care, but particularly when providing high dependency nursing care;
- Bedrooms of an inappropriate size and shape that prevent two care assistants from being able to assist a person into and out of their own bed;
- Historic shared occupancy rooms that are now only 'marketable' as single occupancy bedrooms, as market expectations and commissioning standards rise;
- Bedrooms that lack en-suite facilities, which for the last 20+ years have been actively encouraged wherever possible in new developments by the government's regulator, as well as by the market. Both are trying to drive increased quality and meet basic expectations that current referrals and their next of kin see as mandatory.

18.3. We are aware of some other local authorities previously arguing that, as the CQC continues to register existing care homes that do not comply with the definition of a market standard, the total registered capacity should be the appropriate basis of assessment of market supply.

18.4. However, this argument fails to take account of the rising levels of acuity and dependency levels of referrals into residential care. The profile of care home occupants has changed markedly over the past 5 to 10 years, and failure to

address the shortcomings in the existing standard of care home supply will mean inadequate accommodation for those most at need over the coming years, as the well-publicised rapidly ageing population starts to take effect.

18.5. In our opinion, it is the local authority and not the government's regulator that holds the ability to influence developments and drive environmental quality forward. In this respect, Carterwood has been involved in several successful planning applications and has submitted needs arguments using an identical methodology to that prepared as part of these submissions, where the need case has been accepted by the relevant local authority. Recent examples are:

- Land at Parklands, Bittams Lane, Chertsey, Surrey, KT16 9RG (planning reference: RU.14/0085): Development to provide a two-and-a-half-storey building for use as a 70-bed care home and a three-and-a-half-storey building for use as 50 extra care apartments (revised description 22/01/14);
- Land west of Banbury Road, Adderbury, Oxfordshire, OX17 3PL (planning reference: 13/01672/HYBRID): Phase 1: Construction of a 60-bed elderly nursing home. Phase 2: Construction of extra care facility of up to 3,450 sq. m. (GIA);
- Old Silhillians Association Ltd, Warwick Road, Knowle, Solihull, B93 9LW (planning reference: 2013/867): Development of a 60-bedroom care home with car parking/servicing area and landscaped grounds;
- 50–54 West Street, Reigate, RH2 9DB (planning reference: 13/01592/F): Development of a registered residential care home for the frail elderly, following demolition of three existing dwellings;
- The Old Bell House, Sunninghill, SL5 9JH (planning application reference: 13/01207): Development of a registered residential care home for the frail elderly, following demolition of four existing dwellings;
- Princess Alexandra House, Stanmore, HA7 3JE (planning application reference: P/4071/14): Development of a new retirement community to replace an existing care home not meeting market standards.
- Grays Farm Production Village, Grays Farm Road, Orpington, BR5 3AD (planning reference: 14/00809/FULL1): Demolition of the existing buildings and redevelopment to provide a 75-bed care home with landscaping and associated car parking.
- The Old Bell House, Sunninghill, SL5 9JH (planning application reference: 13/01207): Development of a registered residential care home for the frail elderly, following demolition of four existing dwellings;
- Brethrens Meeting Room, West Street, Farnham, GU9 7AP (planning reference: WA/2015/0641): Erection of a care home with nursing (Class C2) with related access, servicing, parking and landscaping following demolition of existing place of worship (as amended by plans and documents received 02/07/2015 and 16/07/2015 and as amplified by additional information received 08/05/2015);
- Farthings, Randalls Road, Leatherhead, KT22 0AA (planning reference: MO/2016/0594): The erection of 62-bed care home, 35 assisted living units, 26 family houses and 17 affordable dwellings, together with access, parking, public open space including a Locally Equipped Area of Play (LEAP) and landscaping following the demolition of Farthings.
- Former Preston Cross Hotel, Rectory Lane, Little Bookham, Surrey, KT23 4DY (planning reference: MO/2014/0918): Erection of a 70-bedroom elderly nursing home including three close care units, with the erection of a new single-storey outbuilding to provide a further close care unit, with creation of associated access, circulation, parking and landscape, including new footpath and boundary treatment, following the demolition of all buildings with the exception of the façade, retention of the original house on three sides, and flint outbuilding for conversion to an additional close care unit.
- Grove Place Village, Grove Place, Upton Lane, Nursling, Southampton, SO16 0XY (planning reference: 14/01899/FULLS): Erection of two-storey 54-bed care home to provide specialist nursing and dementia care facilities, with ancillary cycle store, servicing, amenity space and landscaping, including woodland management and tree planting, provision of 28 car parking spaces plus relocation of four existing car parking spaces; construction of access drive from Upton Lane.
- Plot B of Plot 1, Andover Business Park, Hawker Siddeley Way, Andover, SP11 8BF (planning reference: 14/01649/FULL): Erection of three-storey 66-bedroomed care home for older people, with associated car parking and landscaping, bin store, garden store/electric meter storage and cycle shelter.
- Tara's Retreat Care Home, High Street Sandridge, St Albans, AL4 9DQ (planning reference: 5/2017/2780): 14 pitched roof dormer windows to create an additional nine en-suite bedrooms and ancillary facilities for existing Tara's Retreat Care Home.

18.6. In each instance, and in particular the St Albans City and District Council area for the latter example, the Adult Social Care Team accepted that whilst the total registered capacity was greater than the number of market standard bedspaces, the issue of quality, design and type of bedspace could not be ignored, and the premise of assessing bedspaces on a market standard basis was accepted by each respective council.

18.7. We are also aware of a number of other recent appeal cases with a similar result, where we were not acting for the appellant, and further details of these decisions can be obtained upon request.

18.8. We have adopted market standard beds due to the rising expectations of quality required by service users as well as previous regulatory requirements to provide en-suite facilities and best practice. We consider that, going forward, homes that do not provide adequate en-suite facilities will fast become obsolete.

18.9. This method of assessing supply, utilising market standard beds, is accepted market practice by all of the operators we currently undertake feasibility work for when considering the development of new facilities. We have prepared over 800 site feasibility/need assessments over the past 3 years, all of which adopt the market standard bed approach.

18.10. All new care homes provide en-suite facilities, and many provide larger en-suite wet/shower rooms to enable the service user to be bathed without the need for larger communal bathrooms, and therefore all new beds are classified as market standard. It should be noted that the quality of en-suite provision in existing homes may vary significantly, from large wetroom facilities to small converted cupboards with a WC and wash hand basin. There are also other factors that influence what determines a market standard bedroom, including room size, layout and configuration, as well as a host of factors not related to the physical environment, most importantly the quality of care being provided to service users. However, with the information available, and without making qualitative judgements as to the calibre of any home, we consider it the most appropriate measure of elderly care home provision available.

18.11. The type of en-suite within the proposed community will be market leading in both its quality and size, with each unit equipped with a very large wetroom, and superior to the vast majority of existing and planned en-suites.

19. Care home basis of assessment

19.1. We have undertaken our detailed assessment of the demand and supply position of the proposed care home based upon the St Albans City and District Council local authority area, as edged dark blue in the figure opposite.

19.2. All care homes will inevitably draw service users in some instances from substantially further than a typical catchment. If the family is the key decision maker in the placement decision, then sometimes the service user may move significant distances, which can distort catchment area analysis. Conversely, if the local authority is the key decision maker, then the service user's choice can be highly constrained to vacant beds in a small number of local more affordable homes.

