

Communities and Local Government Committee

Oral evidence: Housing for older people, HC 370

Monday 11 December 2017

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Members present: Mr Clive Betts (Chair); Mike Amesbury; Bob Blackman; Helen Hayes; Kevin Hollinrake; Andrew Lewer; Fiona Onasanya; Mr Mark Prisk; Mary Robinson; Liz Twist.

Questions 236 – 295

Witnesses

[I:](#) Alok Sharma MP, Minister of State for Housing and Planning, Department for Communities and Local Government, and Mr Marcus Jones MP, Minister for Local Government, Department for Communities and Local Government.

Examination of witnesses

Witnesses: Alok Sharma MP and Mr Marcus Jones MP.

Chair: Good afternoon, Ministers. Thank you for coming along to our final evidence session on housing for older people. Housing Minister, it is good to see you back with us again. Local Government Minister, we have your usual seat waiting for you.

Alok Sharma: Thank you.

Chair: Just before we set off with the questions, I will just ask members of the Committee to put on record any particular interests they have with relevance to the inquiry. I am a Vice-President of the Local Government Association.

Helen Hayes: I employ a councillor in my staff team.

Mike Amesbury: I do the same.

Liz Twist: I am a member of Gateshead Borough Council.

Mary Robinson: I also employ a councillor in my staff team.

Andrew Lewer: I am a Vice-President of the LGA.



HOUSE OF COMMONS

Bob Blackman: I am a Vice-President of the LGA and I have a small housing portfolio.

Q236 **Chair:** Okay, so we have put that on the record. Thank you both for joining us this afternoon. Very often, we talk about housing for older people as though older people are all the same, when clearly they are not. There is quite a wide age spread. We often talk “old people” beginning at 55 in housing terms. Many people would not see themselves as old at 55, or 65, but what is the Government’s view on this? Is there an overall policy or strategy for how people with a wide range of age groupings and people with very different interests and needs should be catered for in terms of housing provision? Is there an overall strategy the Government have?

Alok Sharma: Mr Betts, first, thank you and your Committee for inviting as to speak at this particular session. The whole issue about housing for older people is very much an emerging area for the Department. As you have acknowledged, this is not really a question of one size fitting all. People will have different needs. Some will want to stay in mainstream housing. 96% of older people are currently in mainstream housing; others may want to look at sheltered housing. What is very important for us is that we have a joined-up view on how policy towards housing for older people should work.

On the one hand, we recognise that there is need for a better planning for homes and for the planning system to be improved. We have stated that in the revised NPPF we will make sure that local authorities have clear policies for addressing the housing requirements of older people. The draft of the revised NPPF will come out early next year, so we will have an opportunity to discuss that as part of the consultation with people. As you will be aware, in the Neighbourhood Planning Act earlier this year, we have also introduced a statutory duty for the Secretary of State to produce guidance for local planning authorities. We are working on the guidance right now, and I would expect it to be published at the time of the final revised NPPF.

One is certainly making sure that there are more homes built that older people would want to move into. The second is to make sure that the homes that are currently in place are effectively fit for purpose. We have the disabled facilities grant, and that is available to people who are eligible to make adaptations to their homes and gardens, to allow them to live longer in their own properties.

The third part of the work, of course, is the work on the social care Green Paper. Housing issues are going to be very much a part of that. The First Secretary of State put out a written ministerial statement on 16 November around this, and the aim is to publish this Green Paper before the House rises in summer next year.

Q237 **Chair:** We are going to follow up on those three particular issues with more detailed questions in due course. Will there be, from Government,



HOUSE OF COMMONS

a strategy document that pulls all those various elements together as an overview at some point?

Alok Sharma: Yes. I talked about the guidance. The reality right now is that the guidance is in different places. As an example, what we want to make sure is that the guidance is pulled together into one place so that there is a coherence to what we are requiring from local authorities in terms of the planning that they do.

Q238 **Chair:** There will eventually be a document that pulls together an overall approach that the Government see as important and that local authorities should be carrying out in terms of housing for older people.

Alok Sharma: I guess one could consider that. What I would say, though, is that right now the policies that are in place and the guidance that is in place is more dispersed. What we are talking about is bringing it all closer together. Clearly, you will have the revised NPPF; you will have the guidance. There is other work that is going on as well. Whether we will end up with one paper, I am not sure. However, what I would say is that the social care Green Paper itself will look at issues around housing when it comes to older people. I would expect that will deliver some of the issues we are discussing.

Q239 **Chair:** I am trying to think from a local authority's point of view. As a council, if you are expected to have on your agenda how you deal with the housing needs of older people, then it would be helpful if any council could go somewhere and see, "These are the issues we ought to be addressing. This is this element of the guidance on planning, but it is only one element of the planning guidance. What should we be doing about adaptations?" The council can then see how it should be tapping into a whole range of advice, guidance and policy from central Government in one place. Would that not be helpful?

Alok Sharma: We can certainly consider what the best way of trying to bring this together is. What I would say in terms of the guidance, for example, is that one of the things officials have been doing is talking to local authorities but also to charities dedicated to working with older people, to try to get their thoughts on how the guidance could actually be structured. There is an interaction and discussion that is ongoing at the moment. It is not as if guidance is being produced in isolation by the Department.

Q240 **Chair:** By "guidance", are we just talking about planning guidance?

Alok Sharma: Yes, I am talking about planning guidance.

Q241 **Chair:** Yes, exactly. What I am trying to get at is that planning guidance is only one element of delivering housing for older people. There is a whole range of things local authorities ought to be doing. I am trying to think about whether there is anywhere where you might think of pulling that together, so that local authorities can go to one place and see what, as a council, they should be doing in terms of delivering housing for older



HOUSE OF COMMONS

people?

Alok Sharma: What I would say, Mr Betts, is that this is an emerging area for us. Obviously, we will look very carefully at the work that you are doing and the reports that you publish. I certainly take on board what you are saying about the potential to try to bring this together in one place.

Q242 **Mary Robinson:** Minister, you have mentioned and referred to getting homes that are fit for purpose. We have heard evidence that cold and damp homes are linked to chronic and acute health conditions, and hazards in the home are linked to accidents and falls that need hospital and social care. What are the Government doing to ensure that homes do contribute properly to healthy lifestyles and reduced health costs?

