

London: A place for older people to call home

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This publication looks at London's older residents in depth, and the extent to which London is meeting their housing needs.

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London is often seen as a 'young person's city'. Yet the fastest growing age group in the city over the next 10 years will be the over 65s.

Meeting the housing requirements of this group presents some unique challenges, on top of the well-documented complexities of London's housing market.

To help us better understand these challenges, this publication builds a picture of who London's older residents are, where they live and whether London is on track to provide good, affordable, and appropriate homes for its older residents in 2030.



Introduction

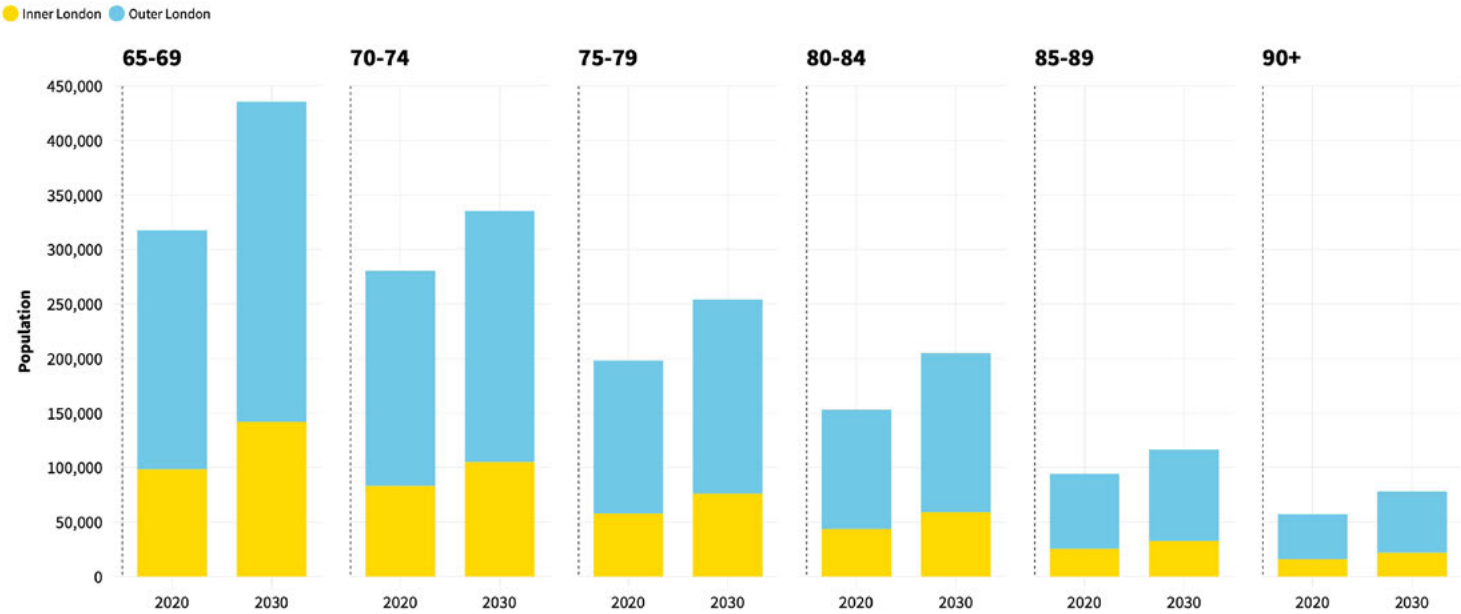
Despite public perceptions of London as a 'young person's city', its older population is set to increase sharply over the next 10 years. As well as the generalised challenges of meeting housing needs for all in a complex property market, planning for older people's housing has some unique issues and challenges to consider. The following section introduces some of the key headline figures to contextualise these challenges.



Londoners over 65 are increasing in number

The number of Londoners aged 65+ is forecast to rise by 30 per cent by 2030. This is compared to a rise of 23 per cent across England. Beyond the headline figure of a growth in the total number of over 65s in London, the numbers of people in the smaller cohorts which comprise the whole over 65 population are changing at different rates. So, the increase in the number of people aged 65-69 will be larger than those aged 70-74, for example. There are also substantial variations in the rates of growth across inner and outer London, with inner London seeing more change, especially for people just after retirement age.

Population aged 65+ living in London, 2020 and 2030 (projected)



Source: POPPI, data downloaded on 10/03/20 11:22, version 12.1

Population aged 65+ living in London, percentage change, 2020-2030

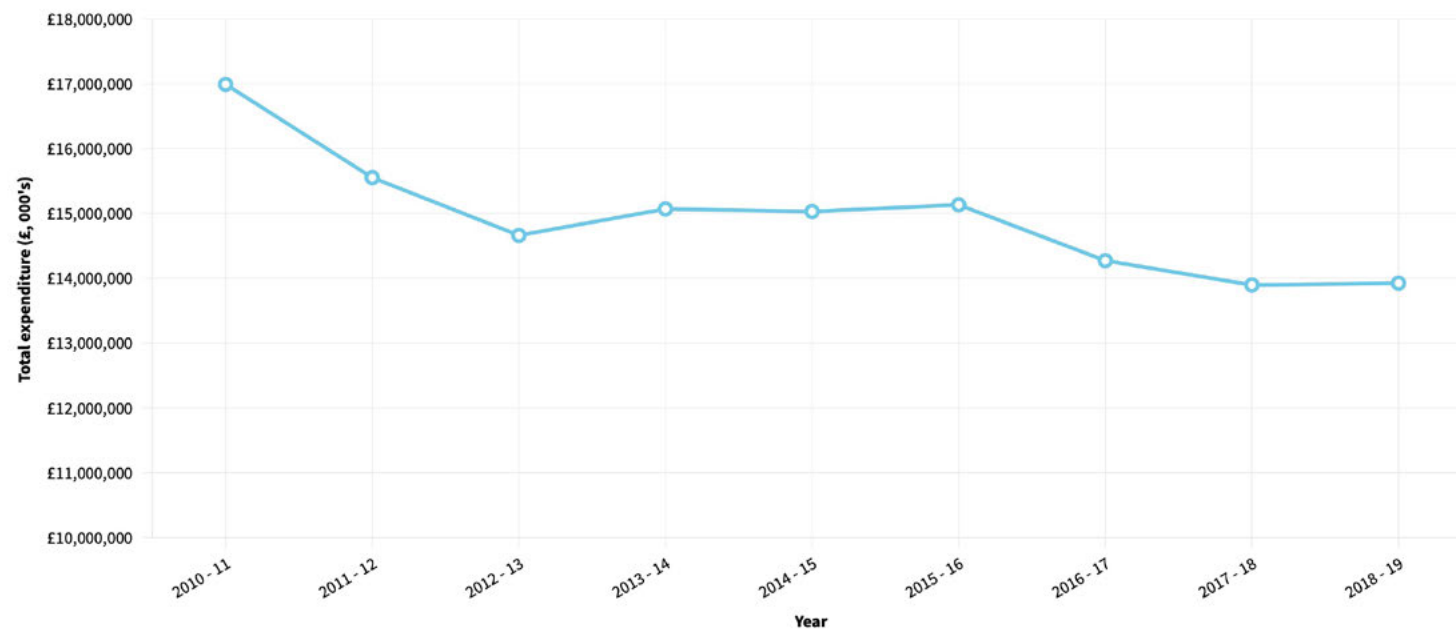
	65-69	70-74	75-79	80-84	85-89	90+	London total
Inner London	44%	26%	31%	35%	29%	38%	35%
Outer London	34%	17%	27%	33%	22%	36%	27%
London total	37%	20%	28%	34%	24%	37%	29%

Source: POPPI, data downloaded on 10/03/20 11:22

This is taking place against a backdrop of a reduction in council spending

Spending by local authorities has reduced since 2010.¹ Total spending by all London boroughs has fallen by almost 20 per cent between 2010/11 to 2018/19.

Total service expenditure, total London boroughs



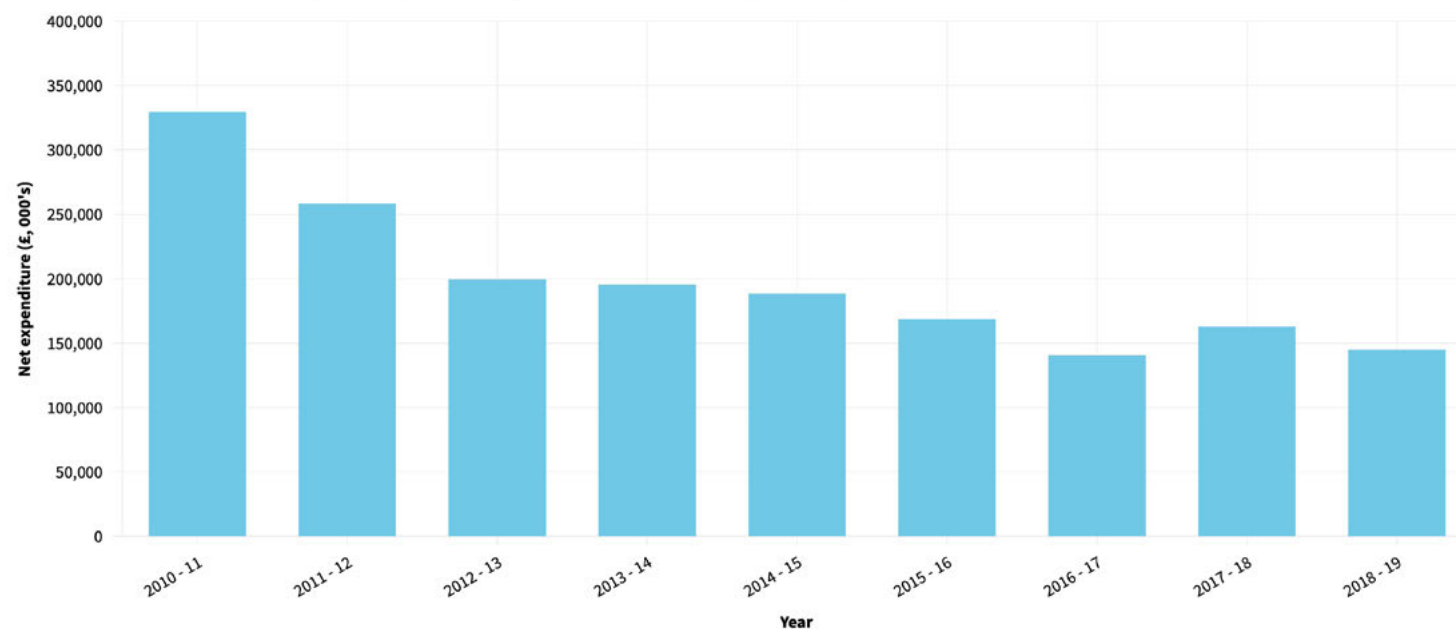
Source: MHCLG, Local Authority General Fund Revenue Account Outturn (RA, RSX). • Figures adjusted for inflation.