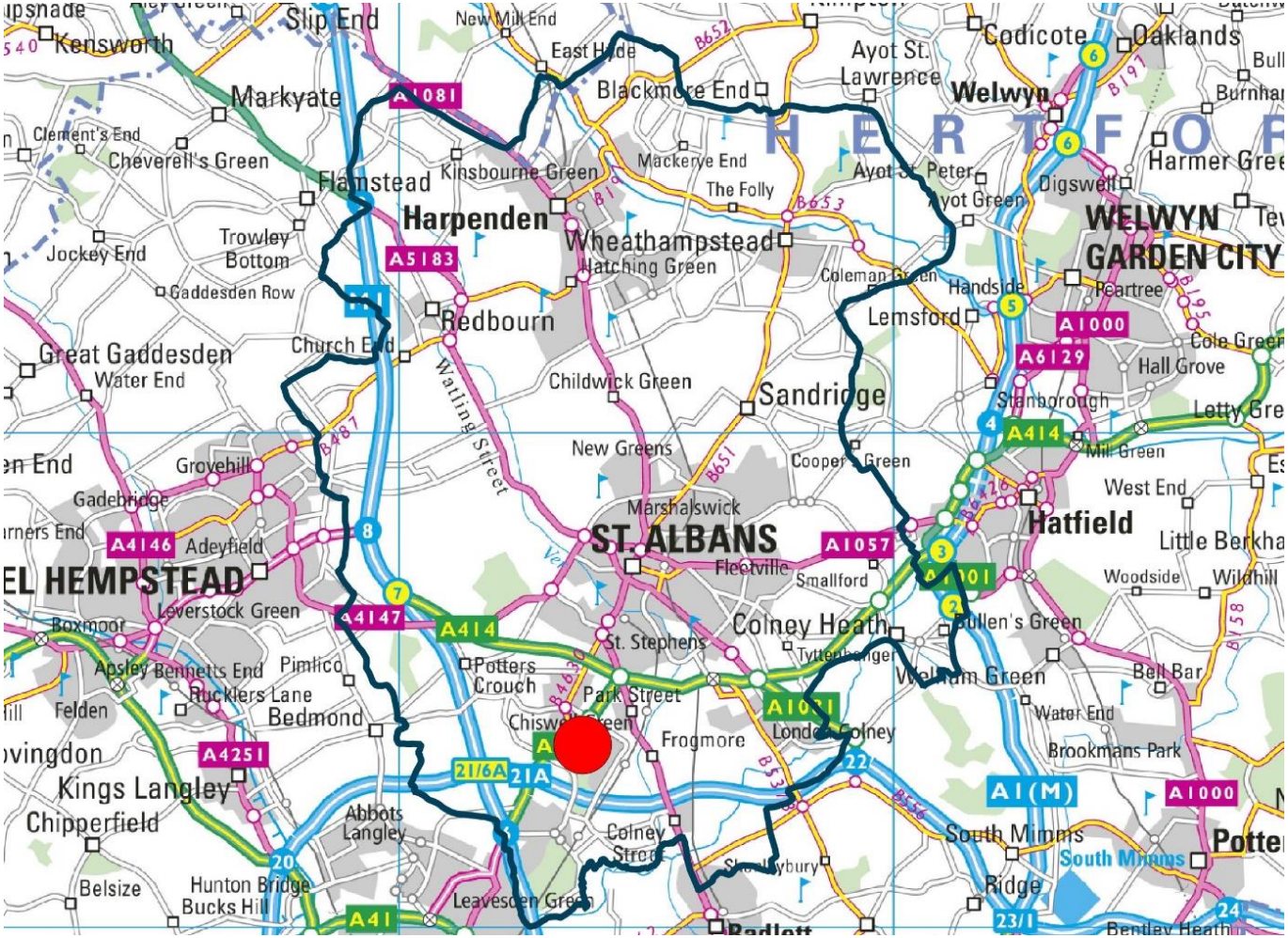


Figure 6: Catchment area

The red spot shows the approximate location of the subject site. The boundary of St Albans City and District Council is edged dark blue.

20. Demographics

20.1. We have assessed need based upon Census 2011 population statistics and have extrapolated expected elderly population growth rates for St Albans City and District Council Local Authority area (the local authority in which the home is located) to determine current and future need for care home beds.

20.2. The total projected population for the local authority area as at 2019 is 152,400.

20.3. The graph opposite shows the growth of the population over the coming years to 2031 within the local authority area, which indicates that the 85+ years cohort is 8 per cent higher than the respective national average.

20.4. Table T7: shows the number of persons that are at risk of requiring care in a residential setting by year. Our assessment of need for residential care, as at 2019, is 1,015 bedspaces within the council area.

20.5. This calculation is based upon LaingBuisson's Age Standardised Demand rates for determining the risk of entering a residential care establishment. The current percentages adopted by age band are as follows:

- 65–74 years – 0.59 per cent;
- 75–84 years – 3.80 per cent;
- 85+ years – 14.80 per cent.

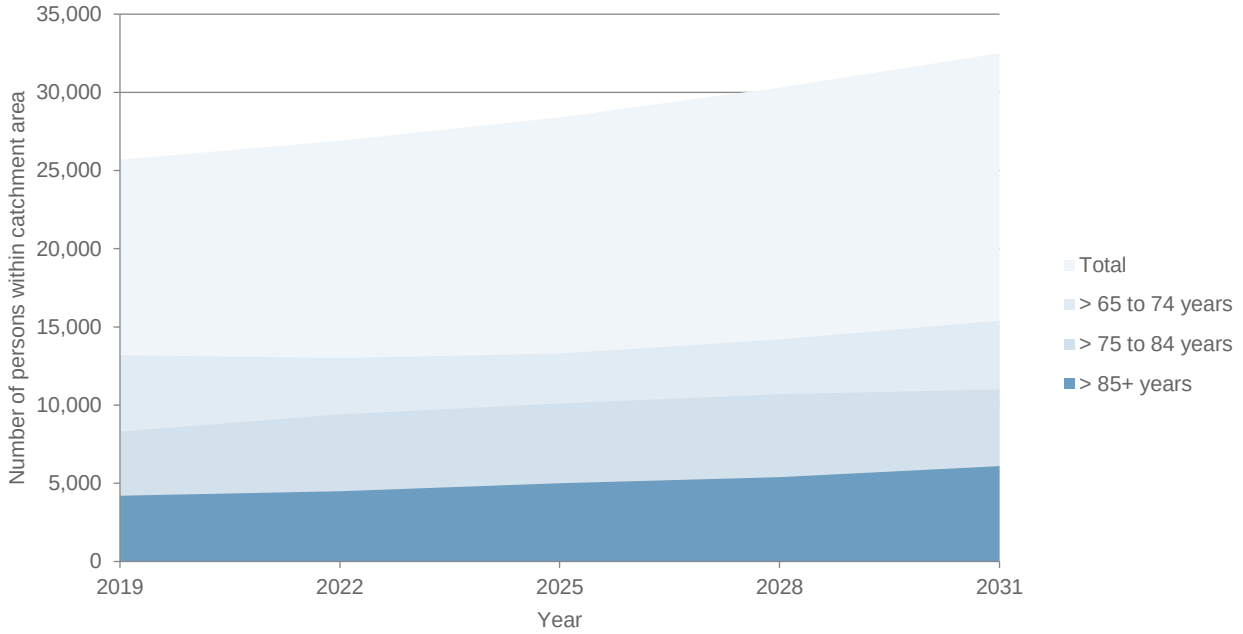


Figure 7: Population of older people by age band within the local authority area

T7: Key demographic indicators (2019)	
Persons	St Albans City and District Council
Population indicators	
Total population	152,400
Total population aged 75 and above	12,500
Percentage of persons aged 75 years and above (%)	8.2
Need	
Predicted need for residential care beds	1,015

Source: Census 2011, ONS Population Projections.