Alok Sharma: You are absolutely right: having suitable housing is really quite important in terms of the health and welfare of older people. The reality is that if you make sure they are in suitable homes, that has a positive impact in terms of health and social care costs. We very much agree on that.

I referred to the disabled facilities grant. Of course, that is available for adaptations as well. At the end of the day, this is also about ensuring that there is improved energy efficiency in homes, particularly those that older people or those on lesser incomes may be on. To give you an example, the energy company obligation has been reformed so that 70% of the scheme is directed to low-income households.

This is going to have an impact of improving the energy efficiency of 300,000 homes. We have also got the warm home discount, which will apply to 2 million homes. Of course, there is the winter fuel allowance, which is a universal payment. That also helps older people. Taken together, clearly there is help that is being made available to older people to ensure that they are not living in cold, damp homes and that they are getting financial support.

Q243 **Mr Prisk:** If I may come in briefly, can I ask about trips? One of the critical pieces of evidence that we have received is that, for example, from the point of view of the health service, a quarter of all ambulance call-outs—and therefore this has an impact on A&Es—is older people falling over at home. Indeed, in some local authorities I am familiar with, the number is higher. We have to make sure there is a clear commitment to ensure that the design of new homes for older people addresses this problem. Indeed, this also applies to adaptations of existing homes that Government grants pay for. What steps are the Government taking at this stage to try to ensure we design out some of the things that are actually causing one of the single largest forms of impact on the rest of the NHS?

Alok Sharma: As you will know, Mr Prisk, there is a review of building regulations that is going on. It is an independent review of building



HOUSE OF COMMONS

regulations by Dame Judith Hackitt, which will publish its interim findings before the end of this year.

One of the ways we have tackled this is by introducing regulations in terms of building regulations so that there is a higher standard set for new housing developments. There is also an option requirement that is available to local councils to give local authorities the option, if they want, to set higher standards for new housing developments. We absolutely recognise that this is a key area and, clearly, the way to tackle this is through regulations.

Q244 Mr Prisk: The review you have just referred to will specifically incorporate this issue as part of its findings.

Alok Sharma: Obviously, it is an independent review so I do not want to prejudge what will be in it, but clearly it will look very widely at building regulations. What I would say is that we will see the interim review that will come out before the end of this year. I will certainly want to reflect on that and see whether issues around safety of buildings, and particularly the sort of issues you are referring to, are in that or not. Obviously, there will be a final report that will be published next year by Dame Judith. I am sure she will reflect on the comments that are made in terms of the interim report.

Q245 Helen Hayes: The review of building regulations will look at regulations into the future and it might well say something about whether some regulations, in the light of the Grenfell Tower fire, need to be applied retrospectively. However, it is unlikely to say very much about single household dwellings, detached, terraced or semi-detached houses, in which most older people are currently living. The issue of trips and falls is an issue now. They are an issue for the NHS now, and they are an issue for many older people now. The answer you just gave does not say anything at all about older people living in conditions now that are likely to lead to a higher risk of trips and falls. I just wanted to press you about that, if I may.

Alok Sharma: What I did talk about was the disabled facilities grant being made available to look at these issues. That is assessed. I can also say, Mr Chairman, that a review of the grant will take place. We will look at issues such as criteria, eligibility and how funding is made available to local authorities. That will be taking place shortly. That grant is available currently for people to access to make sure they can adapt their homes and make them safer.

Mr Jones: If I may just add to that, Ms Hayes, the Government take adaptations extremely seriously and completely recognise the comments you have made and the comments that Mr Prisk has made in terms of the challenges that we currently have with older people living in accommodation that is not necessarily fit for purpose for the time of life that the person in question is living through. That is why, in 2010, the disabled facilities grant was £169 million and, by the end of this decade,



HOUSE OF COMMONS

it will be £505 million. As the Housing and Planning Minister has clearly said, there is also going to be a quite wide-ranging review of the disabled facilities grant. That is a piece of work we have been doing jointly with the Department of Health. Very shortly, I expect the Department of Health will be letting a contract for that independent review to take place. I would expect that piece of work to report back to us by late winter or early spring next year, so we can then consider those recommendations that will be made, with a view to making sure that the disabled facilities grant—it has not been reviewed, as you probably know, since 2008—is fit for the 21st century.

Q246 Liz Twist: My question is along the same lines. It is about this question of existing properties that may present hazards either in terms of trips or in terms of just the cold as well and its impact on health. You have talked about the disabled facilities grant. I just wondered what other measures, in terms of energy-saving, fuel efficiency or minor repairs you were considering. We have heard from some witnesses that people just need a handyperson sometimes. I wondered what plans the Government have to introduce those kinds of facilities more widely.

Mr Jones: You are making a very important point: it is quite clear that we very much need to focus on things beyond things like building regulations, which are not generally implemented retrospectively. We need to do all that we can to make sure that where people are currently living is fit for purpose. In that context, as the Housing and Planning Minister alluded to, there is a wider piece of work going on within Government around the provision of social care. There is a Green Paper coming forward by the summer recess next year. That Green Paper will look very much, among other things, at the provision of housing and the interdependency of having good-quality housing that is fit for purpose alongside making sure that we reduce the number of admissions to hospital, for example, and how we get people back from hospital, when they need to go into hospital, into their own setting more easily. Part of that is making sure that their properties are fit for the use they are needed for.

It is important to make sure we get somebody back into their property as soon as possible, but it is also important to think about how long we can keep them in their own home as well, because we all know that older people generally are far more content living in their home for as long as possible. If that is practicable, it is quite often a far better choice they can make rather than going into a longer-term setting in a care home, for example. That will be looked at within the adult social care Green Paper that is currently being worked on.

Q247 Liz Twist: On the specific issue of handyperson services and availability, energy efficiency and heating advice, are there any proposals to deal with those specifically?

Mr Jones: They are very important points as well, and that will come in with the wider look at housing and what mechanisms we use to make



HOUSE OF COMMONS

sure that housing is right. As the Housing and Planning Minister has already said, there are a number of things that are happening at the moment with regard to energy efficiency. We absolutely know that the bottom line is if you do not have a home that is well insulated or properly heated, that is one of the quickest ways for older people to deteriorate and end up in a situation where they end up in a crisis position and end up in hospital and that type of thing. Certainly, that will be looked at within the piece of work that is being done.

Alok Sharma: It is worth adding that the disabled facilities grant can of course be used for updating heating systems and increasing insulation. There is a very direct route in terms of getting funding to improve energy efficiency and usage in the home.