These cuts have fallen disproportionately on planning and housing departments

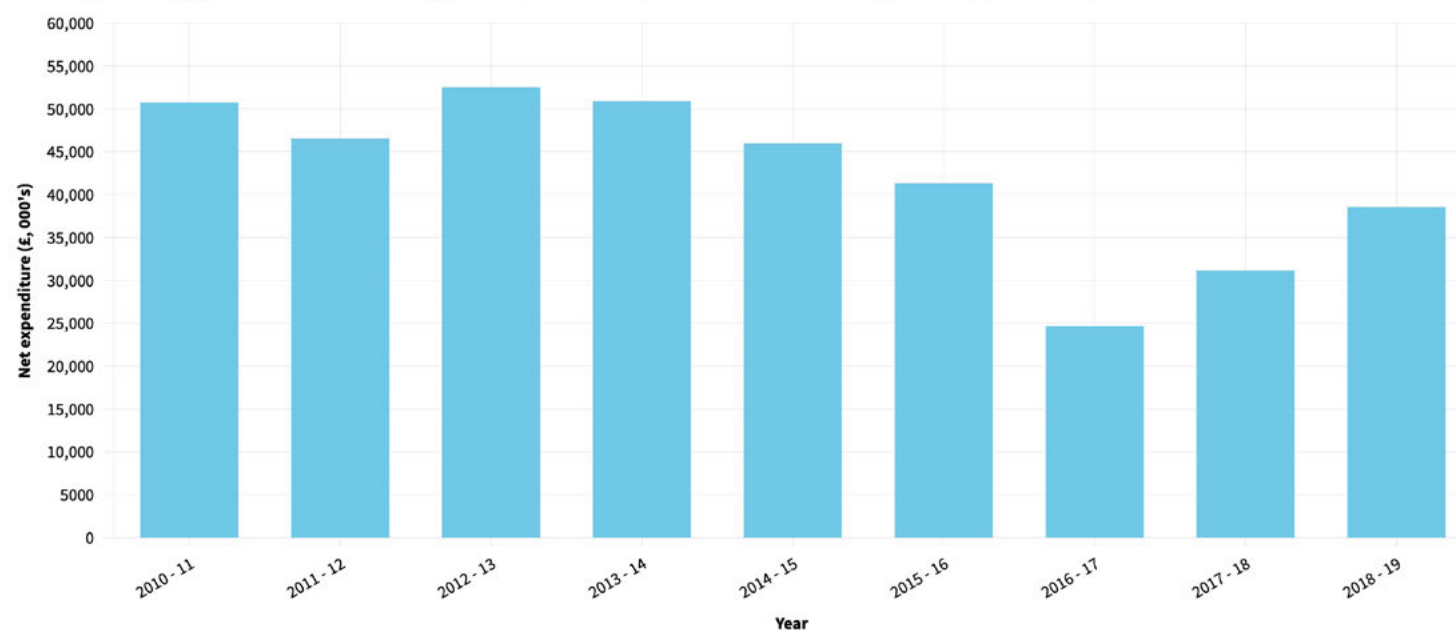
These changes have affected planning and housing departments particularly badly. This will make it harder for local authorities to successfully plan and deliver suitable accommodation for older Londoners. Spending on planning and development services for London local authorities has reduced by roughly 50 per cent in the time period 2010/11 – 2018/19.

Housing strategy teams across London local authorities have also seen their spend reduce by a similar amount from 2010/11 – 2018/19. However, there has been a gradual but continual increase since 2016/17 – possibly explained by the return to more direct delivery of housing by local authorities.²

Planning and development, net expenditure, total London boroughs 2010/11 – 2018/19



Housing strategy, advice and enabling, net expenditure, total London boroughs 2010/11 - 2018/19

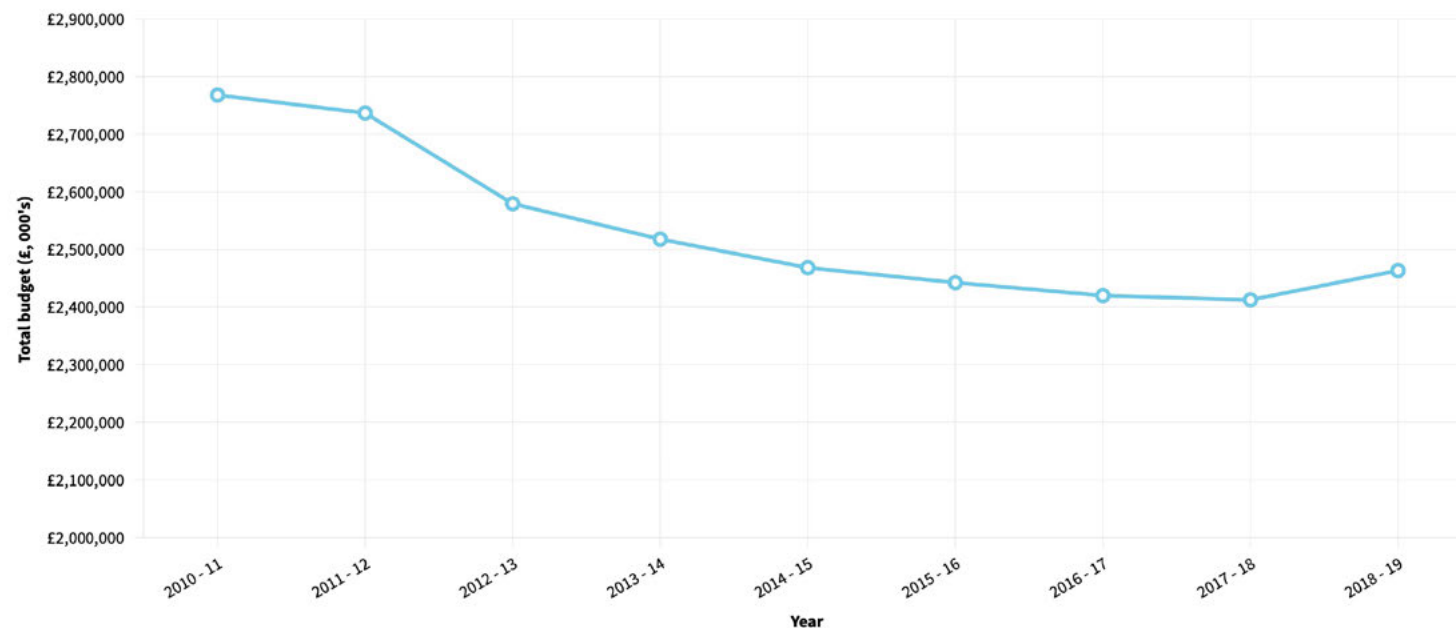


Adult social care has been relatively better protected

Adult social care spending by local authorities is also crucial to meeting older Londoners' housing needs. But it has not escaped financial pressures since 2010 either. The chart shows that expenditure on adult social care budgets has reduced by almost 15 per cent between 2010/11 – 2018/19.

However, we can see that adult social care budgets have been relatively better protected than housing and planning. Despite the fact that planning and social care are both core mandatory functions of local authorities, the need to maintain spending which has a direct impact on individuals' health and wellbeing could provide the logic for protecting social care spend at the expense of other services.

Adult social care budget, total London boroughs



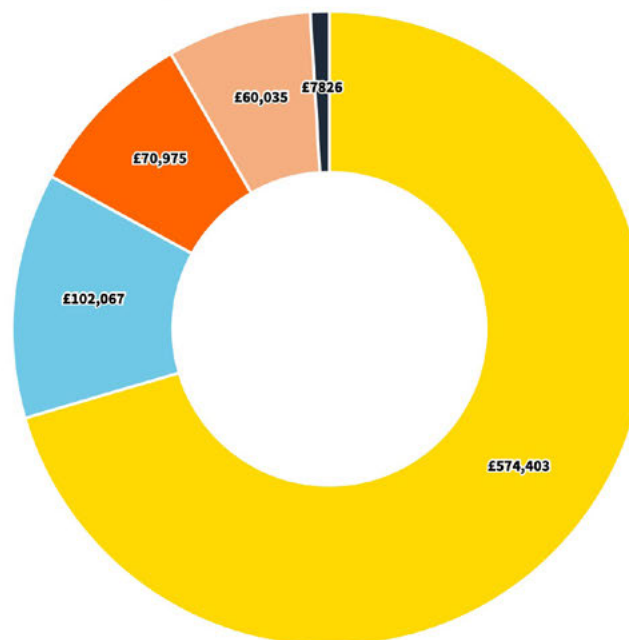
Source: MHCLG, Local Authority General Fund Revenue Account Outturn (RA and RSX). • Figures adjusted for inflation.

Almost three quarters of 'older people' specified spend is spent on physical support

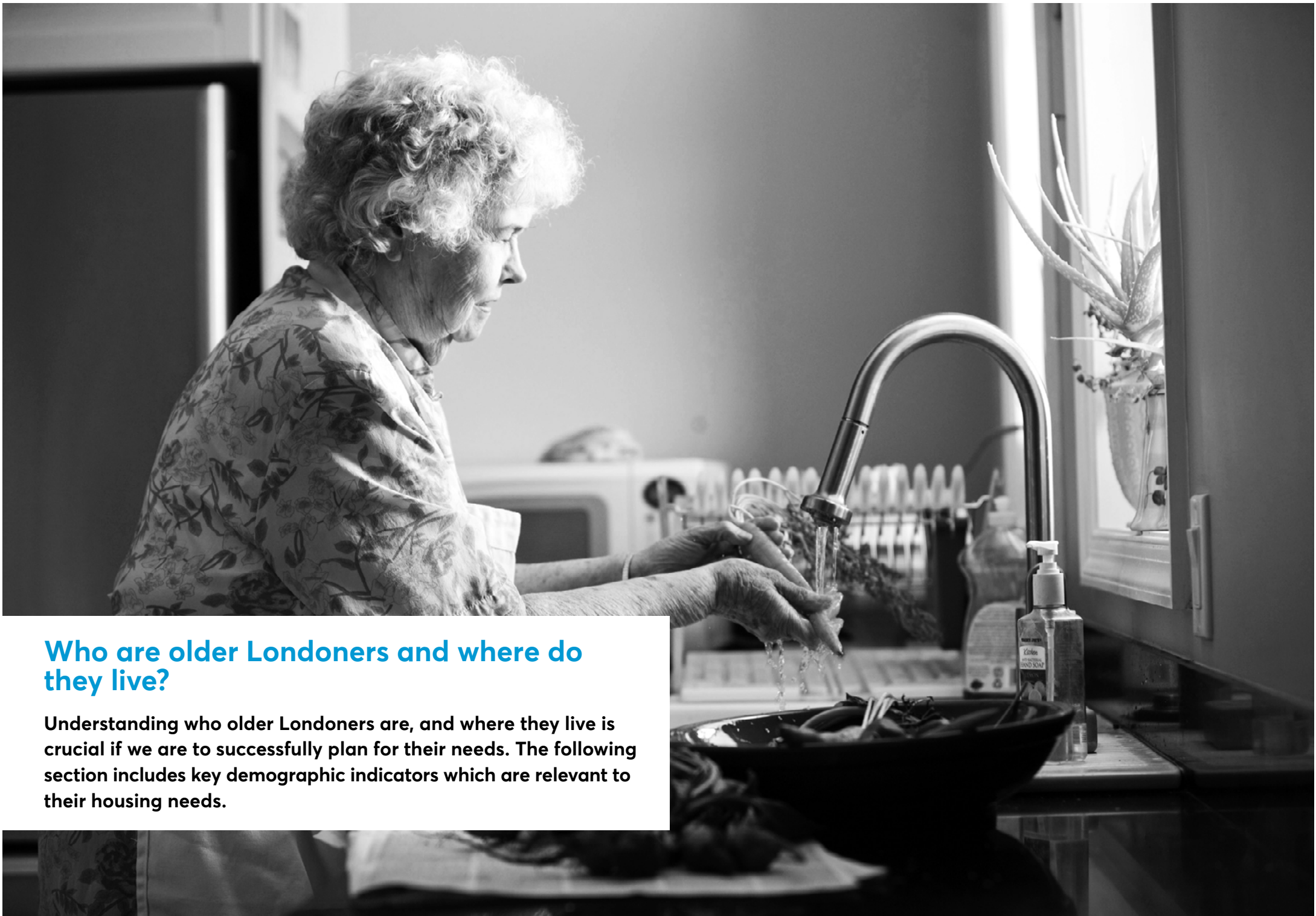
At this point it is important to note that adult social care budgets are not solely dedicated to spending on older people, but also cover support needed for all adults with mental health problems, as well as physical, sensory, and learning disabilities. However, a proportion of adult social care spending is recorded annually as being dedicated to older people.³ Of this, the vast majority is on 'physical support'. The amount of expenditure which is allocated to each category is determined by an assessment of what the primary cause of an individual's needs are. This particular data does not therefore tell us precisely whether older people's health needs are actually caused more by 'physical' needs rather than 'sensory' for example, but rather where the majority of spending goes.