21. Supply of existing care homes

21.1. The tables opposite illustrate the quantity and quality of existing care home provision within the council area.

21.2. There are 19 care homes, providing 906 registered bedspaces, 814 of which are equipped with an en-suite. This equates to 90 per cent of registered bedspaces meeting the criteria of 'market standard', which is above the national average of 70 per cent.

21.3. Although a large majority of bedspaces are equipped with an en-suite within the area, for both personal care and nursing care, most are likely to be WC and wash hand basin only, with few offering bedrooms with en-suite wetrooms of the same size and specification as that proposed by the subject scheme.

21.4. The majority of the provision is located in excess of 1.5 miles of the subject site, as illustrated Figure 8 opposite.

T8: Nursing and personal care provision – St Albans City and District Council

Care category	Number of homes	Registered beds	Market standard beds	Percentage of market standard beds (%)
Personal care	12	558	521	93
Nursing care	7	348	293	84
Overall	19	906	814	90

Source: A–Z Care Homes Guide 2018, CQC, Operator websites.

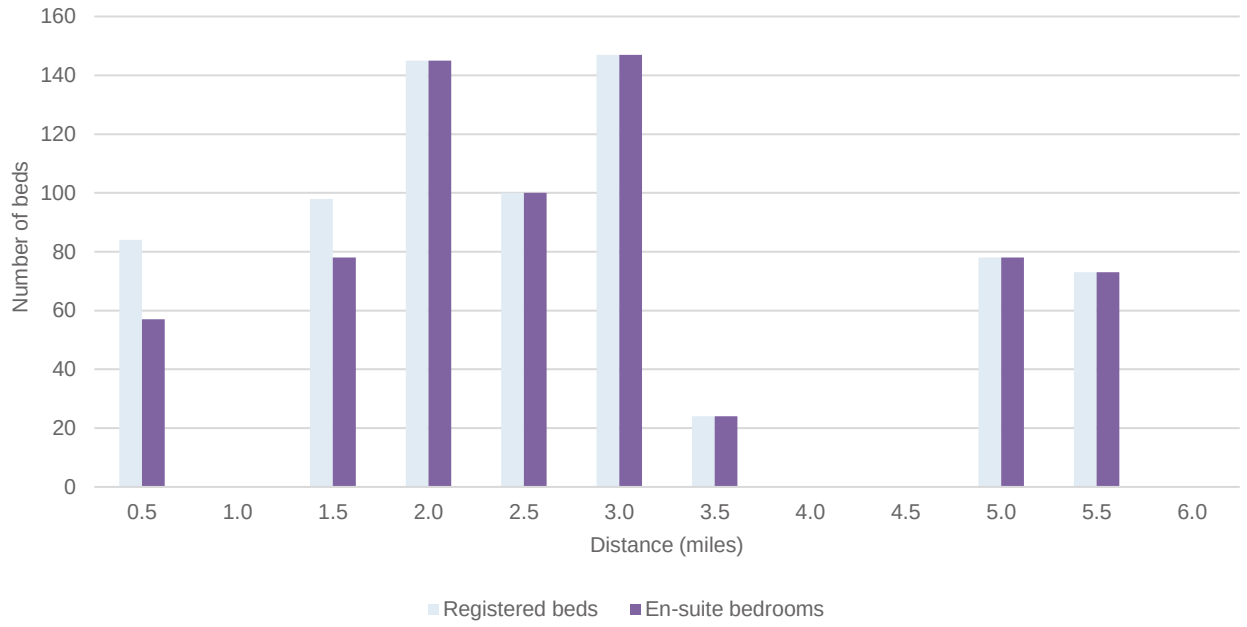


Figure 8: Distribution of provision within the Council area

22. Planned supply

22.1. We have cross-checked all planning applications submitted for new care home beds, from the Barbour ABI and EGi planning databases, against the relevant local authority planning departments' online planning registers. We have looked at all planning applications submitted within the last 3 years. This research was carried out on the 16 March 2018.

22.2. We have identified three planning applications for additional care home beds, all of which have been granted permission. The locations of these sites are shown in the competition map in Section 24 below and listed in T9:

22.3. We have provided our opinion of the likelihood of imminent development based upon publicly available documentation, inspection of the sites and our own knowledge of the schemes. We have graded a scheme as having a 'yes' construction commenced if there is some indication, either through an operator's or developer's website, that the scheme is progressing or, naturally, if construction has commenced on site. Schemes with a 'no' may still be developed, but there is no indication that construction is due to commence in the near future.

22.4. Scheme B is due to commence development imminently and will be operated by Signature Senior Lifestyle. We have found no evidence that either of the planned extensions have commenced development.

22.5. We have been unable to confirm definitively if the applications detailed overleaf are the only current applications in the area for a C2 elderly care use.

T9: Details of planned provision

Map ref	Site address	Applicant	Scheme	Net elderly market standard beds	Construction commenced	Distance from subject scheme (miles)	Planning ref/ date granted
A	Grace Muriel House, Tavistock Avenue, St Albans, AL1 2NW	Grace Muriel House	Grace Muriel Houses eight-bedroom extension with landscaping.	8	No – No indication of development	1.3	5/2016/2021 - 27/09/2016
B	270–274 London Road, St Albans, AL1 1HY	Signature Senior Lifestyle Developments Limited	Demolition of existing dwellings and construction of residential care home with associated landscaping, parking and alterations to access.	81	Yes – Under development	2.1	5/2014/2136 - 24/05/2016
C	Tara's Retreat Care Home, High Street Sandridge, St Albans, AL4 9DQ	B & M Care Group Limited	14 pitched roof dormer windows to create an additional nine en-suite bedrooms and ancillary facilities for existing Tara's Retreat Care Home.	9	No – No indication of development	5.0	5/2017/2780 - 29/11/2017

Source: Barbour ABI, EGi, Relevant planning departments.

23. Dementia

Methodology

23.1. Estimating the prevalence of dementia within a given population is difficult, due to the constraints of the available data, the nature of the condition and the range of acuity levels of sufferers. Much of the current research focuses upon existing prevalence rates based upon sample studies. We have assessed demand and supply for dementia by comparing the following:

- The number of persons requiring a care home bed with dementia as the primary cause of admission;
- The number of market standard bedspaces providing dedicated dementia care, either within a dedicated dementia care home or a dedicated dementia unit within a mixed registration home, available within the catchment area.