Q248 **Mike Amesbury:** The number of older private renters is increasing. In fact, the evidence shows that 200,000 have joined the private rented sector in the last four years alone. Should the Government intervene to ensure that private-sector landlords provide tenants with the home adaptations that they need?

Alok Sharma: What I would say as a start is that the English Housing Survey has shown for 2015-16 that 8% of renters in households have a lead renter, if I can put it like that, who is 65 or over. Going back to the whole issue of the disabled facilities grant, that is of course tenure-blind, so it is entirely possible to avail yourself of this grant if you are living in the private rented sector. Of course, people will do that. In terms of the type of private homes that older people live in, what I would say is that there is an element of practicality about this in the sense that you would expect that older people will be living in homes that ultimately, if those people were to leave those homes themselves, might get re-rented to other older people.

This is a question of working together with landlords. If there are adaptations to be carried out, it is about making sure they are carried out. I would just say that I would expect that landlords would actually find it quite a positive thing if adaptations were put in to a building, because it is entirely likely that might enhance their ability to rent the property further to other people with similar needs.

Q249 **Mike Amesbury:** What are the Government doing to ensure the disabled facilities grant is used efficiently by local authorities and that they apply a consistent approach, especially around adaptations? The evidence on that seems to suggest otherwise.

Alok Sharma: I will ask Mr Jones, who might want to add to this. I would just go back to the point that both of us have made. There is going to be this review that is going to be undertaken, and this is going to be a very important piece of work, in terms of looking at how money is made available to local authorities and ultimately how that is distributed. There is an extra £42 million that was announced at Budget for 2017-18 in terms of money going to local authorities. However, you are right,



HOUSE OF COMMONS

Mr Amesbury, that that is one of the areas that this review will want to look at.

Mr Jones: Just adding, Mr Amesbury, to what my colleague has said, we do fund an organisation called Foundations. You have probably come across them in the evidence that has been given to the Committee previously. Effectively, they act as a national body for home improvement agencies. Those agencies basically deliver over half of all home adaptations in England. They ensure the grant is delivered effectively and they also work closely with local authorities to spread best practice. They also produce reports that we in the Department for Communities and Local Government take very seriously. We digest those and that informs our future policy around the grant.

We have got that strand of work that is currently going on, but, as the Housing and Planning Minister said, we have also quite clearly got an independent review that is going to take place, and that work is going to start very shortly indeed.

Q250 **Mike Amesbury:** On that point of future policy, is there a case for the DFG to be used to age-proof current buildings?

Alok Sharma: What I would say is that, in a way, the review will consider a whole range of issues. Once the body that is running the review is announced, I am sure there will be an opportunity for the Committee to feed in their thoughts.

Q251 **Chair:** On the DFG, one of the complaints I get is that even when it is accepted that there is a need to spend DFG—that is, there is a need for a particular adaptation—it can sometimes be months, and even years in the worst examples, to get the work done. Are you having a look, or are you asking the review to have a look, at whether there should be some time limit, once it is accepted that there is a need and DFG should be spent on an adaptation, to getting the work completed?

Mr Jones: As you probably know, Mr Betts, there is currently a time limit in the sense of the application being received and that decision being made. The decision is no later than six months after the application has been made. You do make a good point. This is a wide-ranging and independent review, which will look into many aspects of how the disabled facilities grant is actually distributed.

In the interim, before this is looked at further, there is also the point that people who do not get what they feel is a satisfactory deal out of their local authority can make a formal complaint to their own authority and ultimately can take that further, as you know, to the ombudsman. Certainly, we should be looking to make sure that the disabled facilities grant is distributed, that awards are made and that work is done in an efficient way. Certainly, the review will look across the piece at how the disabled facilities grant works.

Q252 **Chair:** That was a general answer to a specific question. I accept that



HOUSE OF COMMONS

there are time limits on actually getting an answer about whether a grant should actually be allocated for a particular adaptation. My particular question was about the fact that, having got that far, there can then be quite a long gap before the work is actually carried out. Are the Government minded to ask the review to look at whether there should be a time limit on actually getting the work done?

In the end, for the person wanting the adaptation, what is important is, "Will the work be done? When will it be done?"

Alok Sharma: Mr Betts, you make a very important point. We will take this on board and consider it.

Q253 **Chair:** It might well be part of the review. That is what you are saying.

Alok Sharma: It will be an independent review, but I hear very clearly the message that you and the Committee are giving. It is not unreasonable to require, once a grant has been allocated, a time limit for the work to be done. We will absolutely consider this.

Q254 **Bob Blackman:** Ministers, obviously one of the issues around housing for older people is the advice or the guidance they are given. Equally, we know the Green Paper is coming out by next summer, as you said. Will the provision of help and advice on a very important decision—that is, for an older person to move either to other social housing or from their own home to some form of sheltered housing or alternative housing—be included in the Green Paper?

Mr Jones: To put it quite simply, Mr Blackman, it is something that certainly will be considered. We need to make sure people are getting timely and good-quality advice in terms of what their options may be in a time of life when they may feel that doing something different from their current circumstances may be appropriate. Certainly, that will be looked at within the review and the Green Paper. The other important thing to point out about the Green Paper is that once the Green Paper is brought forward there will be a full public consultation. At that point, I am sure people from across the sector, including the Committee, will take a view at that point on the Green Paper, and I am sure there will also be an opportunity for individuals to feed in to the proposals that are put forward in that Green Paper.

Q255 **Bob Blackman:** At the Dispatch Box on Thursday, talking about the Green Paper, the Minister was talking about the fact that families live far apart now. Often parents may have a family home and their families are more widespread. Equally, the vast majority of over-75s never access the internet at all and probably have no access. Yet at the same time we are going more and more to online facilities. What consideration is going to be given to making sure that there are face-to-face or written communications—and those could possibly be written communications in a variety of languages, because many of the people in this position do not have English as their first language—so they are given the help and advice to make these key decisions?