London borough adult social care budget breakdown for older people (65+), 2019/20 budget

Physical support Memory and cognition support Learning disability support Mental health support Sensory support



Source: MHCLG, Local Authority General Fund Revenue Account Outturn and Budget (RA, RSX and R03).



Who are older Londoners and where do they live?

Understanding who older Londoners are, and where they live is crucial if we are to successfully plan for their needs. The following section includes key demographic indicators which are relevant to their housing needs.

Older Londoners are concentrated in outer London

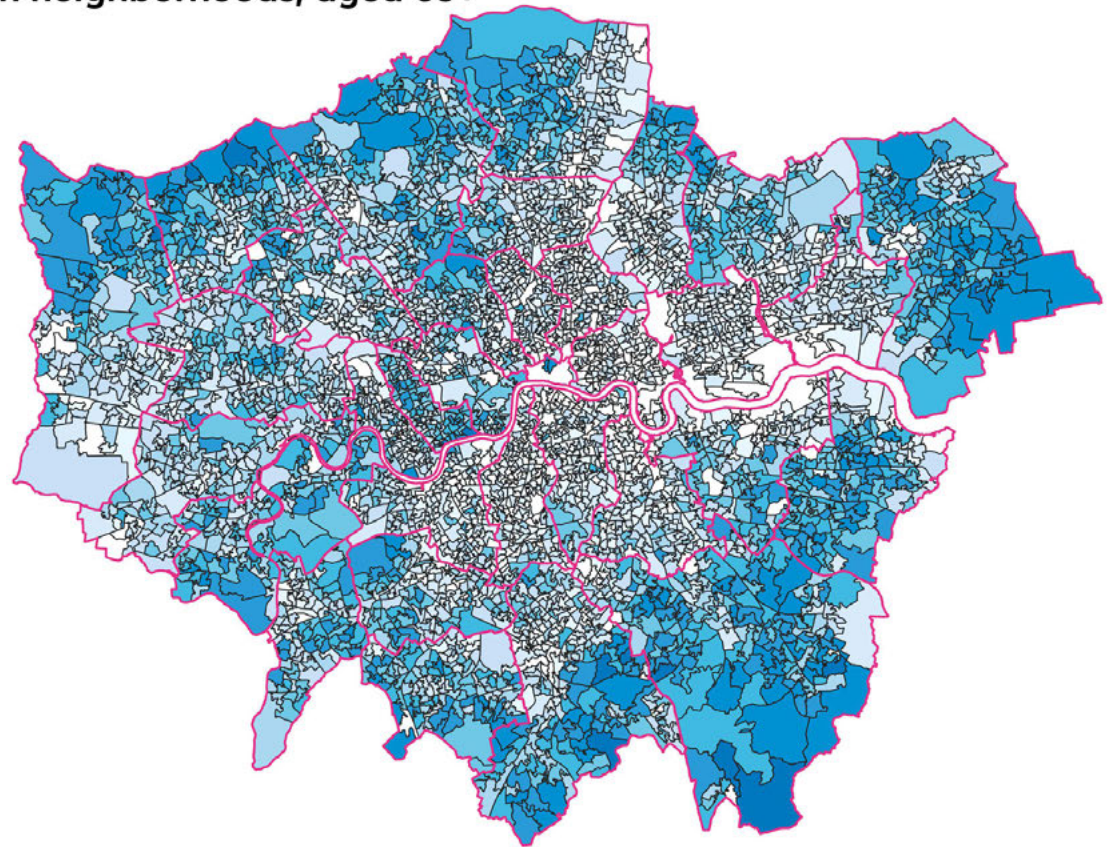
Where older Londoners live is not equally spread across the city. As shown on the map, older Londoners are concentrated in outer London boroughs, albeit with some exceptions such as Kensington and Chelsea and Greenwich. This is at odds with the projected growth of over 65s over the next 10 years, which is forecast to be focussed on inner London. However, the raw data does not tell us why older Londoners live in the places they do. Further research is required to establish whether the pattern is due to preference, or instead due to an unequal distribution of suitable accommodation.

Proportion of London neighborhoods, aged 65+

London boroughs

Proportion of London neighborhoods aged 65+ (%)

- 0 - 6
- 6 - 8
- 8 - 10
- 10 - 12
- 12 - 14
- 14 - 17
- 17 - 18
- 18 - 24
- 24 - 31
- 31 - 45

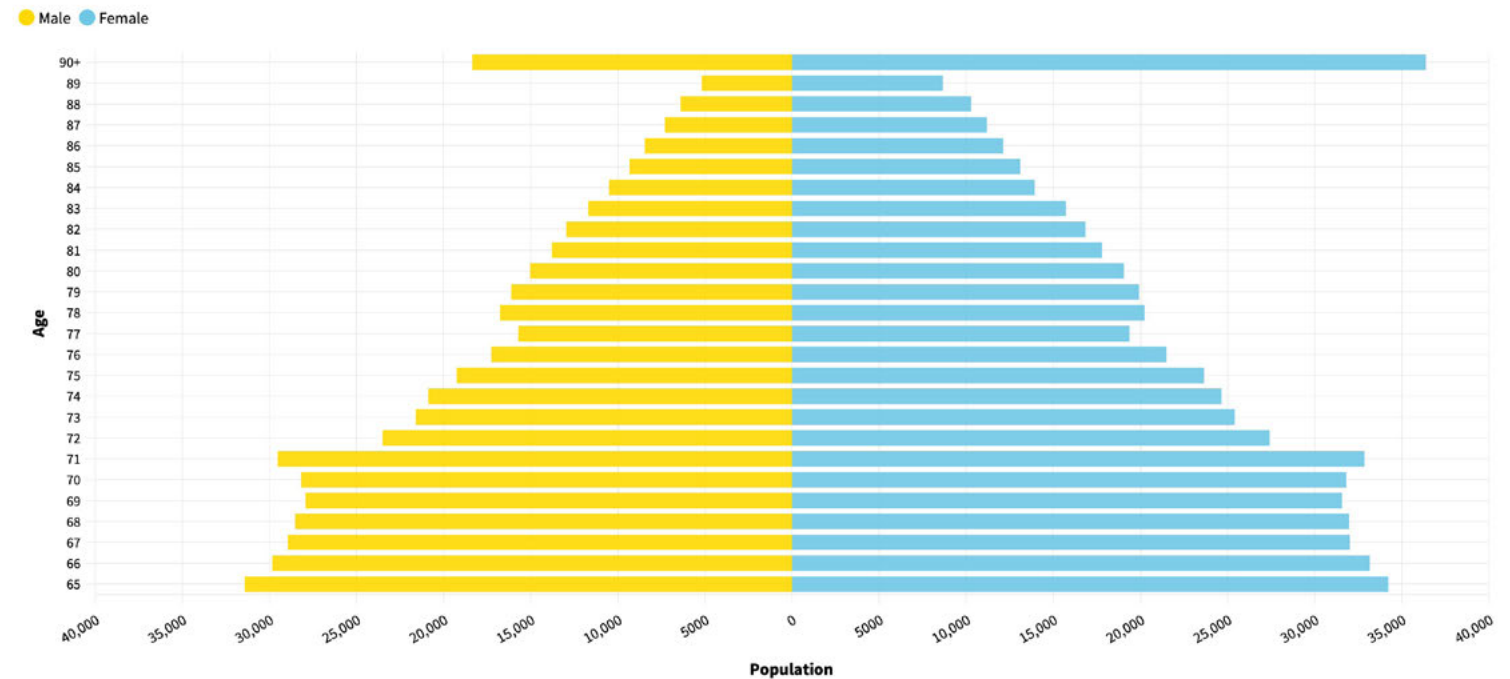


Source: ONS, MYE2: Population estimates: by single year of age and sex for local authorities in the UK, mid-2018 Lower Super Output Area (LSOA)

There are more older women than older men in London

A snapshot picture of population estimates shows that at every age post 65 there are more women than men. This is because on average women live longer. The 90+ data point represents all ages over 90 years, which explains the significant variance between women and men.

Population estimates by single year of age and sex, mid-2018

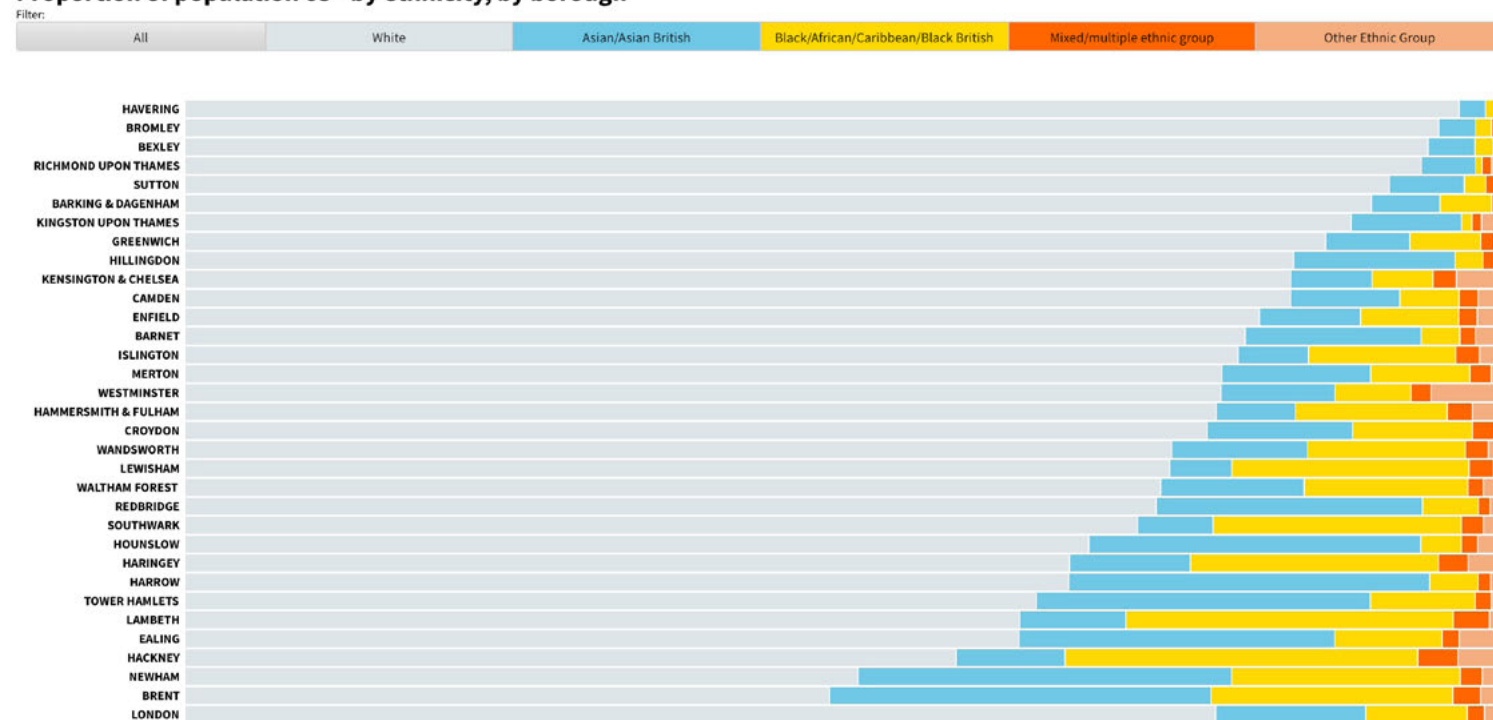


Source: ONS, MYE2: Population estimates: by single year of age and sex for local authorities in the UK, mid-2018

The ethnic mix of older Londoners varies across boroughs

As well as a different age profile across boroughs, within boroughs there are quite different patterns of ethnicity among the over 65 cohort. This has implications for what appropriate housing means in each context. As with other social identities, the diverse life experiences of Londoners can shape expectations about what ‘good’ housing, which allows for dignified later-life, means.