Demand

23.2. Our measure is based upon research carried out within Bupa care homes in 2012 and indicates that 45.6 per cent of residents within the surveyed care homes were admitted with dementia as a primary cause. Therefore utilising this prevalence rate, we have calculated the demand within each catchment area from residents with dementia as a primary cause of admission in Table T10: opposite. Best practice states that people living with dementia should be cared for within a specialist, dedicated dementia environment. This measure, by definition, assumes that a principal reason for admission to care in a residential setting was based upon the dementia condition. However, it should be noted that there might be other physical frailty in addition to this measure. Conversely, there will also be a larger pool of dementia sufferers who would have been admitted due to a physical frailty/disability, but who now also suffer from some form of dementia.

Supply

23.3. We have provided a summary of the total number of market standard bedspaces within dedicated dementia care homes, or units within mixed registration homes, in Table T10: . This analysis does not take account of the supply within mixed registration homes, where residents with dementia are mixed with those without dementia and there are no dedicated units. However, whilst such services are capable of accommodating service users with dementia, it is considered best practice to care for residents living with dementia within a specialist dedicated dementia environment.

23.4. Normally, where it is stated by a planning application that a care home is to provide dementia care, we have included the planned beds within our assessment above. Planned Scheme B indicates in the planning documentation that the home will provide a 20-bed dedicated dementia unit on the first floor. Neither of the planned extensions (Schemes A and C) provide details of the proposed categories of care. We have assumed that Scheme A will not provide dementia care as the home is not currently registered to accept dementia residents and we have assumed that Scheme C will provide dementia care as the bedspaces are within a self-contained floor. We have included all planned schemes, where appropriate, regardless of their likelihood of development.

Demand vs. supply

23.5. Our analysis shows a large under-supply of 156 market standard dedicated dementia beds within the local authority catchment assuming all planned beds are developed.

T10: Shortfall of dedicated dementia bedspaces (2019)

Year	Council area
Total demand for care home beds	1,015
Demand for dedicated dementia beds based upon Bupa survey	463
Supply of market standard dedicated dementia beds	278
Planned supply of market standard dedicated dementia beds	29
Shortfall of market standard dedicated dementia beds	156
Shortfall as a percentage of demand	34

Sources: A-Z Care Homes Guide 2018, Bupa: The changing role of care homes 2012, Census 2011, Population Projections, LaingBuisson Care of Older People UK Market Report (28th edition), Barbour ABI, EGi.

23.6. This measure is an indicative assessment only and should not be used as a definitive measure due to the limitations of assessing demand and supply of dementia provision in isolation of total capacity for all older people's services. However, it does provide an empirical indication of the potential shortfall of specialist dementia beds within the catchment areas

24. Care home competition map

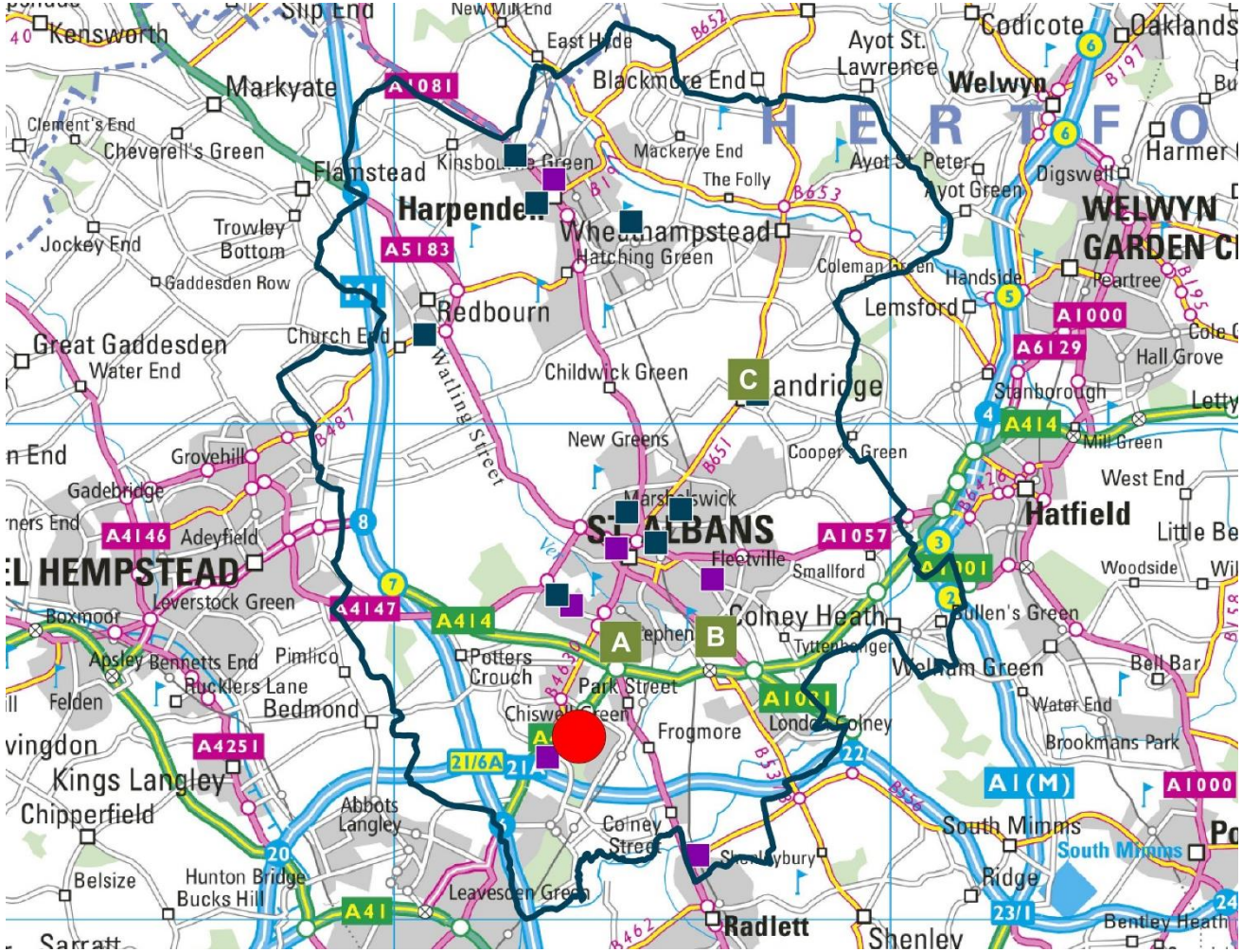


Figure 9: Existing care homes and planned schemes within the catchment areas.

Key:

- The proposed care village
- Nursing homes
- Personal care homes
- Planned care home beds

The map references relate to the planned schemes in Table T9: above.

Please note that the locations of all plotted care homes and planned schemes are approximate only.

NEED ASSESSMENT FOR PROPOSED EXTRA CARE

25. Difficulties in assessing demand for extra care

25.1. Extra care housing in its current form is a relatively new concept and there is a lack of a suitable measure, equivalent to LaingBuisson's Age Standardised Demand model, of estimating demand for care home beds.

25.2. LaingBuisson's own Extra Care Housing UK Market Report does not provide a tool for assessing demand, but instead refers to a number of demographic factors that are likely to influence demand, as follows:

- an expansion of the older population;
- a reduction in the pool of young adults available for training as nurses or care assistants to work in the community or care homes;
- an increase in the number of middle-aged people looking after children and a parent;
- an increase in the proportion of older people with a living child;
- changes in the health and dependency levels of older people;
- changes in the patterns of immigration by potential care workers and emigration by trained care staff.