HOUSE OF COMMONS

Mr Jones: We all know that a significant number of people now access their information from electronic sources, but there are still a group, particularly older people, who either do not necessarily either have access to a computer or prefer the traditional methods of communication: by telephone, face-to-face and so on. Certainly, that will also be a consideration within the work that is taken forward. I hear what you say about additional languages and so on. I am not in a position to commit to that today, Mr Blackman, but certainly I know—

Q256 **Bob Blackman:** If we can make sure it is included in the review, that would be very helpful. I would just press you a bit further. It is not just “many people”. 60% of people aged 75-plus have no access to the internet. It is not as if they do not have access to a computer; they have no access at all to the internet. Those are the very same people who we want to ensure are given proper advice on moving possibly from a home they have had for 30 to 40 years into an alternative type of accommodation. It is clearly a major decision, yet we are not providing them with the face-to-face or telephone advice they need to make that decision. What is the Government going to do about it?

Mr Jones: Perhaps I can just clarify this, Mr Blackman, by saying that within this piece of work the Government will definitely take into account the necessity for people to communicate using the more traditional methods of phone, face-to-face and so on. We are certainly taking that forward.

Q257 **Bob Blackman:** The Government were funding FirstStop, an advice service that was jointly funded, yet you have taken the decision to cease funding that. That was specifically aimed at providing help and advice to people who may be in that position. Why did you take that decision?

Mr Jones: As you may know, Mr Blackman, funding for FirstStop directly from the Government ended in December 2016. That funding is currently being provided to FirstStop by a number of external organisations: Legal & General and Nationwide Building Society are two such organisations. I do not dispute, and you are making a very good point about, the importance of advice and support for older people, their families and advocates. Certainly, within the work we are taking forward, we need to explore how that is going to be delivered and how it can be sustained.

Q258 **Bob Blackman:** Do you accept, particularly when we are asking people who may be under-occupying properties whether they could be freed up for families to move into, that have to be better in terms of giving them help and advice to make that key decision. They are probably only going to make this decision once in their lives. They need that help and advice, and it needs to be independent, as opposed to someone who might seek to gain from getting the property. Do you accept that that is the position?



HOUSE OF COMMONS

Mr Jones: I do accept that. We have clearly stated the importance of that in the housing White Paper that the Government have brought forward. As I said, this will also form a very important part of the Green Paper that is going to be brought forward on social care as well. I hope that clearly demonstrates the importance the Government put on people receiving the right type of advice to make, as you put it, one of the most important decisions in their lives. Certainly, we are giving serious consideration to how that will be done going forward.

Q259 **Bob Blackman:** The only slight problem is that the Green Paper will come out next summer, it will probably be followed by a White Paper and legislation may take another further year. We are talking about another three years, potentially, before anything happens. What is going to happen in the interim?

Mr Jones: As I said, Mr Blackman, the service provided by FirstStop is currently being provided with funding from a number of external organisations.

Q260 **Bob Blackman:** I was using FirstStop as an example, but of course there may be other routes you could choose to ensure that appropriate advice is given.

Mr Jones: I would just say that this is something we need to keep under review, because, as we have clearly identified in the White Paper and now in the work we are doing towards the Green Paper, we need—

Q261 **Bob Blackman:** I am happy for you to keep it under review. We would like to see some action on delivering the service.

Mr Jones: We need to make sure we have an appropriate way of getting that guidance and advice to people. As I say, at the moment we are content that that is being provided by FirstStop, but we will certainly need to keep that under review and keep in dialogue with organisations that provide this type of advice.

Alok Sharma: What I would say, Mr Blackman, is that we will consider future advice services for older people. I think that is what you are asking for. Specifically in terms of FirstStop, as Mr Jones has said, it has been funded not just by DCLG but Legal & General, Nationwide and the Big Lottery Fund over the past five years have all provided funding for this. It is working well but, to your broader point about considering future advice services for older people, particularly in the light of any changes in the policy approach to housing, yes, we will look at that.

Q262 **Liz Twist:** Ministers, a number of witnesses told us about the reasons that people do not move home, and one of them was financial considerations. A number of people have suggested that a reduction in stamp duty, among other things, might help with that. What discussions have you had with the Treasury before the Budget about extending stamp-duty relief to older people as well as to first-time buyers?



HOUSE OF COMMONS

Alok Sharma: What I would say is that tax measures are obviously matters for the Treasury. If I can use a general phrase, Ms Twist, they keep these matters under constant review. I hope the Committee will understand that it would not be appropriate for me to go into discussions that we may or may not have had with the Treasury on a range of matters; that would not be appropriate. What I would say, though, since you make reference to the stamp duty relief, is that it was introduced for first-time buyers. We all recognise that it is first-time buyers who now face the greatest pressures in terms of funding a deposit and in terms of transaction costs. That is why the help was provided for first-time buyers.

It is also worth noting that 78% of households in England aged over 65 are owner-occupiers. Of those, a very large percentage are mortgage-free. If I can put it like this, the rationale for a stamp duty exemption is weaker than it is for first-time buyers. However, I am sure that organisations and various bodies will continue to make representations to the Treasury, and Budgets are regular events.

Q263 **Liz Twist:** I believe that in fact a number of organisations did make those representations to the Treasury. From your perspective on the housing side, I am just wondering whether you believe that would be a measure that would help people to right-size.

Alok Sharma: As I have said to you, if you look at the profile of older people, many of them are mortgage-free. One of the things that holds older people back from potentially selling their home and moving is, of course, the attachment to their home. That is going to be very important. At the start of this session, I talked about what we want to do to make sure there is proper planning by local authorities for homes for older people. But the other side of it, of course, is the whole home-buying process. We have a consultation and a review that is underway right now on that. The various surveys that have been done by colleagues and Government suggest that a very large number of people who go into the home-buying or home-selling process find it incredibly stressful. Clearly, if you are older, you may find it perhaps more stressful, particularly when you are moving from a property that has been your home, where you have brought up your family. Making changes and improving the home-buying and home-selling process and making sure that can happen faster and with more certainty are the sorts of issues that will help older people as well.

Q264 **Liz Twist:** Minister, I was going to ask about that review of the home-buying process. You have mentioned the whole stress of moving house, which we all know about, but I just wondered whether you were going to be looking at that from the perspective of older people seeking to right-size or move to different properties.

Alok Sharma: The call for evidence on this closes next week, on 17 December; there is an opportunity for people to put in their views. When we are looking at the home-buying and home-selling process, it is



HOUSE OF COMMONS

looking at that for everyone. Clearly, anything that we can do to make the process quicker, cheaper and less stressful will be equally helpful to older people as to anybody else. The key issue with that is just to make sure that the overall process is much more efficient and ultimately cheaper.