Proportion of population 65+ by ethnicity, by borough



Source: ONS, 2011 Census

As does the proportion who live with different generations

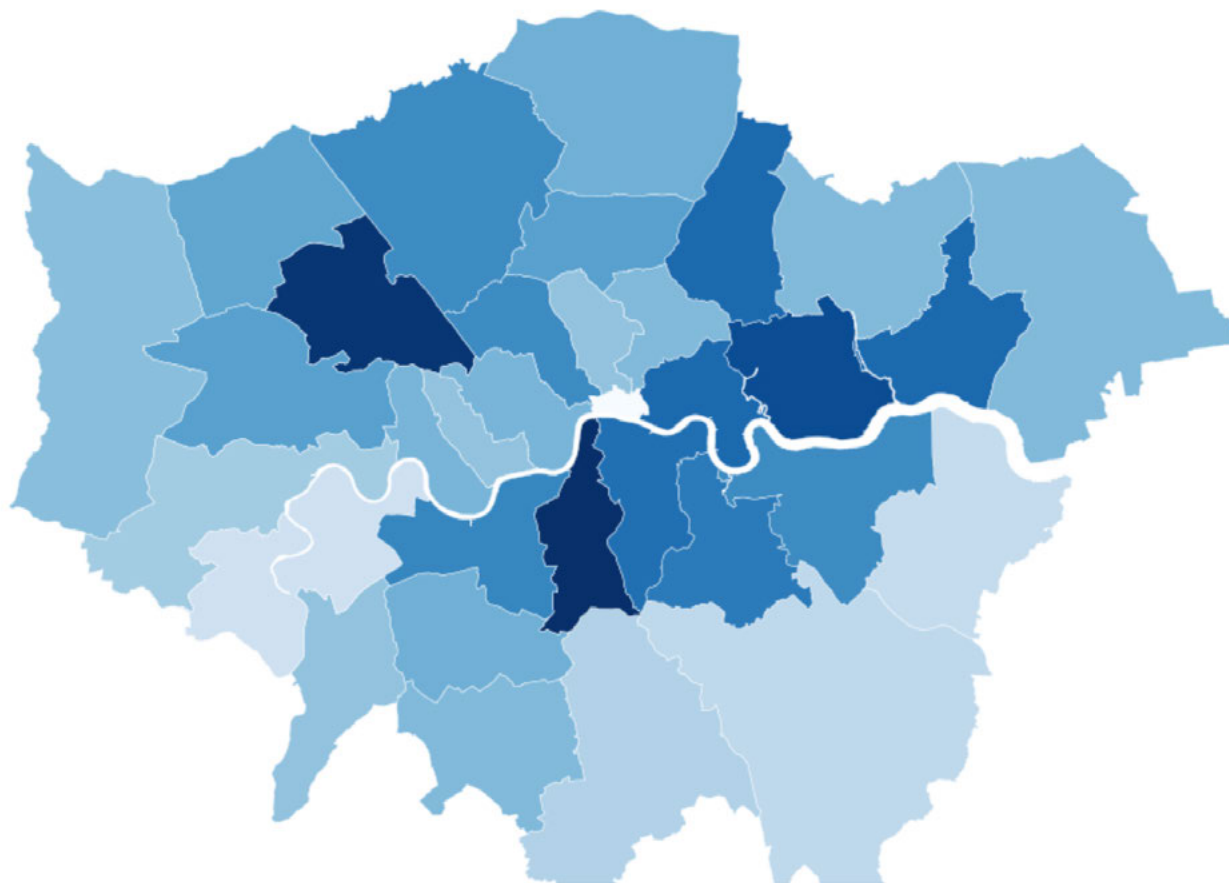
Some older people live with relatives from younger generations, either by choice or out of necessity. The chart above shows the boroughs with the highest proportions of multigenerational households across London. In some local authority areas these align with a higher proportion of non-white households, particularly those boroughs with a high proportion of Asian households. This tallies with what we know about the likelihood of living in multigenerational households across different ethnic groups.⁴

Nationally, Asian households have been shown to have a higher proportion of multigenerational households. However, beyond the broader 'Asian' category, there are some substantial differences in the proportion of multigenerational households amongst different Asian ethnic groups, like Bangladeshi and Chinese, for example. In some other local authorities, such as Barking and Dagenham, the proportion of families living in multigenerational households cannot be explained by the particular ethnic mix there, so there must be other influences at play.

When we look at London overall, the proportion of over 70s living in multigenerational households is significantly higher at 24 per cent, than the UK average of 15 per cent.

Proportion of people aged 70 or over living in a household with one or more people aged 16-64, by London borough, 2018

0% 45%

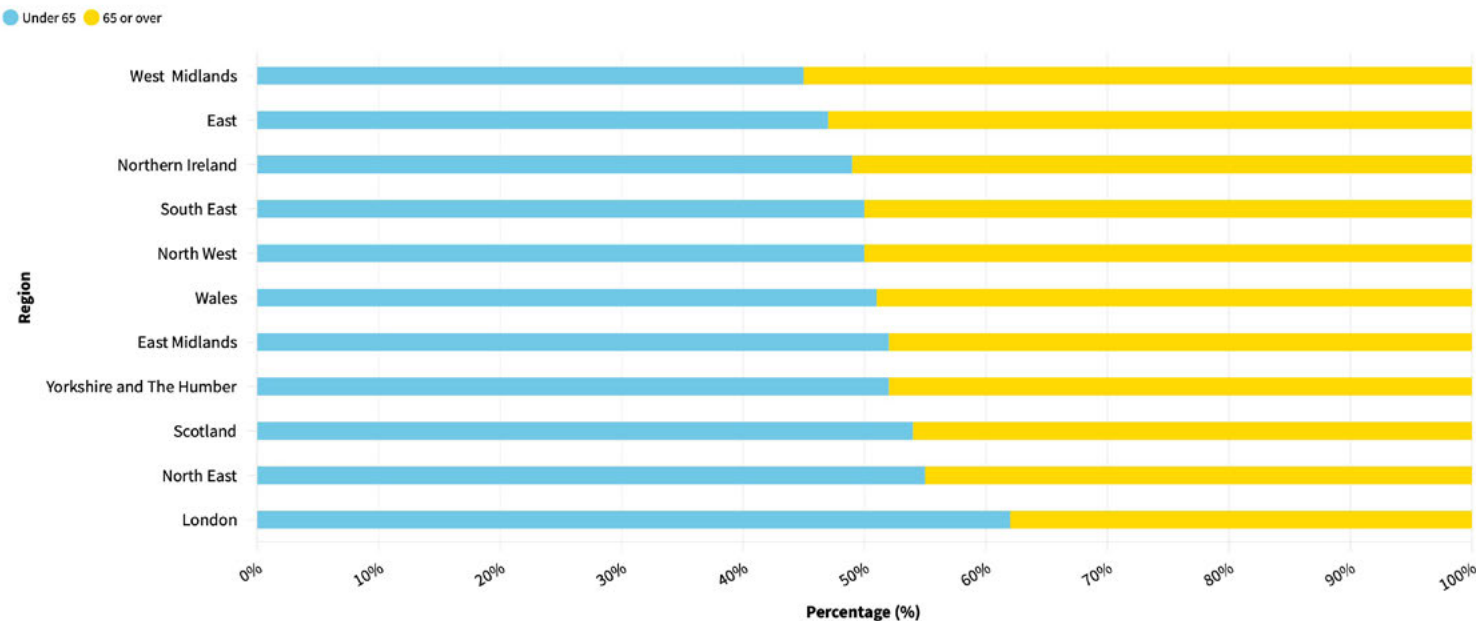


Source: Annual Population Survey (Household), January-December 2018

London has the lowest proportion of single person households over 65 of all UK regions

London has the lowest proportion of single person households over 65 of all UK regions. This difference cannot just be explained by the fact that more older people are living in multigenerational households in London than elsewhere. Although London has the highest proportion of multi-generational households of all UK regions (24 per cent), Northern Ireland and the East Midlands are next highest, which does not align with their proportion of single person households over 65.

Proportion of one person households by age band, UK region, 2019



Source: ONS, Labour Force Survey

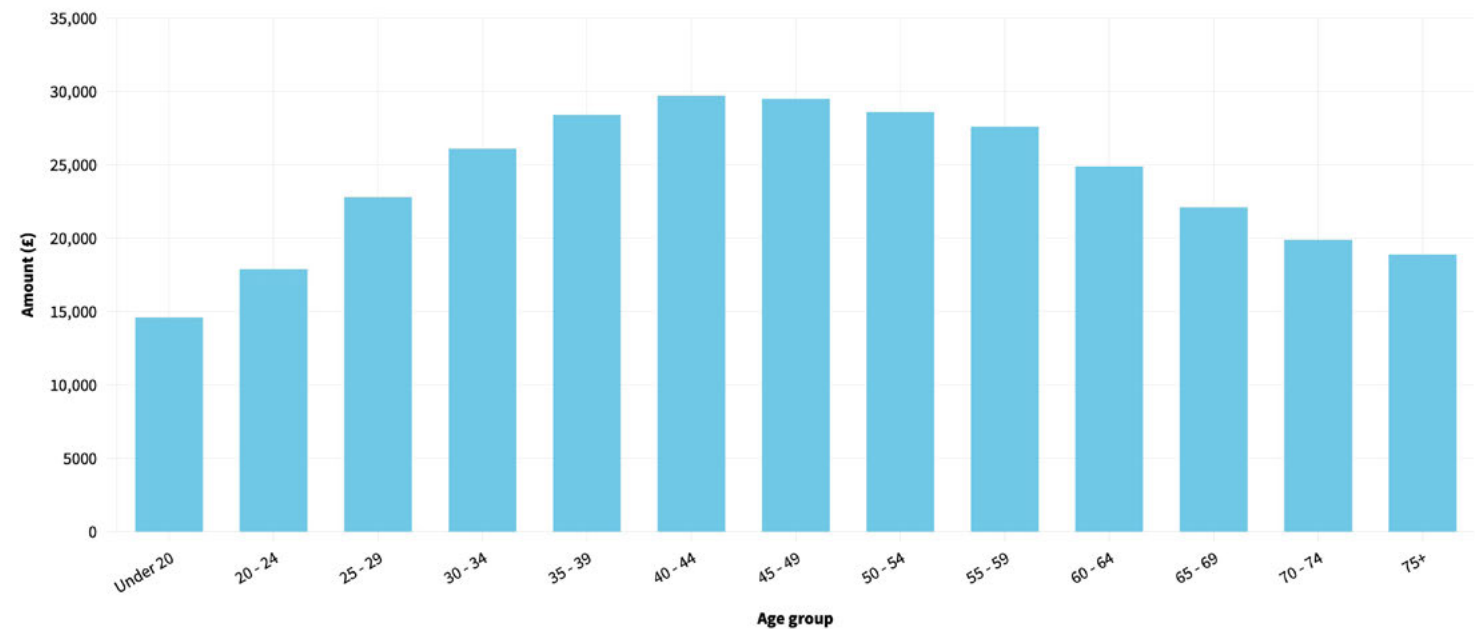
Though income declines with older age, it remains higher than for those starting their careers

Affordability is a key concern for housing in London across all age groups and tenures, and older Londoners are no exception. The chart above demonstrates that even though incomes decline with older age, median income before tax is still higher for the over 65s than for those at the start of their working lives.