25.3. The difficulty in trying to accurately assess demand for extra care housing is that, due to the relatively new nature of the product, there is no position of over-supply upon which to assess a position of balance. Essentially, the additional supply creates "demand" when it is developed.

25.4. Notwithstanding the difficulties identified in the previous section, in our methodology, following, we have utilised a number of key assumptions to identify a potential market size for prospective purchasers of a private leasehold extra care unit.

26. Methodology to determine shortfall of extra care

26.1. Taking into account some of the difficulties in assessing demand for extra care, we have, in our assessment of need for extra care units, utilised a toolkit for producing accommodation strategies for older people which is detailed below.

Demand

26.2. In 2013, the Housing LIN produced the Strategic Housing for Older People Resource Pack (SHOP). The approach used in SHOP seeks to balance the conventional estimates of need against the direction of policy (in relation to enhanced and extra care forms of sheltered housing for example) and demand in the market (in relation to ownership options) in all forms of specialised accommodation for older people.

26.3. It suggests indicative levels of provision of various forms of accommodation for older people, including private extra care available for sale on a long leasehold basis.

26.4. According to this approach, the toolkit indicates the ratio of required units per 1,000 of the population aged 75 years and above for both private leasehold extra care is 30 units. Essentially this suggests that a total of 3 per cent of the elderly population will require an extra care housing unit in any given area. It also suggests that a further 10 units per 1,000 of the population over 75 years will require enhanced sheltered housing for sale (defined as provision with some care needs or provision of on-site amenities/facilities for residents), which we have included within our analysis, given we consider that in practice the distinction between extra care and enhanced sheltered housing can be negligible.

26.5. We have been advised by the Housing LIN that they are currently in the process of updating the SHOP as it is now five years old (April 2018). We understand that the review will include future prevalence rate projections that reflect market aspirations and commissioning intent and will also take into account varying leasehold percentages depending upon the relative affluence of the locality.

26.6. Please refer to the Strategic Housing for Older People (SHOP) Resource Pack on the Housing LIN website for full details of the methodology.

26.7. Carterwood has been involved in several successful planning applications and has submitted needs assessments using an identical methodology to that prepared as part of these submissions, where the need case has been accepted by the relevant local authority during the application process. Recent examples are:

- Land at Parklands, Bittams Lane, Chertsey, Surrey, KT16 9RG (planning reference: RU.14/0085): Development to provide a two-and-a-half-storey building for use as a 70-bed care home and a three-and-a-half-storey building for use as 50 extra care apartments (revised description 22/01/14);
- Former Redwood Lodge Hotel, Beggar Bush Lane, Failand, Bristol, BS8 3TG (planning reference: 15/P/0574/F): Demolition of existing Hotel (Use Class C1) and erection of a retirement care community (Use Class C2 - Residential Institutions) consisting of 124 apartments with associated communal facilities, including restaurant, spa and library. Alterations to landscaping including a significant reduction in the hard landscaping for the car parking area;
- Land adjacent to Harper Fields, 724 Kenilworth Road, Balsall Common, Coventry, CV7 7HD (planning reference: PL/2014/00602/FULM): Erection of 39 extra care units comprising of four one-bedroom and 19 two-bedroom apartments along with 12 two-bedroom and four three-bedroom bungalows, with associated access parking and landscaping;
- Land adjacent to Penarth House, Otterbourne Hill, Otterbourne, Winchester, SO21 2HJ (planning reference: F/15/77022): Erection of dementia care centre comprising 64 care beds and 20 one- and two-bed extra care apartments with associated access off Otterbourne Hill, car parking, amenity space, boundary treatments and landscaping.

26.8. In each instance, the SHOP toolkit was accepted by each respective council. However, this method of assessing demand is a relative rather than absolute measure of demand and therefore cannot be considered as a definitive assessment of demand. This notwithstanding, we consider this method provides as good a basis of assessment as any other indication of the current balance between the potential demand for extra care units and current supply, and have therefore conducted our analysis on this basis. We consider this method to provide the minimum demand within the adopted catchment area.

26.9. Other potential measures of demand include the analysis of provision based upon the experience of other developed countries, such as New Zealand, Australia and the United States, where the markets have reached maturity and levels of extra care housing are many times greater than that of the UK.

Existing supply

26.10. We have reviewed the Elderly Accommodation Counsel's (EAC) website www.housingcare.org to determine the current supply of extra care accommodation within the St. Albans City and District Council local authority catchment.

26.11. We have researched all schemes classified as follows:

- Extra care/assisted living;
- Close care;
- Retirement village;
- Enhanced sheltered housing (for sale only).

26.12. We have conducted some additional research to ensure that each scheme conforms to the recognised definition of extra care, namely that 24-hour on-site care is provided or that it meets the definitions of enhanced sheltered housing as per the housingcare.org.uk website. We have not included any registered social landlord schemes and have only included schemes catering to the private market.

26.13. We have specifically not considered any traditional sheltered housing or other similar schemes in our analysis of current supply.

26.14. We have provided some analysis in respect of tenure, age, unit size and distance from the subject site in our analysis of current provision overleaf.

Planned supply

26.15. We assess planned supply by conducting a review of schemes in the planning system with an application submitted for additional extra care schemes.

26.16. From our data sources, Barbour ABI ("ABI") and Estates Gazette Interactive ("EGi"), we have reviewed all the planning applications that have been granted, refused, withdrawn or are pending decision. This has been cross-referenced against the online planning website for the relevant local authority, and where an anomaly exists we have contacted the planning officer if required.

26.17. We have made enquiries with the relevant local authority and used our own data information sources and market knowledge to determine the number of planned units, either in the planning process or under construction. Additional units in the area are of key importance, as they are likely to be of a high standard and provide significant competition to the proposed development once completed and trading. We have searched for planning applications submitted over the past 3 years.

26.18. Where an application has been refused or withdrawn, we have entered the postcode into the local authority online planning facility to identify if a subsequent application or appeal application has been submitted. The results of this are included within the report.

26.19. Where a planning application has been granted, we have cross-referenced the postcode against our existing supply to ascertain if the scheme is operational. If it is, we have included it within the operational provision and not within the planning table.

26.20. We would note that the planning registers that we subscribe to are not definitive and may exclude some applications as they rely upon each local authority for provision of the information.

26.21. We have excluded any sheltered housing, category II sheltered housing schemes or affordable extra care schemes from our analysis.

27. Extra care basis of assessment

27.1. We have undertaken our detailed assessment of the demand and supply position of the proposed extra care scheme based upon the St Albans City and District Council local authority area, as edged dark blue in the figure opposite.

27.2. The decision to enter an extra care scheme is choice rather than need driven. Hence people are willing to travel much further to find an extra care scheme (particularly a larger care village) that meets their demands than they are to find an appropriate care home.