One of the things that also sometimes will deter older people from looking to sell their home or buying another one is the stress but also that a quarter of all transactions fall away; they do not actually take place. There is the added cost of doing surveys and all the rest of it. If we can reform the home-buying process in a way that takes away the potential loss of these transaction costs, again, that would help people. Of course, it would help older people but also all potential home-buyers and home-sellers.

Q265 Liz Twist: It will look at the transaction costs and the risks associated.

Alok Sharma: It will cover transaction costs in a sense. The call for evidence is not specifically looking at transaction costs, but clearly there will be an impact as a result of improving the system and giving more certainty to the process. If you are undertaking a survey, sometimes it can cost quite a lot of money, in the many hundreds of pounds. Many people would be more willing to enter into that if they felt that there was going to be much more certainty of transaction at the end of that process.

Q266 Andrew Lewer: I wanted to ask a question on a similar theme. How aware do you think older people are of the existing shared equity and shared ownership options that are out there?

Alok Sharma: Mr Lewer, earlier on in the session I mentioned the fact that in a large number of households—78%—people aged over 65 are owner-occupiers already, very many of them without a mortgage. There are products out there. Of course, we have the Affordable Homes programme, which has shared ownership as part of that. We recently announced an extra £2 billion for the Affordable Homes programme, taking that to £9 billion.

Specifically in regards to shared ownership by older people, there is a product—the older person's shared ownership product. This is directed at people who are over 55, and there is an opportunity to buy up to 75% of the property and there is no rent charged on the remaining 25%. In terms of a specific answer as to whether older people are aware of shared ownership schemes, I suspect that if they had discussions through housing associations they would be, but of course very many of the people we are talking about already are homeowners.

Q267 Andrew Lewer: A large percentage are, but others are not or may seek to be even at that point in life. How accessible would you say Help to Buy is for older people who are usually less able to get hold of a mortgage?



Alok Sharma: To be very clear on this, Help to Buy is not particularly suited to specialist housing for older people. Clearly, it is open to anyone if you are purchasing a mainstream new-build home. It is the case that in recent years you are seeing lenders extending their lending to older people. People will have good and stable pensions. If I can throw in a statistic, in 2015 mortgages to households aged 55 years or older accounted for only 8% of the mortgage market. There is a movement in terms of mortgages being available for older people.

Q268 **Andrew Lewer:** That fits in with the comment we heard about how in some respects having a predictable pension pot is actually a more stable form of mortgage payment than some people in employment, given its flexible nature these days.

You touched upon specific retirement properties and specialist properties there. To develop that a little bit more, when do the Government intend to respond to the Law Commission's report on event fees within those sorts of retirement properties? Are you thinking about introducing a code of practice?

Alok Sharma: My Department asked the Law Commission to look at the whole issue around event fees in 2015. The report was published in March of this year. I have recently written to the Law Commission thanking them for their report, and we are considering it right now. I hope to respond to the Law Commission in the near future.

In terms of what we want to achieve from this, absolutely one of the things we are considering is a code of practice. We want to make sure that we align the recommendations that have been made across the whole of Government. Ultimately, what we want to see is transparency in the system, for people to know upfront what the costs are, and for those costs and charges to be reasonable.

Q269 **Mr Prisk:** Can I turn to the planning system? We have had some interesting written and oral evidence that suggests the system is not encouraging or not driving forward either the number or quality of homes for older people that I suspect both the Government and the Committee would want to see. Looking, for example, at this year's Neighbourhood Planning Act, there is a very specific requirement by the Secretary of State to issue guidance, which I am sure you are grappling with at the moment, in terms of making sure that local plans truly do take account of what older people's needs are. That is both overall and individually. When is that going to be published? How is it going to work in principle? I am not asking for details, but how is that actually going to make a difference on the ground?

Alok Sharma: Mr Prisk, when will it be published? The guidelines will be published at the same time as the revised NPPF. Work is ongoing on the draft of the revised NPPF, and the draft will be published for consultation early on next year. There may be elements of guidance that are published at the same time, though not for consultation. The full



guidance will be published at the same time that the revised NPPF is published—that is, before the end of the summer next year.

As I said earlier, what we want to do is to bring all of that guidance together in one place. Broadly, in terms of what we will be looking at in terms of the guidance, we will be looking at a range of measures that will include the evidence base around local plans, the location of developments and the terminology used to describe different types of older people's housing. As I said earlier to the Chairman in my opening remarks, working out what is in the guidance is also effectively work that we are undergoing by talking to external bodies. That means local authorities and developers but also, certainly in my view very importantly, people like Age UK and the Alzheimer's Society—that is, those who have a direct contact with older people.

Q270 Mr Prisk: We have learned and you know that the speed of growth of older people, by comparison to the rest of the population, is dramatic. In most instances, it is three times. Those aged 65 and above are growing at three times the rate of the rest of the population. On that basis, are you going to require local authorities to recognise that need by a percentage, for example, in the same way as we approach affordable housing in this country?

Alok Sharma: As I said, what I do not want to do is to pre-empt what is going to be in the NPPF, but we will obviously be putting out the revised draft early on next year. I will certainly take on board what you are saying, but what we will want to see is obviously looking at location, development and what will be required from planning authorities. Clearly, one of the things they will want to take into account is the need, and also the quantum of the need, in a local area for homes for older people.

Q271 Mr Prisk: But it will go beyond what we have at the moment, which is identifying the potential need. Presumably if you are reforming and updating the guidance, without asking you to say the specific outcome you will be seeking in any change, you will be making sure local authorities actually deliver on this rather than identifying a need but not being required or mandated to actually ensure they deliver a sufficient number.

Alok Sharma: We would expect local authorities, as part of their plans, to take into account the needs of all people, of course including older people. We would want to see something very specific in terms of their plans, in terms of location but also in terms of quantum.

Q272 Mr Prisk: There are wider reforms. You touched on one a moment ago. It would be helpful for us to understand how these interplay. For example, retirement and extra-care housing sits rather uncomfortably with the current planning-use classifications of C2 and C3. Is it your intention, either through what we were just discussing under the NPA or more broadly, to ensure that the type of housing that is being brought



HOUSE OF COMMONS

forward and the designation under C2 or C3 is reformed so that it is better aligned? One of the things we heard from many of the providers is that actually C2 and C3 is addressed in slightly different ways by different local planning authorities. All of this adds to the sense of inertia about actually getting anything built.

Alok Sharma: You make a perfectly valid point. As I said, one of the things that we will be looking at in the guidance is actually the precise terminology that is used to describe the different types of older people's housing.