There are of course significant inequalities within age groups: some older Londoners have very large pensions and significant wealth from housing, others have only the state pension and no assets. One possible explanation for the differences in median income across age groups could be the so-called ‘triple-lock’ pension protection, which has resulted in pensioner incomes growing at a relatively higher rate than other incomes over recent years.⁵

Amongst older people, people at the younger end of pensionable age are faring relatively better. This could be explained by their recent entitlements to the new state pension, which has seen a higher rise than the old basic state pension in recent years, and also the fact that they are entering pensionable age having accrued higher earnings and therefore higher private pensions than previous generations.⁶

Distribution of median income by age range, tax year 2017/18, UK



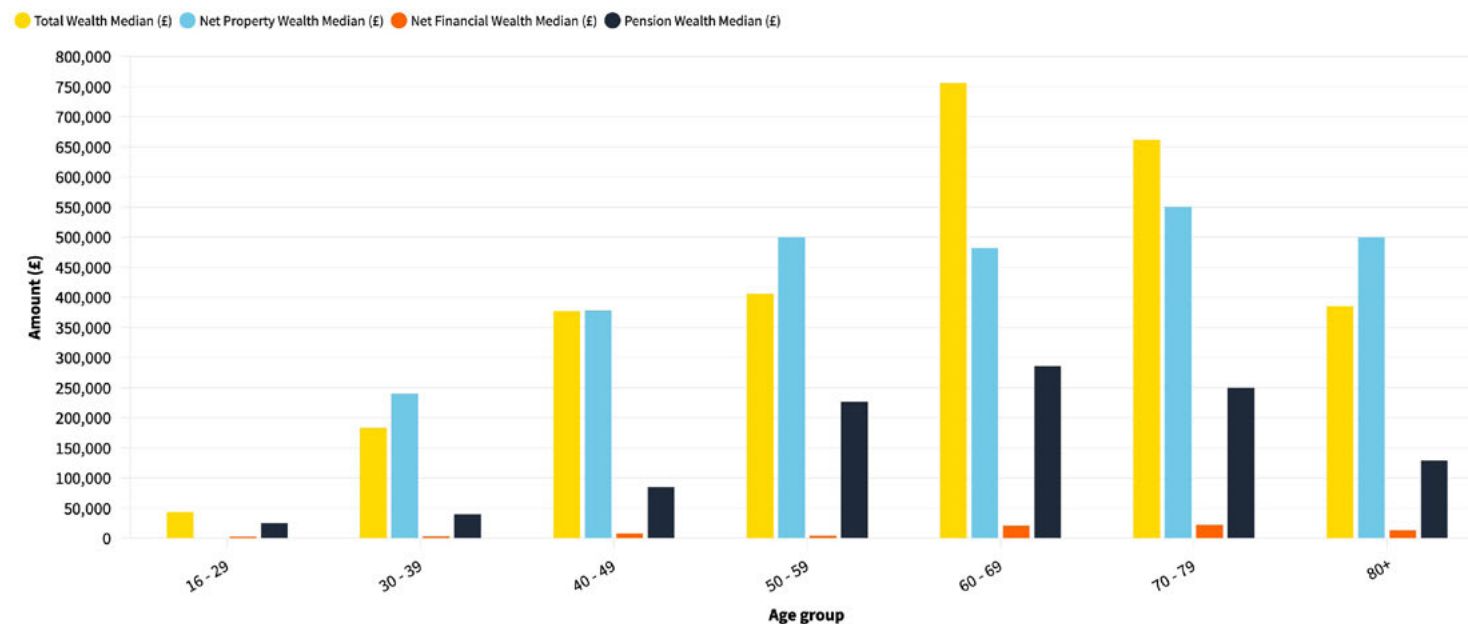
Source: HM Revenue and Customs, Survey of Personal Incomes (SPI) 2017 to 2018

Generational differences of wealth are even more pronounced

As well as income, wealth is an important variable when making both personal choices and policy decisions on older people's housing. Wealth can determine our housing choices in a number of ways. Having the ability to either sell property or release equity frees up money so that individuals and households can make decisions about moving to more appropriate accommodation. Similarly, property wealth and other assets help to determine entitlement to social care from local authorities. This chart shows us just how important wealth from property is, as a component of total wealth.

The chart also demonstrates how the decline in home ownership for younger people in recent years has affected their total wealth. Unless there are some quite radical changes to the housing market soon, current young Londoners who do not own property are unlikely to acquire it by the time they retire. This will have a profound effect on how we plan for housing for older people in the future.

Distribution of median and mean wealth by age range, tax year 2017/18, London

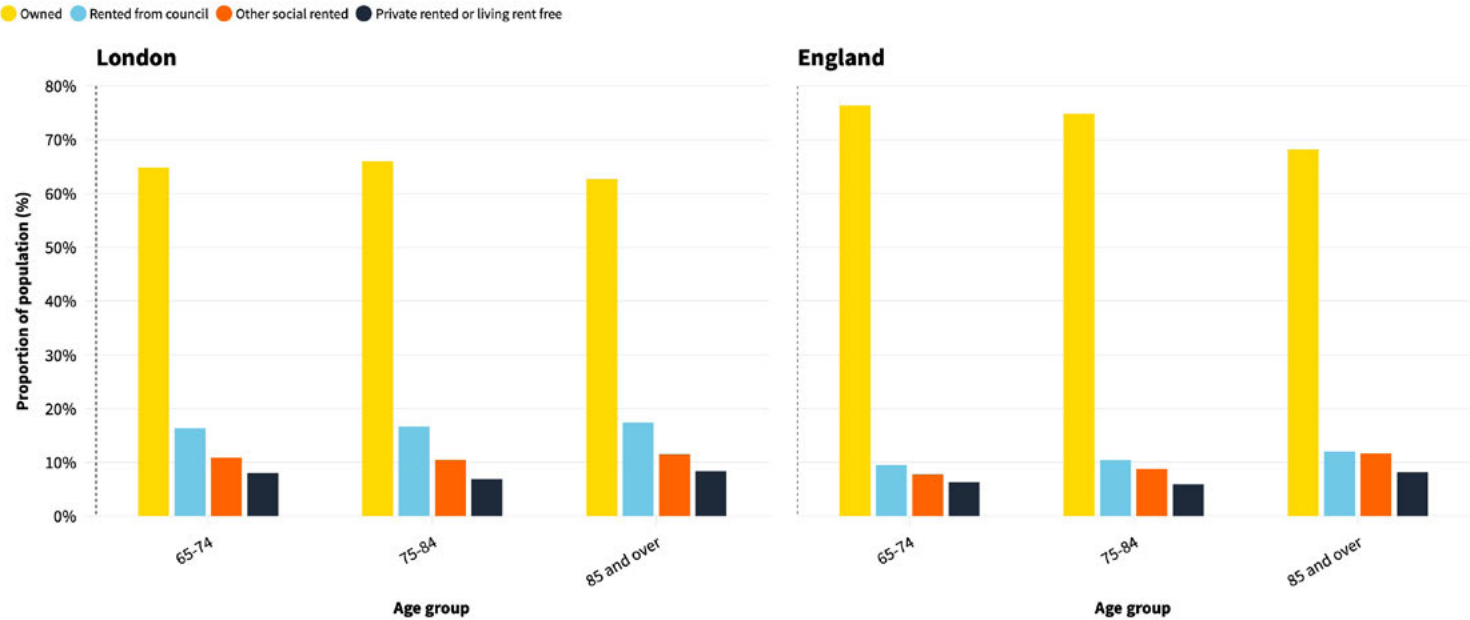


Source: ONS, Wealth and Assets Survey

The majority of those aged over 65 live in owner occupied housing

This chart shows the respective importance of owner occupation as the dominant tenure for over 65s, in both London and England. However, there are some notable differences between London and the rest of England. This is the higher proportion of over 65s who live in rented accommodation, of all tenures. This aligns with the differences we can observe nationally between London and the rest of England across all age groups, with owner-occupation relatively lower and all rented tenures relatively higher as a proportion of total households.

Proportion of population aged 65+, tenure by age

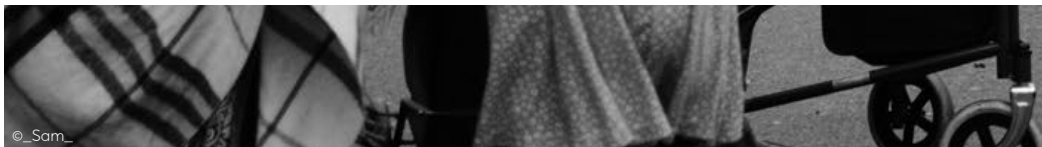


Source: ONS, 2011 Census



How does health differ among older Londoners?

Providing suitable accommodation for older Londoners requires an understanding of their health needs. The following section outlines some top line figures to get a sense of how the health of older Londoners varies across place, gender and income.