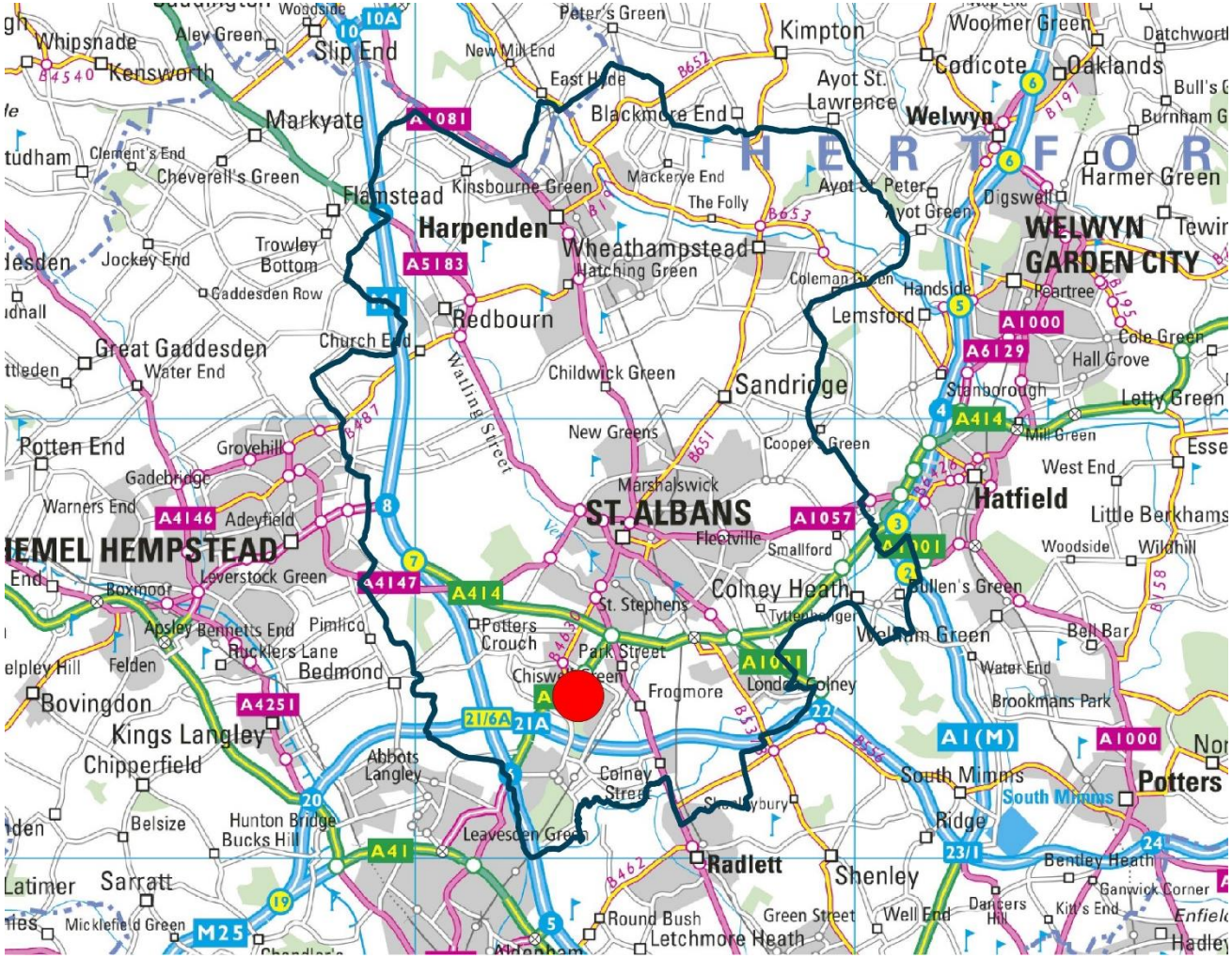


Figure 7: Extra care basis of assessment

The red spot shows the approximate location of the subject site. The boundary of St Albans City and District Council is edged dark blue.

28. Existing private extra care schemes

28.1. We have analysed current supply using the EAC Housing Option website, www.housingcare.org.uk. We have included within our analysis any scheme in the catchment that seeks to provide 24-hour on-site care and support (where the accommodation is not intended to be registered as a care home with CQC) seeking to sell the units on long leasehold basis at market rates. The EAC website breaks down the type of accommodation into three main sub-groups, within the criteria of close care, extra care, and care/retirement villages. These scheme types are defined below.

28.2. There are only two leasehold extra care/enhanced sheltered housing schemes within the local authority catchment area and the details are provided below in T11.

T11: Summary of competing schemes

Map ref	Scheme	Manager/operator	No. of units	Distance from subject site (miles)	Year of construction	Scheme type	Extra care unit tenure
1	Eleanor House, 232–236 & 230A London Road, St Albans, Hertfordshire, AL1 1JQ	YourLife Management Services Ltd	47	2.1	2017	Extra care	Leasehold
2	Park House, Leyton Road, Harpenden, Hertfordshire, AL5 2LW	Pegasus Life Ltd	38	6.4	2018	Enhanced sheltered	Leasehold

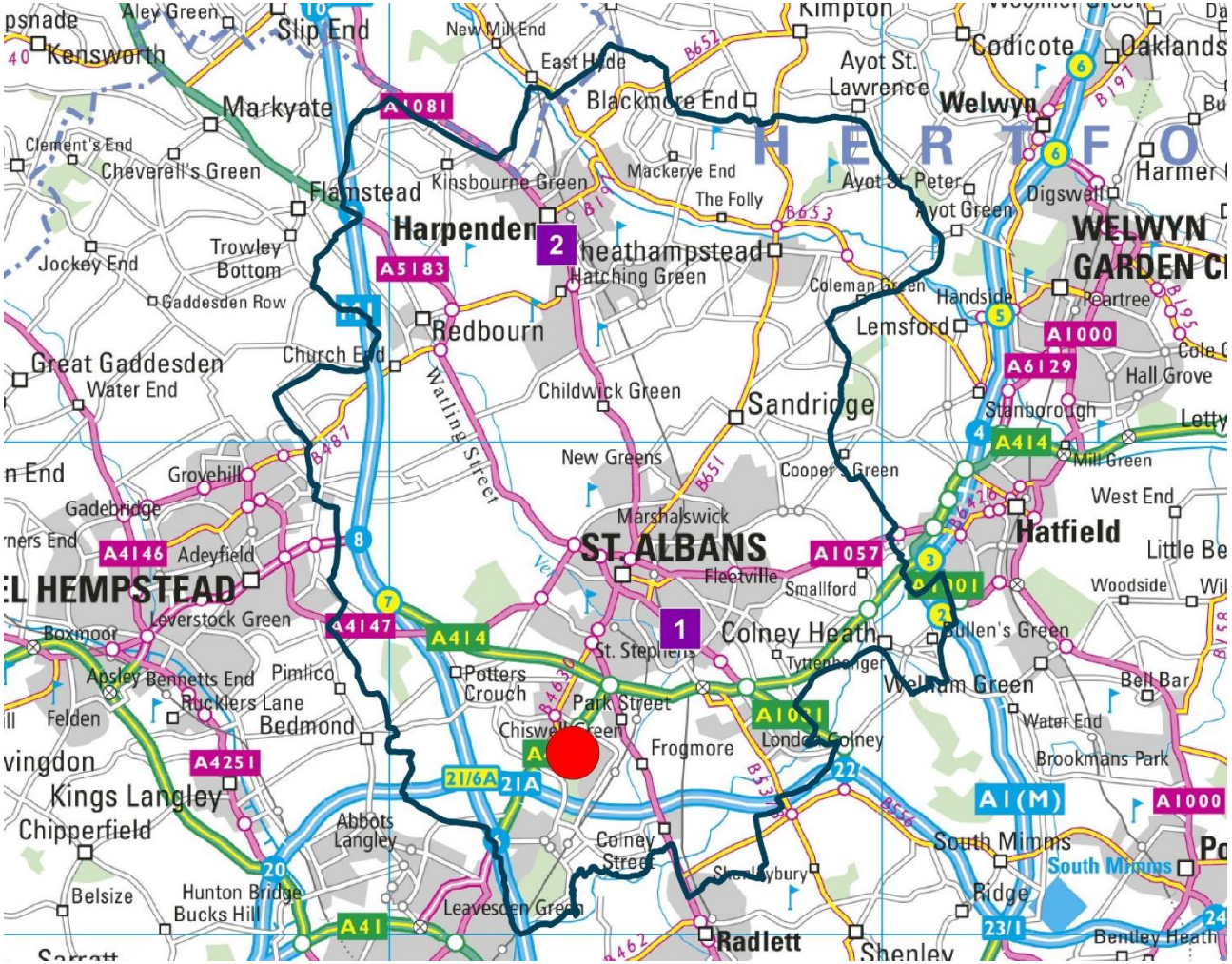
Source: EAC Housing Options, Operator websites.