Q273 **Mr Prisk:** Hopefully there will be adjustments to the way in which those designations exist.

Alok Sharma: Certainly, the guidance will set that out.

Q274 **Mr Prisk:** What about planning gain? Again, this is a critical area. You have the CIL; you have section 106; you have a review. A lot of the players in this field who are trying to produce homes of this type have all made it clear that their financial model does not fit the way in which viability tests operate. Is that part of your planning-gain review of CIL and section 106?

Alok Sharma: Mr Prisk, we had an independent review of CIL, which was carried out by Liz Peace. That was published at the same time as the White Paper in February this year. What that review concluded was that in an ideal world you would not have any exemptions at all in terms of CIL, while recognising that you do need certain exemptions, for instance when it comes to affordable housing. What I would say to you is that we will launch a consultation on the reform of developer contributions next year, so there will be an opportunity for everyone to feed their views into that.

Q275 **Mr Prisk:** As you say, that will specifically include specialist providers in this field. Although there are one or two well known commercial names, what has struck us as a Committee so far is how few people are in this field. That suggests to me that there is a problem in the way the market works.

Alok Sharma: As I said, there will be an opportunity for all players to feed in their views in terms of the consultation.

Q276 **Mr Prisk:** Lastly in this field, on the creation of retirement villages, as perhaps Americans might call them, or community housing, where communities of older people are developed, what is the Government's aim in this field?

I know you are talking to some players in the community housing fund, but at this stage it seems quite fuzzy as to whether or not retirement villages are desirable. Some people might think that they are a horrendous prospect; others might think they are wonderful. Stepping back and looking at the picture as a whole, do you feel that they have an important role to play?



HOUSE OF COMMONS

Alok Sharma: Yes, I do. Certainly, the examples I have been made aware of are pretty innovative. You have got examples in places like Barnet, but the reality is that the numbers are actually pretty small right now. Certainly, I would be keen on exploring how you might actually expand this model.

Mr Prisk, you talked about the community housing fund. I announced very recently that there would be more money made available: £60 million for 2017-18 and for the next couple of years as well. This is an opportunity, in terms of that fund, for organisations to come forward who want to look at these kinds of co-housing-type set-ups. That would certainly be very interesting.

A prospectus will be published in January next year, and I would say to anyone who follows the proceedings of this Committee who is looking at these kinds of interesting models to bid for funding.

Q277 **Mr Prisk:** Could this be done on a larger scale? Could there be a retirement town? Could there be larger villages of 4,000 or 5,000? Obviously, the Government are keen to see garden towns and villages. Is this something those sorts of applications would look at in terms of infrastructure funding and other pots?

Alok Sharma: In terms of the community housing fund, overall we are looking for that to deliver a couple of thousand homes a year. You are talking about retirement villages that are very large. The question is whether people want to be in a very large retirement village. Certainly, the conversations I have had with people who are close to retirement age or retired indicate that they have varying needs. Some actually want to live in a mixed community; some may want to live with others of a similar age.

As a model this is really interesting, but what I would like it to do is to develop forward. As I said, there is funding being made available for people to bid into. At the end of the day, the success of the developments that are out there, such as in Barnet and Colchester, is because people have chosen that they are going to live together and do this. It will actually be very interesting to see how many organisations and groups do come forward to take advantage of this money that is going to be available from January.

Q278 **Mr Prisk:** But in principle you have no objection.

Alok Sharma: In principle, if people want to live in a particular area, I certainly have no objection. However, at the end of the day, this has to be led by the desires of people. I would not want for us to be presenting a solution and saying that a really large retirement village is necessarily the way to go.

Q279 **Kevin Hollinrake:** Is there a lack of diversity in the numbers of developers who are interested in building retirement communities or building retirement housing? Minister, you said the numbers living in that



HOUSE OF COMMONS

kind of community was very small in the UK. Certainly, our evidence showed about 90% fewer in the UK living like that than in some other countries. Why is that?

Alok Sharma: In a way, I guess this is a question for the developers, who, at the end of the day, are the people who are building this housing. You and your colleagues have set out some of the reasons they have given in evidence as to why this may not be happening. I just go back to the wider point about the fact that one size absolutely does not fit all. We will all have family members who are retired or close to retirement. If you talk to them, I suspect they will all have very individual views on how they would like to live in their retirement.

Returning to the start of the session, I said we need to make sure that if people want to continue to live in the homes they have lived in for many years, we should make that possible. I talked about the disabled facilities grant as being one way of updating those homes. We have talked about how the planning regime is going to be reformed, so that local authorities have the needs of older people's housing much more at the front of their minds.

As Mr Jones also talked about, of course, there is the social care Green Paper, which will consider this in a very holistic way, allied to care and other needs as well.

Q280 **Kevin Hollinrake:** I am sorry; I was not here right at the start. The market is dominated by one large provider. In my experience of that large provider in my constituency, the cost of the properties they are developing is significantly greater than the average price per square foot. I accept there are some differences such as communal areas and other facilities, but there seems to be a lack of private-sector developers who are willing to enter this space, which is contributing to that lack of diversity. We need that diversity, and we need to provide different solutions. What can be done about that?

Alok Sharma: As I said, this is an emerging area for us as a Department. It is a really important area. Certainly, if there are people out there who have interesting thoughts about how we could expand this, I would welcome their contribution.

Q281 **Helen Hayes:** In the drive to boost housing supply, which is urgently needed, how will the Government ensure that new homes that are built are age-friendly and desirable to people who want to right-size their home later in life as well as to first-time buyers?

Alok Sharma: Mr Jones may have something to add on this, but, as I said earlier, one of the areas is the whole issue of building regulations. We have to make sure that ultimately they are amended in a way that makes sure that homes going forward are built and adapted in a way that allows people to live in those homes for a longer period of their lifetime. We are all getting older. As we have both said, very many people want to continue to live for as long as possible in the home they have lived in



HOUSE OF COMMONS

and in which they have brought up their families. Some 96% of older people still live in what I would describe as mainstream housing.

It is looking at how buildings are designed and how they are built that is ultimately going to make sure future housing is future-proof in terms of allowing people to live longer.