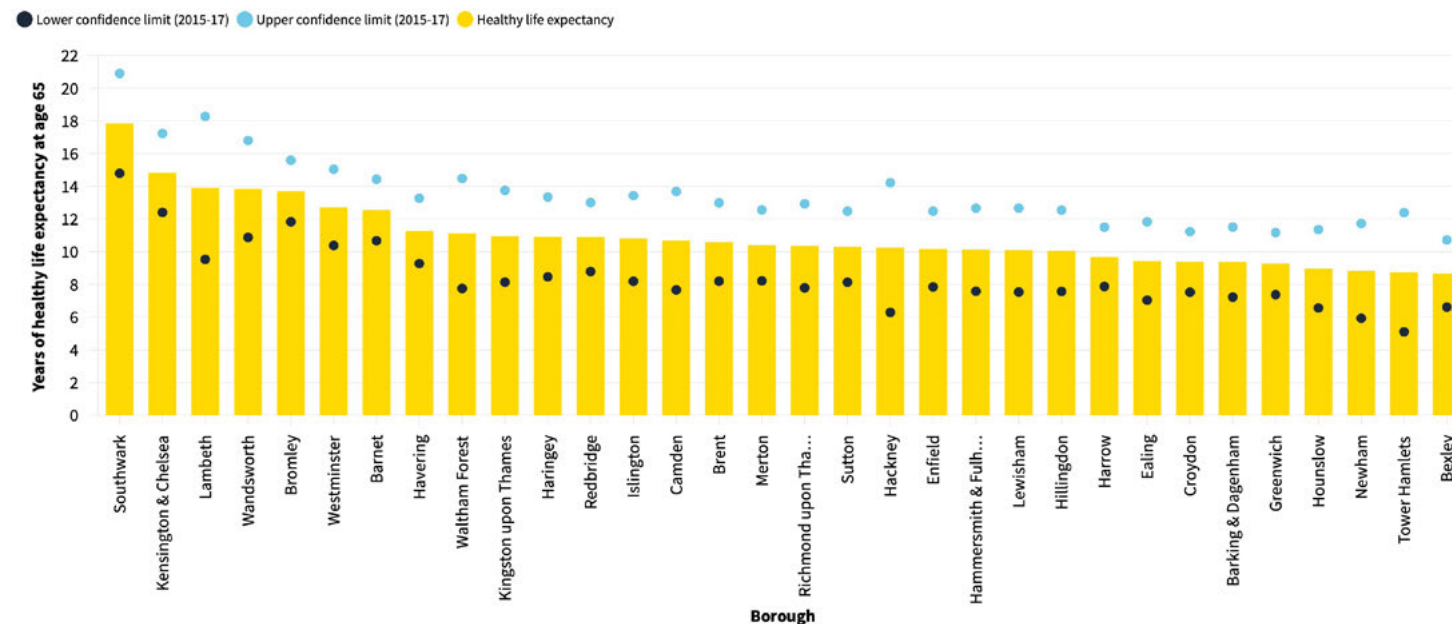


Older women have longer healthy life expectancy than older men in London

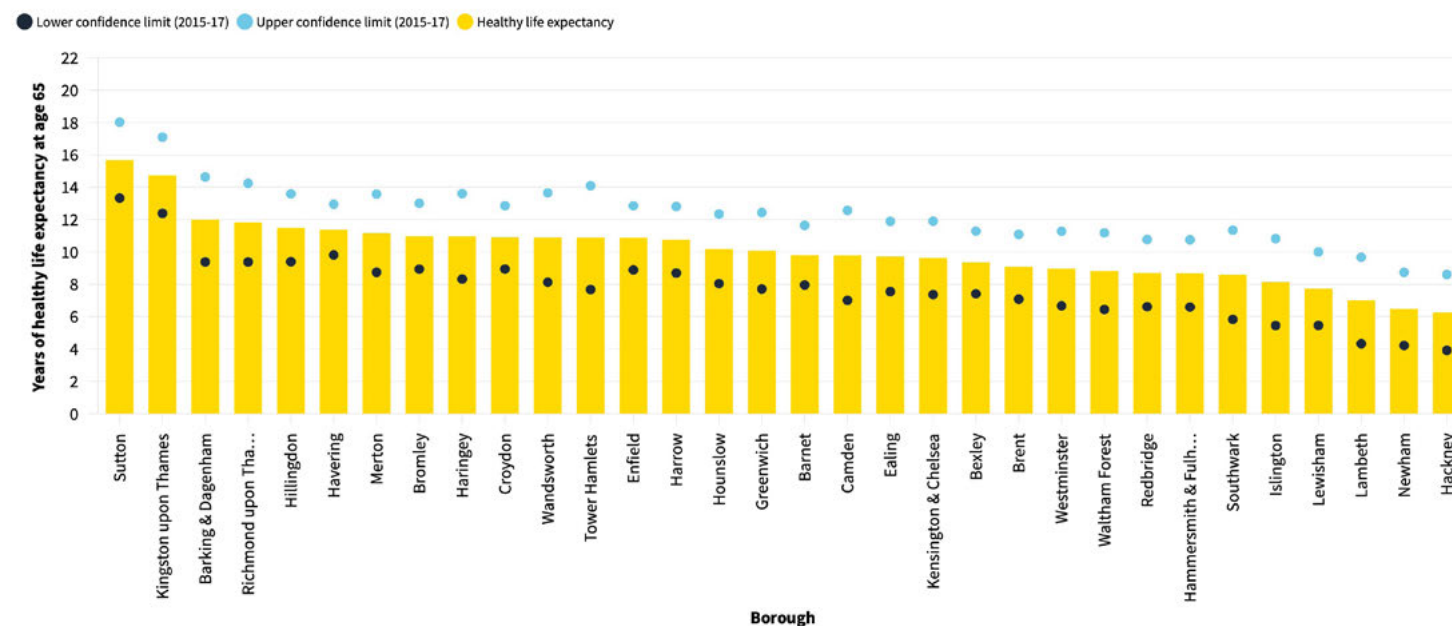
Healthy life expectancy at age 65 varies for men and women across boroughs. The numbers on the y-axis show how many more years of healthy life a person aged 65 in each London borough can expect to live.

Across all London boroughs, on average men have almost a year less healthy life expectancy at age 65 than women, which is in line with their general lower life expectancy.

Healthy life expectancy of females at age 65, by London borough, 2015-17

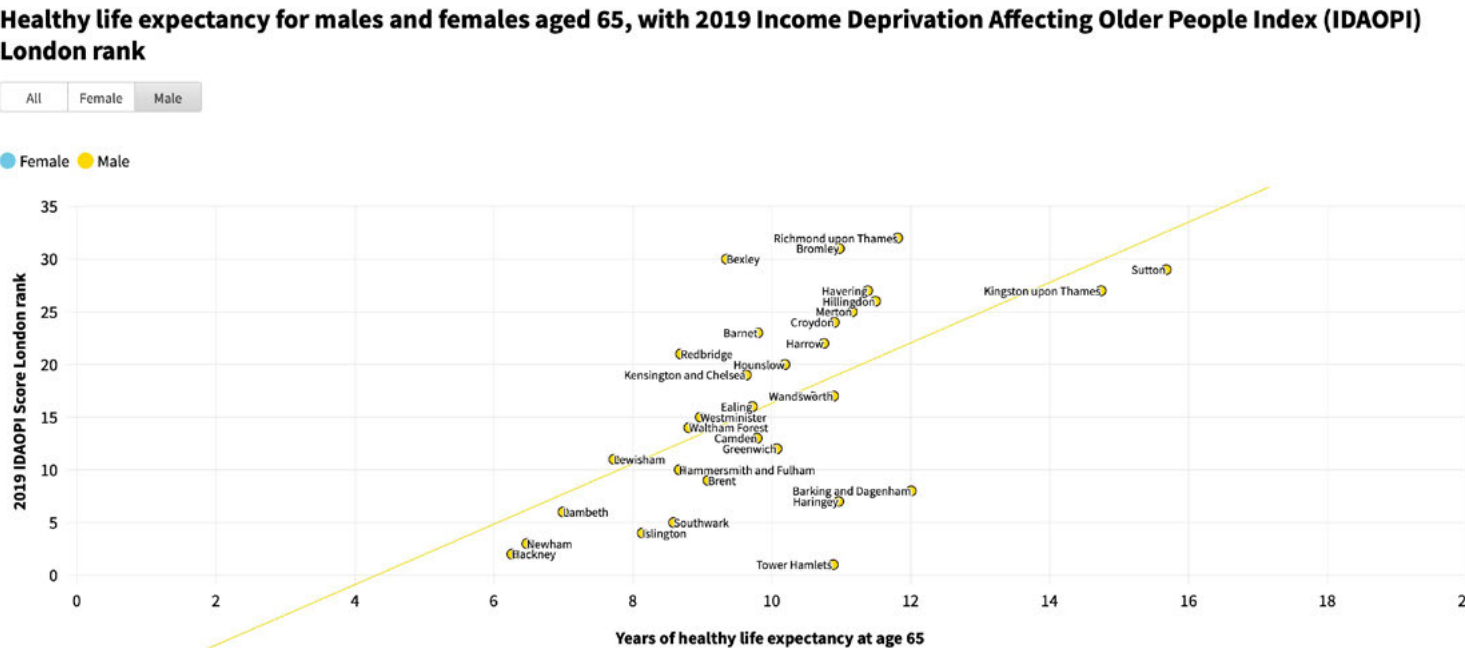
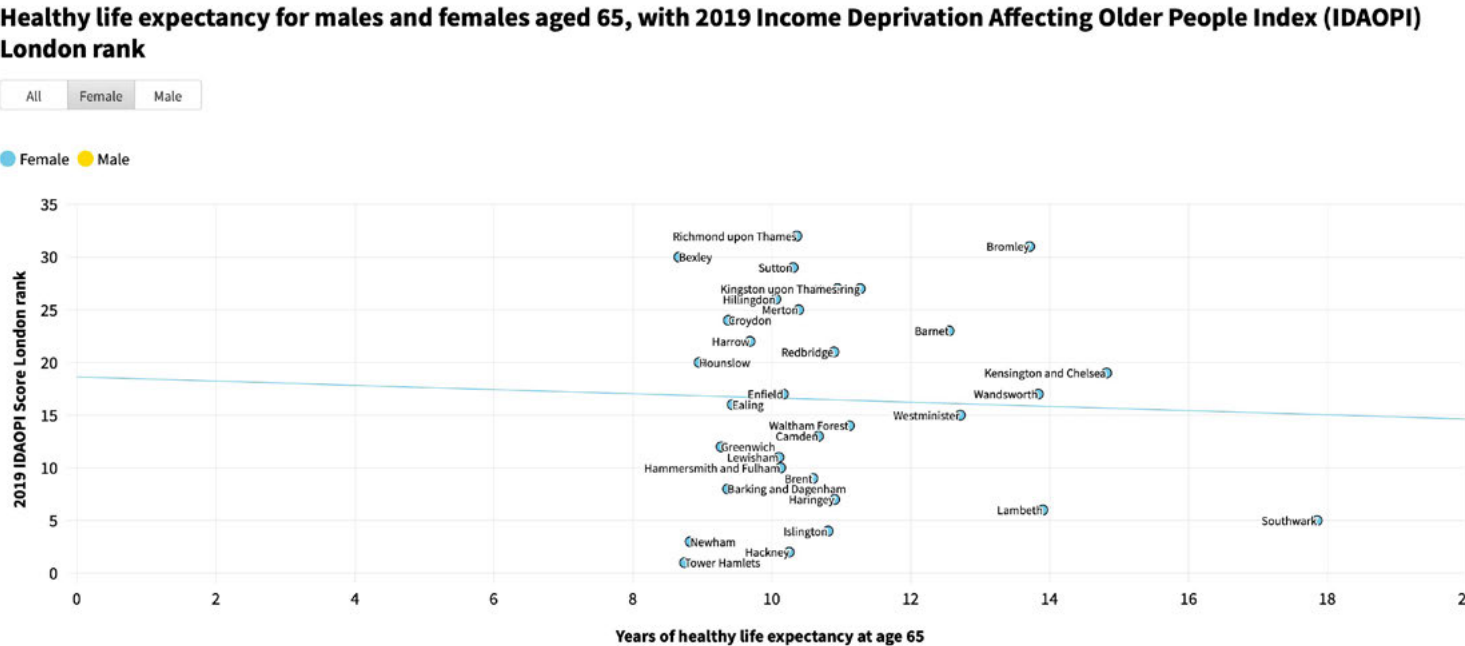