29. Planned private extra care supply

29.1. We have cross-checked all planning applications submitted for new extra care units, from the Barbour ABI and EGi planning databases, against the relevant local authority planning departments' online planning registers. We have looked at all planning applications submitted within the last 3 years.

29.2. There are no planned private leasehold schemes within the catchment area.

30. Extra care competition map



Key:

- The proposed care village
- Existing private extra care schemes
- Planned private extra care schemes

Please note that the locations of all existing and planned schemes are approximate only.

Figure 10: Existing and planned private extra care schemes within the catchment area.

CONCLUSIONS

31. Balance of provision – care home

31.1. Our assessment of the balance of provision in 2019 within the St Albans City and District Council local authority catchment area, assuming all planned beds are developed and operational, indicates a shortfall of 103 market standard bedspaces.

31.2. However, given that not all of the planned beds are under construction, our more realistic assessment of the balance of provision within the local authority catchment indicates a larger shortfall of 120 market standard bedspaces.

31.3. Furthermore, not all of the planned beds are likely to be developed. Based upon our experience, only between 25 and 50 per cent of care home schemes that obtain planning permission are ever developed. This is due to a number of factors, including inappropriateness of the site or its design, deliverability, change of planning use on a follow-up application, amongst others.

31.4. Should the 64-bed care home on the subject site be developed, it would fill 53 per cent per cent of the estimated shortfall within the local authority area. This is based on our more realistic assessment of the balance of provision only including beds under construction.

T12: Indicative need for additional elderly care home beds (2019)

Demand	St Albans City and District Council
Estimated need for elderly care home beds	1,015
Supply	
Current supply of elderly market standard bedrooms	814
Beds pending decision	0
Beds granted permission but construction not started	17
Beds granted permission and under construction	81
Total planned and existing market standard beds	912
Balance of provision	
Estimated shortfall including all planned beds	103
Estimated shortfall only including beds under construction	120

Source: 2011 Census, A-Z Care Homes Guide 2018, Barbour ABI, EGi.

32. Balance of provision – extra care

32.1. By applying our demand methodology to the catchment areas, we have calculated the potential pool of demand for private leasehold extra care units from people aged 75 years and above. Our analysis indicates that there is a large shortfall of 415 private extra care units within the St Albans City and District Council area.

32.2. There are no planned private leasehold schemes within the area and therefore the balance of provision remains unchanged based upon the inclusion of units under construction.

32.3. We therefore consider that there is a critical undersupply of extra care accommodation for private leasehold sale within the local authority catchment area.

T13: Indicative need for extra care units (2019)

Basis of assessment	St Albans City and District Council
Need	
Population aged 75 years and above	12,500
Need – based upon ratio of 40 persons per 1,000 population aged 75 years and above	500
Supply	
Current provision of private extra care units	85
Units pending decision	0
Units granted permission but construction not started	0
Units granted permission and under construction	0
Total supply of private extra care units	85
Balance of provision	
Indicative shortfall including all planned private units	415
Indicative shortfall including units under construction	415

Source: Census 2011, Government population projections, Housing LIN.

33. Market growth

Care home

33.1. Shortfall growth in the future is based on the 2014-based ONS projected population figures for older people until 2028. This assumes that the demand for care home beds, which is based upon LaingBuisson's ASD rates, will remain at the same rate in the future. This is unlikely to happen given the historic trend of ASD as alternatives to residential care are developed and expanded upon, but nevertheless it indicates the significant weight of the future demographic trends over the coming years on potential demand.

33.2. Our analysis below illustrates the shortfall assuming the existing provision remains equal and that all the planned units are developed. The analysis therefore overestimates the supply, given that a number of the planned beds are unlikely to be developed.

T14: Predicted unmet need for market standard bedspaces

Catchment	2019	2022	2025	2028
St Albans City and District Council	103	188	290	378

Source: 2011 Census, A-Z Care Homes Guide 2018, Barbour ABI, EGi

33.3. This unmet need is expected to increase to 378 market standard market standard beds within the council area by 2028 (assuming demand prevalence rates remain constant) reflecting the sustained and escalating nature of need in the future.

33.4. Overall, this analysis assumes that prevalence rates remain the same for ASD rates, and as alternatives to traditional residential care are developed then we would expect these prevalence rates to **decline** in line with historic norms – it is, however, impossible to tell how future supply/commissioning/other changes will materialise over such a long timeframe. Nevertheless, the figures reported above are likely to **over-estimate** the potential under-supply of bedspaces – although they aptly demonstrate the huge demographic pressures faced in the area.

Extra care

33.5. Shortfall growth in the future is determined using 2014-based ONS projected population figures for older people until 2028 and assumes that the demand for extra care units, which is based upon the Housing LIN SHOP tool, will remain at the same rate in the future.

33.6. Our analysis below illustrates the shortfall assuming the existing provision remains equal. There are currently no planned private leasehold schemes.

T15: Predicted unmet need for private leasehold units

Catchment	2019	2022	2025	2028
St Albans City and District Council	415	471	519	559

Sources: Housing LIN, Census 2011, government population projections, Barbour ABI, EGI, EAC Housing Options

33.7. Our analysis estimates that the shortfalls will rise to 559 private extra care units in 2028 for council area, given the demographic profile and growth rates of the area.

33.8. The unmet need for private extra care units will therefore continue to grow and create a sustained level of unmet need in the catchment area.

33.9. Overall, this analysis assumes that prevalence rates remain the same for Housing LIN rates, and as alternatives to traditional residential care are developed then we would expect these prevalence rates to **rise** in line with historic norms – it is, however, impossible to tell how future supply/commissioning/other changes will materialise over such a long timeframe. Nevertheless, the figures reported above are likely to **underestimate** the potential under-supply of extra care units.

34. Impact of the proposed development – commonly raised questions

34.1. Carterwood is a market leader in the provision of needs and demographic analyses in the social care sector. As part of this expertise we have been involved in a large number of need assessments submitted to support planning applications and there are a number of consistent themes that have been raised by Adult Social Care Teams and Commissioning departments in respect of new care developments and their impact upon the local area.