Q282 Helen Hayes: The policy of lifetime homes, for example, was significantly watered down by the coalition Government. London is now the only region of the UK where the lifetime homes policy applies as a meaningful requirement placed on developers when they are building new homes. Over the last seven years, every single new home that has been built that has not been subject to that policy has essentially missed a trick. Every home built with a step up to the front door, with a narrow staircase, with doors that are not big enough to fit wheelchairs or walking frames through or with a bathroom that is not easily adaptable is another home that is contributing to the future need for specialist housing. I just wondered whether you could comment on that policy and on the opportunity that might have been missed over the last seven years to have ameliorated the crisis that is clearly building in this area.

Alok Sharma: Ms Hayes, what I said earlier on is that in 2015 we did introduce new regulations that actually gave local authorities the option to set higher standards for new housing developments where it was justified by need. The optional requirement for these new buildings is broadly equivalent to lifetime homes.

Q283 Helen Hayes: It was a move from a national policy requirement to a policy of local discretion when, while the need in other areas of specialist housing may well vary across the country, the need in terms of our ageing population is there across the country. I slightly fail to understand why that watering down and local discretion applied in that instance when this is such a significant area for every local authority. There is not regional variation in the way that there is in some other areas.

Alok Sharma: There are, of course, minimum standards for accessibility in new homes. We talked earlier about the need to have homes heated for older people. Regulations that we have introduced have meant that people save on average £200 per household compared with the amount they were spending on heating their home in 2010. You have to look at the changes in a holistic way, but clearly, as I have said to you, there is a wide review of building regulations taking place. We will just have to wait to see what is in that interim report when it is published. Did you want to add something?

Mr Jones: I wanted to add something about my experience in the last couple of years. I hear what you say, Ms Hayes, but as the Housing and Planning Minister has set out, there has been a move to allow decision making at a local level in regard to the local need. I can recall going on one visit within the last two years to Devon and Cornwall and seeing a



HOUSE OF COMMONS

development of the type that you mentioned, which had just been built with wider doors, electricity sockets and light switches at a height that was conducive to people who have additional needs, and the floor between the first floor and the ground floor being such that it would not require any structural alteration to put things like lifts in. There is certainly a place for that and certainly an importance. However, we should not think that just because it is a nationally imposed policy that these properties are not being developed, because there are places in the country where they are.

Q284 Helen Hayes: Have you made any assessment of the impact of that policy change in 2015 on the number of easily adaptable homes broadly within the lifetime homes standard that are being built?

Alok Sharma: I can write to you on that particular point through the Chairman. I go back to this point: we think local authorities are best placed to decide on how standards that are in the buildings regulations are used. As Mr Jones said, local needs do vary across the country. Authorities will need to consider affordability, viability and how all of this will be maintained if they choose to adopt particular sets of standards. It is right to give local authorities a level of autonomy in these matters.

Q285 Helen Hayes: What assessment have you made of the impact of older people taking the decision to right-size their home on the wider housing market in terms of freeing up family-sized homes for families and that sort of thing?

Alok Sharma: In terms of right-sizing, we talk about this as an issue. Ultimately, it is a question of choice for people. Of course, there is under-occupation in some older people's households, but this goes back to the wider point about the work we are doing in Government to give people more options and choice in terms of where they may want to or choose to move. You may be aware that research was published by Cambridge University recently that looked at how older people are right-sizing. What it found was that in 50% of cases older people bought similar sized properties but, perhaps, with a much smaller garden. Of course, this then allows younger families to move in and buy houses that meet their needs.

Of course, we encourage right-sizing. At the same time, this has to be around the choice for older people. What we would not want is for an older person to somehow feel that there was almost a pressure or a requirement to move out of the family home they had been in for many years.

Q286 Helen Hayes: Moving on now to the area of sheltered rent, the announcement about the Joint Committee inquiry on supported housing was welcomed by the sector, but there are now calls for a little more detail on what exactly sheltered rent will mean and how it will be calculated and so on. First of all, I wondered whether you could say a little bit about the evidence base of the true cost of supported and



extra-care housing, which will feed into the formula for the calculation of sheltered rent. Do you anticipate there being any regional variations across the country in terms of the level of sheltered rent?

Mr Jones: You are absolutely right to say, Ms Hayes, to say that overall the announcement on sheltered and extra-care housing has been welcomed broadly across the piece. The National Housing Federation has certainly led in that. There are a number of providers—Home are an example—who off the back of that announcement have restarted the pipeline in terms of the decision to develop new units, which is extremely important because we know this is a growing area of demand, not a reducing one.

We do want to seek to bring more clarity about what sheltered rent will mean and what the cap on that will mean going forward. We are currently in the period of consultation, as you know. That closes on 23 January next year. What we are doing not just at the end of that consultation but right now is we are speaking directly to the providers of sheltered and extra-care housing to discuss the very points and challenges that you have raised, Ms Hayes.

We absolutely accept that to get new supply into this market we need to set the sheltered rent at a rent that makes it viable for providers, but we also have to make sure that we have sufficient oversight as well, and we have to make sure that providers are providing what they are purporting to provide, which has been a major challenge within the initial work that was done between ourselves and the DWP.

The other important thing is that we have some transparency in terms of what the additional amount of money is being used for in addition to the rent. There is a lot of work still to be done there, but we are confident that we will be able to bring that work forward fairly quickly and get to a point where we will be able to have a product that reflects the true cost of providing sheltered and extra-care housing across the country but also looks to reflect what the future cost will be.

We will also be looking at the up-rating. We have given a steer to the sector in terms of social rents going forward, of CPI plus 1%. In the context of sheltered and extra-care housing, we are also looking at how we will deal with that up-rating going forward so that we can give them that confidence to build the new supply that we are looking for. You may well know this, Ms Hayes, but the Government have £400 million of capital funding that we now want to see taken up to provide supported housing, including sheltered and extra-care housing.

Q287 Helen Hayes: In relation to how the sheltered rent might keep pace with increasing costs over time, CPI plus 1% is in the policy statement, but in terms of the overall envelope for sheltered housing, what provision are you making for an increase in the supply as well as the increase in the actual level of rent for each and every individual?



Mr Jones: As I said, it is about making sure we pitch the cap in terms of the sheltered rent at the right point. To reassure the Committee, the intention is that in 2020, when we move to the new system, any provider providing sheltered and extra-care accommodation at that point will enter into the new system at the rent that is currently being paid under housing benefit.