Healthy life expectancy of males at age 65, by London borough, 2015-17

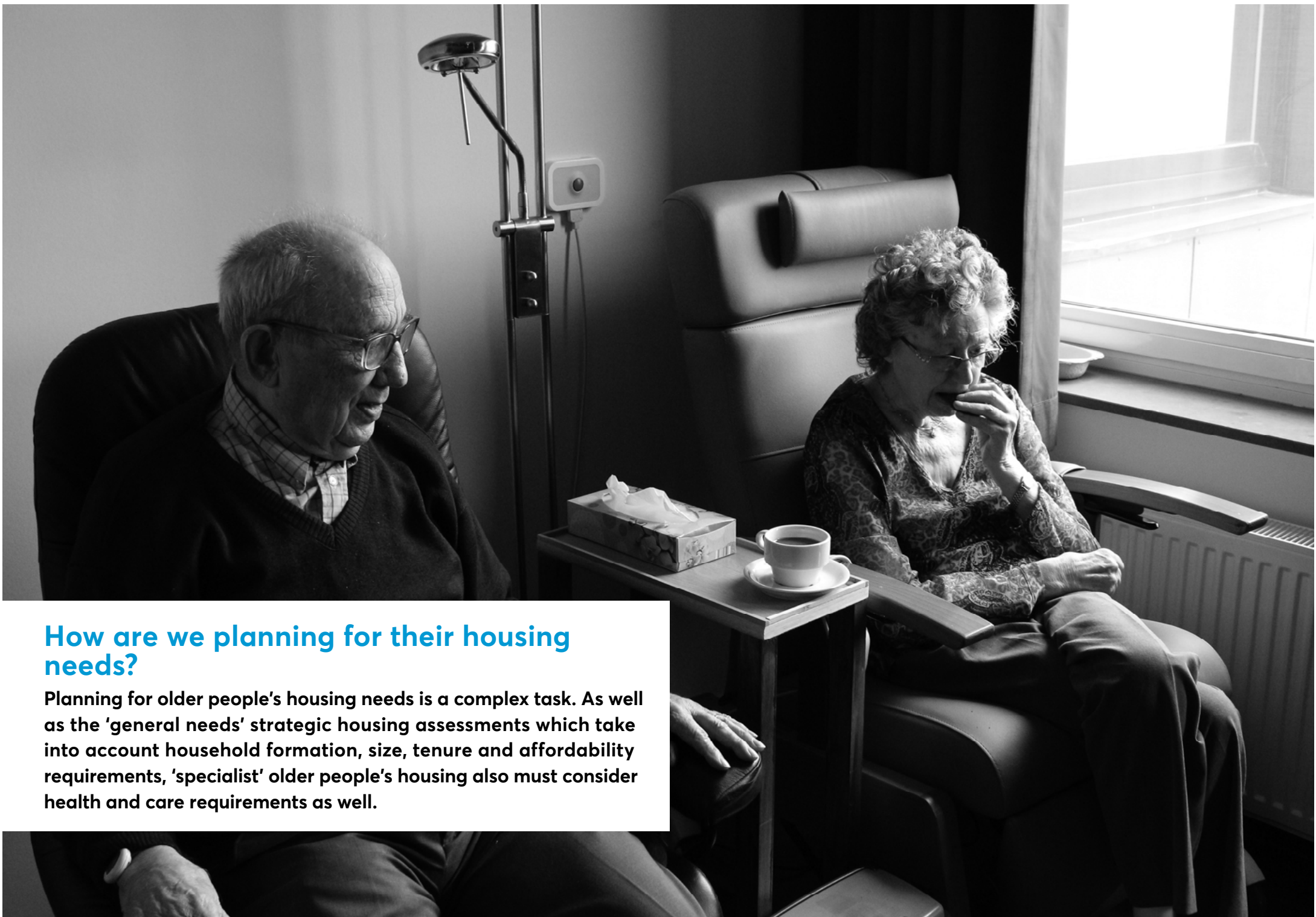


Men from disadvantaged boroughs are spending longer in poor health

These charts show how the healthy life expectancy for both men and women aged 65 varies according to the level of deprivation of their borough. There are some clear differences apparent in how deprivation determines life expectancy according to sex. There is a clearer line of best fit visible for male life expectancy and deprivation. This means that there is a stronger relationship between how deprived a local authority is, and how much healthy life expectancy at age 65 an individual has, for men than for women. Some of the anomalous results, such as why women have a much higher healthy life expectancy in Southwark, an otherwise relatively deprived borough, are yet to be explained.



Source: Healthy life expectancy, ONS and IMD IDAOPi, ONS



How are we planning for their housing needs?

Planning for older people's housing needs is a complex task. As well as the 'general needs' strategic housing assessments which take into account household formation, size, tenure and affordability requirements, 'specialist' older people's housing also must consider health and care requirements as well.

'Older people's housing' comprises a range of homes

This complexity is illustrated by the diagram. 'Older people's housing' can mean a wide range of homes, from general needs housing, through to care homes, with a range of 'specialised housing' in between which can provide the full variety of additional care and other services.

Understanding whether we are meeting the need for this range of homes is complicated by the fact that 'older people's housing' sits across a range of types and tenures, some of which won't be captured in monitoring targets in the London Plan. For instance we can monitor whether new builds are meeting optional accessibility standards, but it is much harder to determine on a broad scale how much of general needs stock needs adapting, and how much has been adapted.

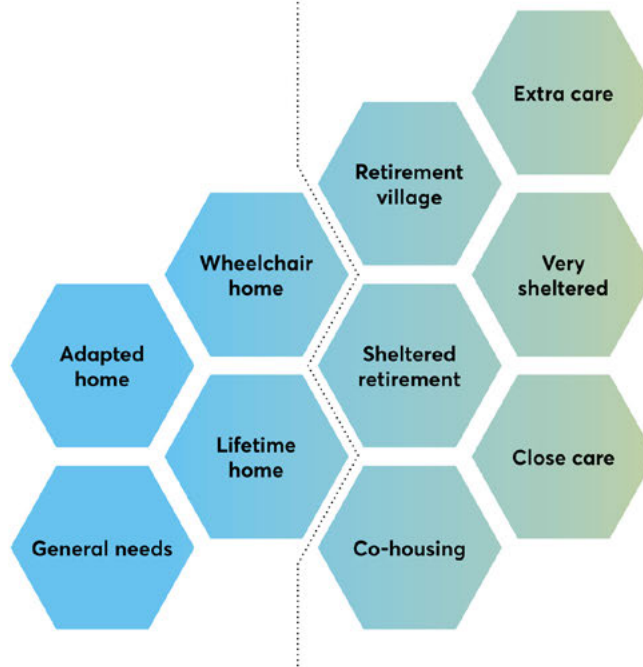
The issue is further complicated by the fact that often terms used for different types of older people's housing are interchangeable. There is not one agreed-upon set of definitions or names for typologies.

Mainstream housing

Individual homes to buy or rent - not designated for any specific user group though Lifetime Homes includes age-friendly features and wheelchair housing is specially designed. Personal care, support other services and amenities available within the community.

Specialised housing

Groups of homes (usually flats) to buy or rent - designated for older people (typically 55+). Personal care and support usually arranged or provided within the development together with shared facilities and activities.



Source: Adapted from Levitt Bernstein Associates

Care homes

Residential care rather than independent living.



Are we meeting this projected need?

Even so, there are some things we can say about how well we are providing housing for older people. One of those is that we are failing to meet our ‘general needs’ housing targets set out in the London Plan. This is especially so across affordable tenures. As well as impacting the wider market, this will impact the ability of older people to move to alternative, smaller general needs housing if they desire to downsize, or indeed move to a different area, as the stock fails to grow at the required rate.

The lack of affordable housing being built is also likely to act as a strong disincentive to move from affordable accommodation. Similarly, the more reliant we are on older housing stock, the less likely it is to meet modern accessibility standards, and hence less likely to be appropriate for older Londoners with mobility issues.

London-wide annual housing target

	Net general needs housing targets 17/18	Net general needs housing completions 17/18
All	42,000	32,083 (76% of target)
Affordable	17,000	4,703 (28% of target)

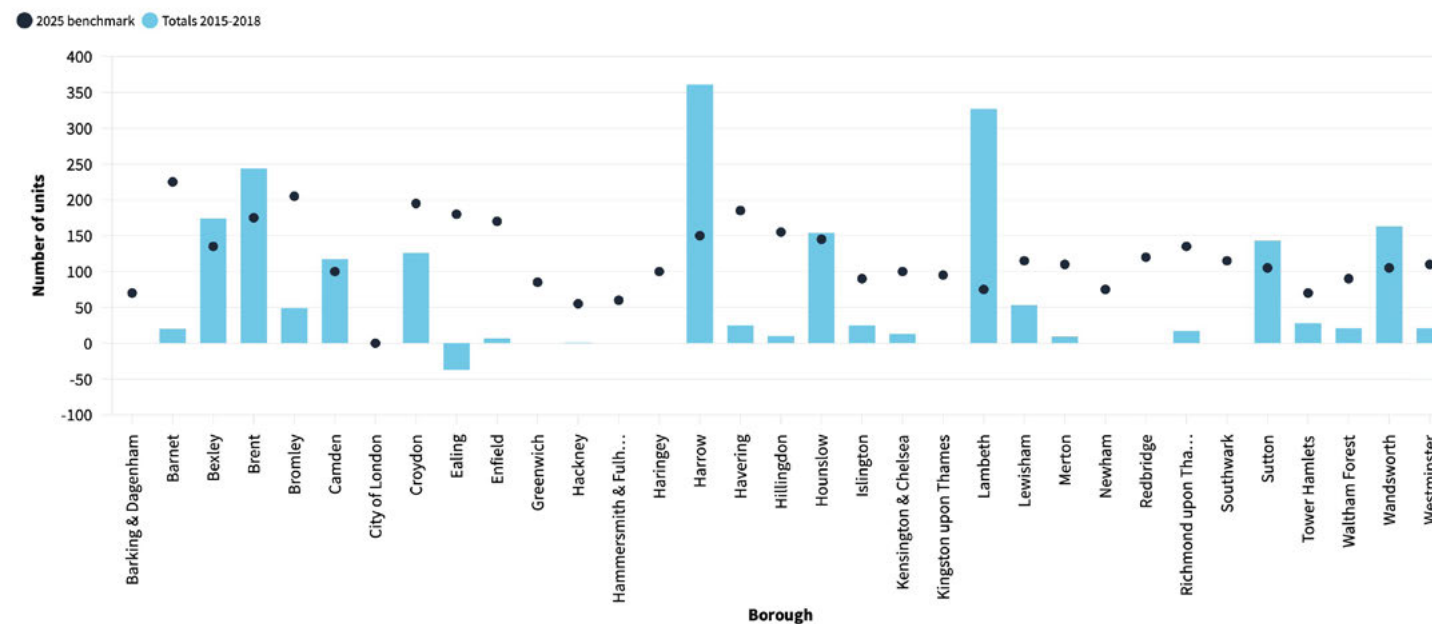
Source: GLA LP annual monitoring reports

There are targets in the London Plan for specialist housing for older people, which are categorised according to use class. These were introduced in 2015. Assessing progress against London Plan benchmarks is complicated by the time period – rather than annual targets as for general needs housing, targets for specialist older housing units are set over 10 years. The chart shows how many specialist older people’s housing units London local authorities have granted planning permission for since 2015, and how that relates to their ten year benchmark figure.

Older people’s housing is defined here as units of planning use classes ‘C3’ & ‘C4’ - which are ‘Dwelling houses’ or ‘Houses in multiple occupation’.

Where figures are negative, it is because overall, planning permissions have been granted for a net loss of specialist older people’s housing in the borough, through demolitions or conversions. If approvals continue at the same rate, on average inner London will only have approved a quarter of the necessary units by 2025. Outer London will be doing better, but will still have approved only half the necessary units. But behind that average, we can see that some boroughs are much closer to meeting their targets than others, and indeed some have exceeded them.