34.2. We have therefore summarised below a number of commonly raised queries and issues to pre-empt areas where there may be uncertainty or ambiguity in the needs case below:

Issue – the proposed development may impact upon existing health and social services and GPs in particular who are already over-stretched

34.3. The care home will not impact directly who we anticipate will hold periodic surgeries in-house within the care home. This serves to reduce the number of GP visits as the requirement for GP input is heavily controlled by qualified nursing staff understanding the clinical requirements for each service user.

34.4. The visiting GP can also combine multiple visits into one trip. The presence of on-site care staff also reduces the number of unnecessary trips to GPs, thereby reducing waiting lists rather than increasing them.

34.5. The concentration of individuals within one place should also assist in reducing the need for community nurses and there are obvious advantages of having residents within one geographic location.

34.6. Further the pressure on GPs will not be a direct result of the proposed development – demand is not created it is catered for and the new scheme will provide much needed facilities to help battle the rising demographics pressure across the area.

Issue – the proposed development may impact upon already stretched local authority budgets

34.7. Having conducted a plethora of studies across the UK and spoken with a host of social services teams, our general observation is that local authority placements both into and out of any local authority tend to be broadly neutral.

34.8. There is no doubt that a number of referrals will move into an area when a new home is developed. Placements by social services to and from neighbouring and surrounding local authorities compensate for each other. In effect, there are just as likely to be as many people leaving the area as there are migrating into the area, and these two factors effectively cancel each other out.

34.9. We are also aware of the challenge faced by local authorities in funding long-term care to those elderly who do not meet current saving thresholds. A further potential issue relates to prospective self-funding service users who exhaust their funds and are therefore obliged to seek local authority support for payment of on-going care.

34.10. In enquiries we have conducted with neighbouring county councils and social services departments, we have ascertained that this type of funding requirement generally tends to amount to less than 1 per cent of the total social services budget for older people (although we have not been able to confirm the exact proportion for Tandridge District Council in the timescales required for this advice – we would be more than happy to assist the council in analysing this information if required by social services).

34.11. In our experience, the incidence of this scenario developing is very low compared to the vast majority of self-funding service users, who continue to fund their care throughout the duration of their stay. To guard against this potential issue further, operators often allocate a budget within their own financial modelling for this very issue to ensure that residents' needs can be met and the home is genuinely a 'home for life' if required. In addition, their admission process and eligibility criteria ensure that any self-funding residents have proof of funds to support themselves financially, normally for a minimum period of two years.

35. Key conclusions

Need for the proposed care home

35.1. We consider there to be more than sufficient demand within the local authority catchment for the subject scheme to support the purpose-built 64-bed care home. The demand and supply indicates a large shortfall in the St Albans City and District Council area. Further, despite a willingness and appetite to reduce residential care reliance, the demographic pressures will make this highly problematic, and some additional provision of the quality expected by the current purchasers of care will need to be factored into any global social care decision-making process.

Need for the proposed extra care scheme

35.2. Our analysis indicates that there is a very substantial unmet need for private extra care units in the area, with more than sufficient need to support the proposed extra care units by a considerable distance.

35.3. We consider the site to be ideally suited to the development of extra care units and that this scheme will fill a major shortfall of need for such accommodation in the area.

35.4. Furthermore, our analysis indicate a strong increase in demand over the coming years.

Qualitative aspects

35.5. In addition to the quantitative need identified within our report, the proposed scheme brings qualitative benefits, as follows:

- State-of-the-art facilities;
- Use of a suitable and sustainable site;
- A substantial scheme, offering a variety of accommodation types;
- The ability to care for people with all levels of need, covering the full spectrum of care;
- Transforming the paradigm under which health and social care professionals currently work;
- Community facilities that meet local needs, promote social integration and raise awareness about dementia.

35.6. The proposed scheme provides a major element of its accommodation within extra care housing, which has been identified by the local authority as meeting its future commissioning strategy and requirements; as highlighted in our own review of the commissioning documentation.

35.7. We therefore conclude that there is both a compelling quantitative and qualitative need for the proposed development in providing a unique care environment, which is supported by the commissioning strategy of St Albans City and District Council. In our view, significant weight should be given to this need in the assessment of the planning application by the local authority.

APPENDICES

A: LIST OF TABLES AND FIGURES

Tables

Figures

B: DEFINITIONS AND RESERVATIONS

Timing of advice
Our work commenced on the date of instruction and our research was undertaken at varying times during the period prior to completion of this report.

The report, information and advice provided during our work were prepared and given to address the specific circumstances as at the time the report was prepared and the specific needs of the instructing party at that time. Carterwood has no obligation to update any such information or conclusions after that time unless it has agreed to do so in writing and subject to additional cost.

Data analysis and sources of information
Details of our principal information sources are set out in the appendices and we have satisfied ourselves, so far as possible, that the information presented in our report is consistent with other information such as made available to us in the course of our work in accordance with the terms of our engagement letter. We have not, however, sought to establish the reliability of the sources by reference to other evidence.

The report includes data and information provided by third parties of which Carterwood is not able to control or verify the accuracy.

We must emphasise that the realisation of any prospective financial information or market or statistical estimates set out within our report is dependent on the continuing validity of the assumptions on which it is based. The assumptions will need to be reviewed and revised to reflect market conditions. We accept no responsibility for the realisation of the prospective financial or market information. Actual results are likely to be different from those shown in our analysis because events and circumstances frequently do not occur as expected, and the differences may be material.

Measuring and predicting demand is not an exact science, and it should be appreciated that there are likely to be statistical and market related factors that could cause deviations in predicted outcomes to actual ones.

Our report makes reference to 'Carterwood analytics'. This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented. We do not accept responsibility for the underlying data.

Where we have utilised Carterwood analytics to adapt and combine different data sources to provide additional analysis and insight, this has been undertaken with reasonable care and skill. The tools used and analysis undertaken are subject to both internal and external data-checking, proof reading and quality assurance. However, when undertaking complex statistical analysis it is understood that the degree of accuracy is never finite and there is inevitably variance in any findings, which must be carefully weighed up with all other aspects of the decision-making process.

The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.

Where we have prepared advice on a 'desktop' or 'headline' basis, we have conducted a higher level and less detailed review of the market. All our headline advice is subject to the results of comprehensive analysis before finalising the decision-making process. Where we have provided 'comprehensive' advice, we have used reasonable skill and endeavours in our analysis of primary (for example, site inspections, mystery shopping exercise, etc.) and secondary (for example, Census, Land Registry, etc.) data sources, but we remain reliant upon the quality of information from third parties, and all references above to accuracy, statistics and market analytics remain valid.

Purpose and use
The report has been prepared for the sole use of the signatories of this letter and solely for the purposes stated in the report and should not be relied upon for any other purposes. The report is given in confidence to signatories of the engagement letter and should not be quoted, referred to or shown to any other parties without our prior consent.

The data and information should not be used as the sole basis for any business decision, and Carterwood shall not be liable for any decisions taken on the basis of the same.

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Validity
As is customary with market studies, our findings should be regarded as valid as at the date of the report and should be subject to examination at regular intervals.

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