As I said, we are currently considering how indexing will work. We have already said we will use CPI plus 1% for the five years following 2020 for social rents, and we are, through the consultation at the moment, considering how best to apply an up-rating to the sheltered rent model. We want to see what the response is from the sector around that, and then we will be making decisions in due course.

Q288 **Helen Hayes:** Can you give confirmation that all properties currently commonly considered to be sheltered housing will be included in and eligible for the new sheltered rent? Is it your intention to undertake a review of the definition that might then leave some schemes not falling within it and therefore not eligible?

Mr Jones: We expect that all properties that are now provided as sheltered and extra-care housing will go into the new system on day one at the same rent point, as was the case. At the start of this section of questioning, Ms Hayes, you explained very succinctly the challenges around the actual rents that are charged, how they are made up and how they vary across the country. That is what we will be seeking to get to the bottom of in terms of making sure we have a model that works going forward. In simple terms, we expect the provision that is currently provided to be going through to the new model.

Q289 **Helen Hayes:** Finally, can I ask about timescale? When can the sector expect to know at what level and on the basis of what formula the new sheltered rent will apply?

Mr Jones: That is an important point. While I have said that some new supply is now starting to move as a result of the written statement that was made and some of the subsequent meetings that have been held between our Department and the sector, we are currently speaking to providers. We have another meeting next week. Officials are having meetings with this part of the sector. What we want to do is to try to seek to bring as much clarity as soon as possible so that we have a position where the providers will have confidence that post-2020 they will be able to provide accommodation or have provided new accommodation that they are able to sustain on the basis of the investment that they need.

I cannot put an exact date on it as yet, Ms Hayes, but what I can certainly say to you is that there will be certain things we will be seeking to clarify as soon as is practicable so that we can give that confidence to the broad cross-section of this sector.



HOUSE OF COMMONS

Q290 **Helen Hayes:** Is “as soon as possible” sooner than “very soon” or sooner than “shortly”?

Mr Jones: This is often a debate we have had at this Committee, Ms Hayes. What I would say to you is that I would hope to more formally bring some more clarity around one or two issues relating not to just this area of supported housing but the wider area of supported housing in the not too distant future, if I may use that language.

Helen Hayes: That is another one.

Mr Jones: As I have demonstrated to the Committee, when I have used that type of phraseology generally it has not been, in terms of dealing with a particular issue, too much beyond a reasonable time period. It is that type of description.

Q291 **Liz Twist:** Given the link between the quality of housing for older people and the health benefits of good-quality housing, will the Government ensure that housing is a central tenet of the social care Green Paper and not forgotten in health and social care integration?

Mr Jones: I can absolutely say that to you, Ms Twist. It is definitely at the forefront of the mind of the Government in terms of taking forward the Green Paper on social care. We all know that good-quality housing is absolutely critical for the reasons we mentioned earlier in terms of keeping people out of hospital, getting people back into their own homes after they have been in hospital, and making sure we can get people to live in their own home as long as is possible and as long as it suits that individual. If we can get that right, we can all agree it would have a significantly positive effect in terms of some of the other challenges we face, such as in terms of how we provide social care, what it costs and who pays for it.

Q292 **Liz Twist:** Will that include practical steps rather than just the words suggesting integration, which we have had before?

Mr Jones: As I say, it is something that is very much part of the social care review. We have pointed to a number of things today that would lead me to say that there will be a number of practical solutions that do come out of the work that is being done.

We do not just need to demonstrate with words that we are providing the correct types of accommodation and adaptations, for example, to accommodation that people currently have; we must make sure that is delivered on the ground. There are a number of things happening with that at the moment, as we discussed with building regulations and the significant increase in the disabled facilities grant funding. However, certainly, it needs to be a practical delivery if we are going to achieve our objective, which is to make sure we can sustain and provide good-quality social care for the whole of the population who need it.

Q293 **Fiona Onasanya:** On that note of being more practical, I wanted to ask



HOUSE OF COMMONS

a question in regards to advice and support. When I came in, you mentioned that most older people actually own their houses mortgage-free. If they are seeking to access other housing, are they given advice on things like equity release in that advice and support? It talks about there being some financial advice, but I did not know whether it stretches that far.

Alok Sharma: We talked about the advice that is made available to older people. My colleague talked about some of the schemes that are out there. Clearly, one of the things we will be looking at more widely is what advice can be provided for older people. I do not want to belabour the point, but what we want to make sure is that people have options and they feel comfortable in being able to exercise those options, whether that is to feel they can have a stress-free process of selling their home and moving somewhere else or indeed other advice they may require as well.

Q294 **Fiona Onasanya:** The reason I ask is that, yes, I agree they need to have options, but you cannot make an informed choice if the information is not provided. That is why I am seeking to get a little more clarity with regards to the information or the options.

Mr Jones: To pick up on what Mr Sharma has said, we were quite clear in the housing White Paper that we need to be making sure that there is the ability to provide the sort of advice and guidance you are talking about. Certainly, we also see that as a key part of the adult social care Green Paper: to make sure people are making informed decisions and they are able to plan for the future with confidence. Again, it will hopefully benefit the whole of the social care system if people are able to do that in the way that we hope may be the case in the future.

Q295 **Fiona Onasanya:** If the advice is not necessarily able to be provided—it might be too specialist for the people who are seeking to assist them—will they be signposted? I note that you also mentioned the older person shared ownership scheme. I just wondered whether that is for specialist housing or just new builds. What sort of information is given about those?

Alok Sharma: One of the subjects we have discussed is an organisation called FirstStop. It is a service that is run by the Elderly Accommodation Counsel, which is a charity. We had a discussion about the funding of that and the funding that has been provided by DCLG.

What I would say to you is that we will absolutely consider what future advice services are going to be relevant for older people. This will very much be in terms of any possible changes to the policy approach we have when it comes to housing for an ageing population. Clearly, part of that will be an emphasise, if people want it, to right-size. There will be bits of advice that people will want to have. It is entirely possible for people to get advice on mortgages and equity release already. They can do that independently and get that advice. Certainly, what the Committee has



HOUSE OF COMMONS

talked about is whether there could be a central place that people could go to for advice, and we will absolutely consider this.

Chair: Ministers, thank you both very much for coming to give evidence to the Committee today. On behalf of the Committee, can I wish you both all the best for Christmas?

Alok Sharma: Likewise, yes.

Chair: Like everyone, I can probably promise you an interesting new year, if nothing else. Thank you both very much for coming.

Alok Sharma: Thank you, Mr Chairman.