Net specialist older people's housing approvals (C3 & C4), 2015-18

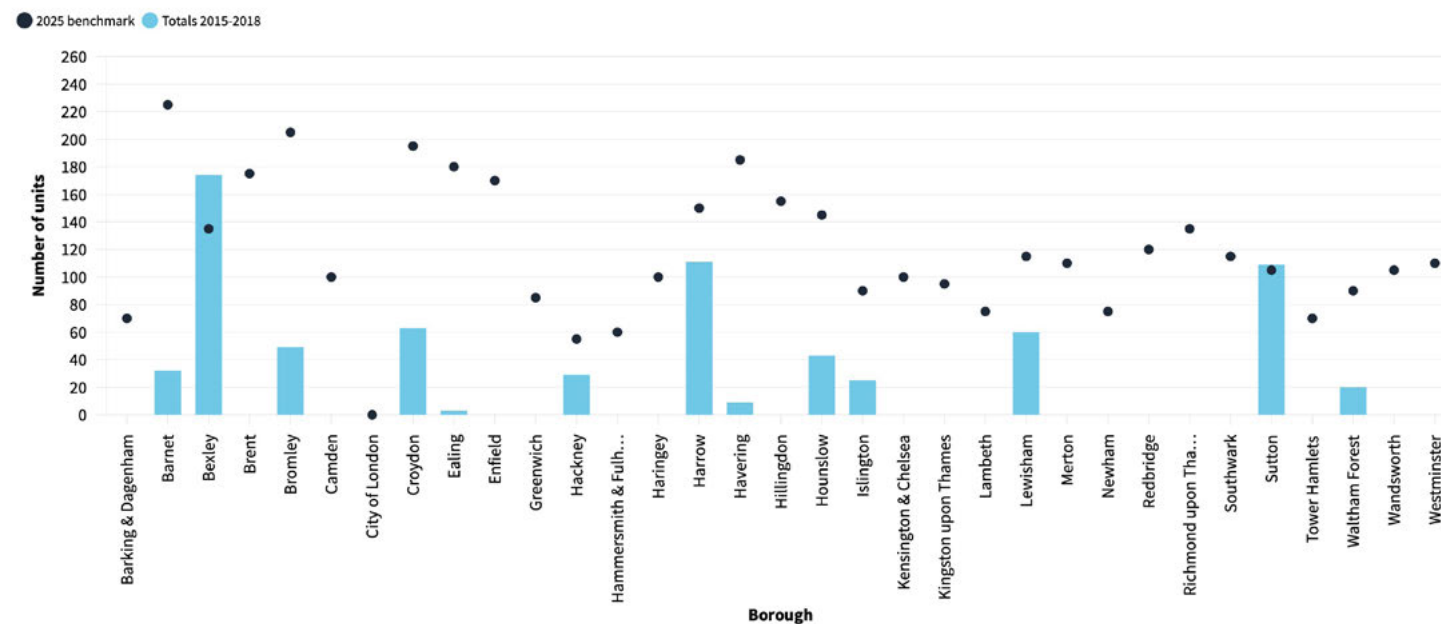


Source: GLA, London Development Database

This chart tracks how far these planning permissions then are built out to become new units. There is a time lag to be expected between granting of planning permission and completion, while the construction takes place. This will be even more pronounced when the provision of older people's housing is part of large development schemes, as these tend to be broken down into different phases which are usually not built concurrently.

However, that being said, so far inner London is falling short of the required numbers. On average, it is only building 25 per cent of the units needed each year to reach the benchmark figure by 2025. Outer London is doing better, on average reaching 55 per cent of the units needed each year, but the bulk of this has been delivered by a small number of boroughs which are out-performing others. There will need to be an increase in the rate of both approvals and completions over the coming years if London is to meet its targets.

Net specialist older people's housing completions (C3 & C4), 2015-2018

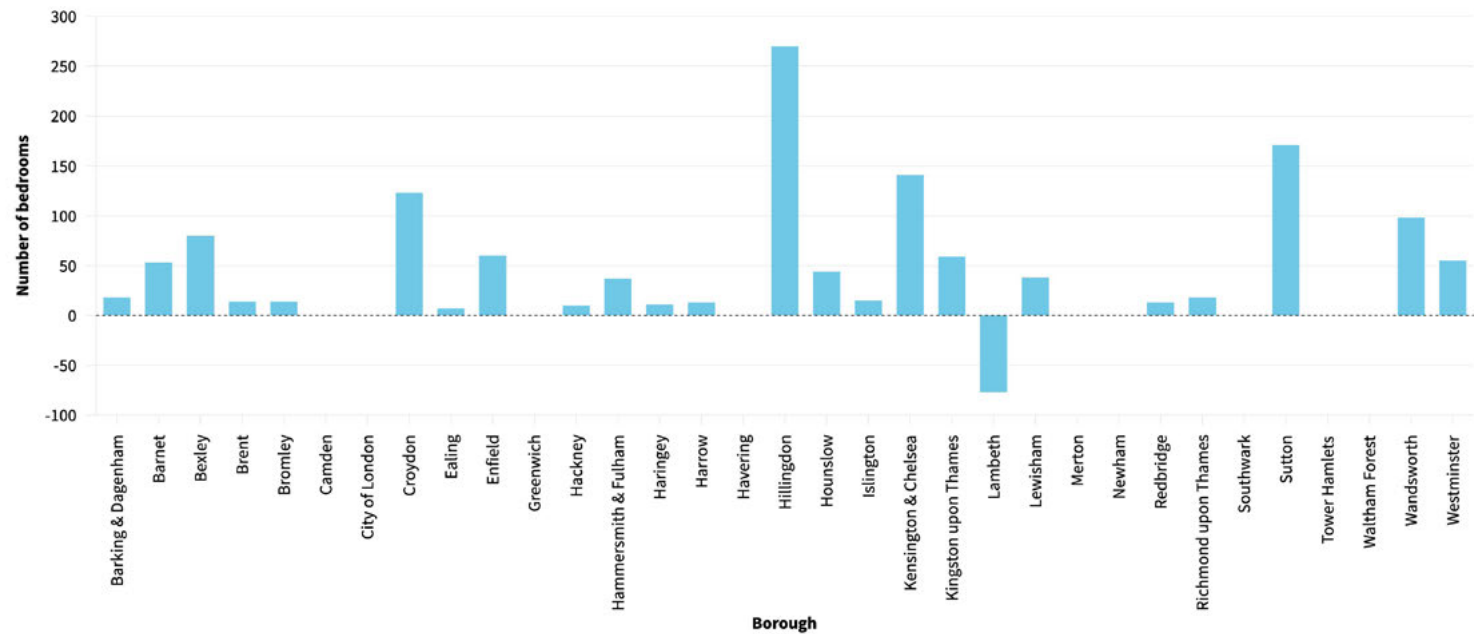


Source: GLA, London Development Database

Another metric useful to consider when assessing older people’s housing provision are the number of care home bedrooms being built across the city. These come under planning use class ‘C2’ (Residential institutions). Care home bedrooms are not subject to the same monitoring targets as other ‘specialist’ older people’s housing. Demand for care homes is assumed to remain consistent as a proportion of each age group, measured at a 2011 baseline.

At the last count, London was considered to have sufficient base numbers of care home bedrooms to meet demand.⁷ However, there is considered to be a shortfall, as there are not enough bedrooms in care homes which are rated as Outstanding or Good by the Care Quality Commission. This chart shows how many care home bedrooms London boroughs are granting planning permission for. Where the figure is negative, it is because planning permissions will result in a net loss of care home bedrooms in a borough.

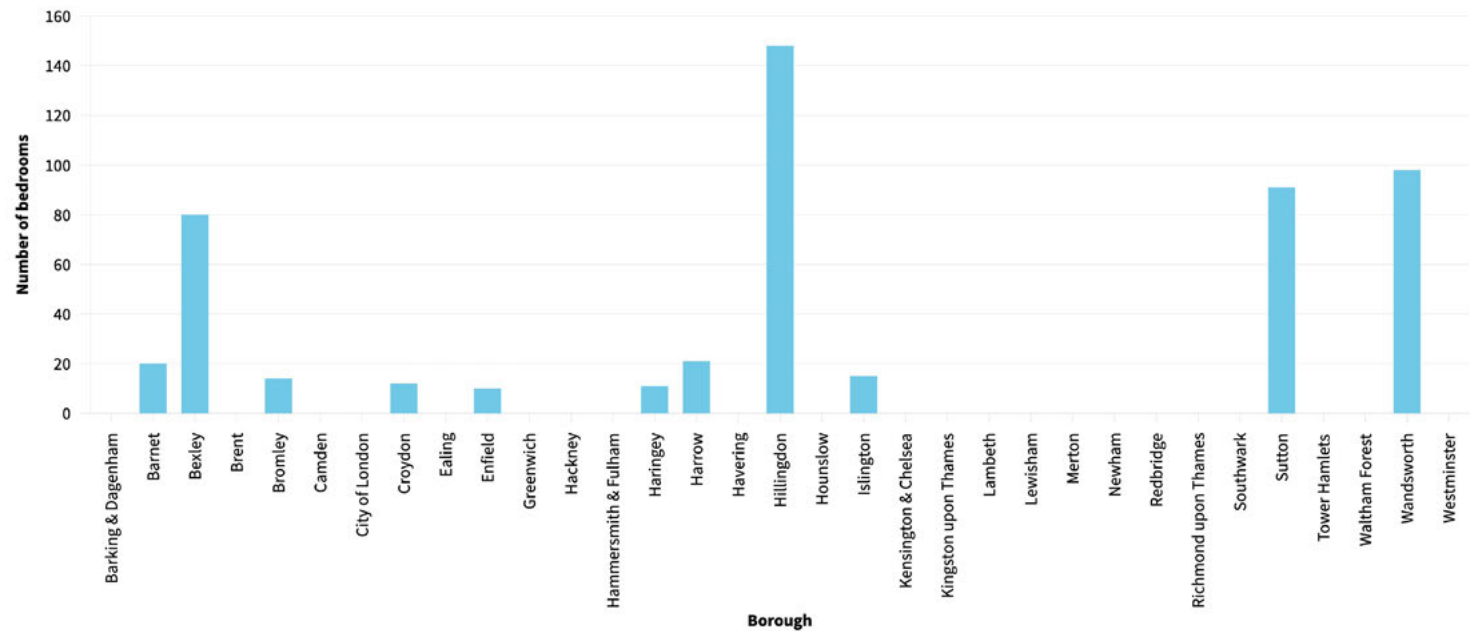
Net specialist older people's bedrooms approvals (C2), 2015-19



Source: GLA, London Development Database

This chart shows how many care home bedrooms were built by London boroughs over the time period 2015-2019.

Net specialist older people's bedrooms completions (C2), 2015-19



Source: GLA, London Development Database

Endnotes

1. National Audit Office (2018) Financial sustainability of local authorities, 2018
2. Centre for London (2018) Borough Builders, Delivering More Housing Across London.
3. Ministry of Housing Communities and Local Government (2019) General Fund Revenue Account Outturn 2019-20 Guidance Notes for completing form RO3 – Social Care and Public Health.
4. Office of National Statistics (2019) Ethnicity Facts and Figures, Families and Households.
5. Institute for Fiscal Studies (2017) Would you rather? Further increases in the state pension age v abandoning the triple lock.
6. Pensions Policy Institute (2017) PPI Briefing Note Number 96.
7. Three Dragons (2017) Assessing future potential demand for older persons housing, care homes and dementia housing in London, Report to the Greater London Authority.

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