

Assessment of the evidence of the financial benefits provided by almshouses

A report for The Almshouse Association

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Executive summary

Whilst many almshouses have been in existence for a long time, their impact and associated financial benefits to the broader health and social care economy in particular, have not been widely known or estimated. Almshouses offer a wide range of benefits to their residents including maintaining independence, health and mental cognition and reducing loneliness. For some older people, almshouses may be a genuine alternative to living in a residential care home.

The Almshouse Association wants to contribute to the evidence base about the financial benefits provided by almshouses. This report sets out the evidence of the financial benefits provided by almshouses using evidence from existing data and from primary research with almshouses. The assessment of this evidence indicates that almshouses provide a range of financial benefits to the health and social care economy as well as wider financial benefits, including:

- Lower likelihood of residential care admission.
- Reduction in the likelihood of the use of domiciliary care.
- Reduction in ambulance call-outs (linked to falls).
- Reduction in length of stay and delayed discharges from hospital.
- Reduction in GP and A&E visits as a result of lower incidence of loneliness.
- Investment in local economies through expenditure on staff.
- The economic value of volunteering.
- The provision of affordable housing.
- The 'freeing up' of housing in the wider housing market.

It is estimated that living in an almshouse generates financial benefits to the social care and health economy of c.£1,340 per almshouse resident, per annum. Overall it is estimated that almshouses provide financial benefits to the social care and health economy of:

- c.£25,400 per 'typical' almshouse charity (per annum)
- c.£43.2m for the almshouse sector (per annum)

The almshouse sector also provides additional financial benefits including:

- The value of investment in employed staff and voluntary work, estimated to be c.£56m per annum.
- The provision of c.32,000 units of affordable housing, predominantly for lower income older people.
- Moves into almshouses free up between c.3,700 and c.4,000 homes in the social rented and private housing market per annum.

£43m – financial contribution made by the almshouse sector every year

Foreword

Almshouse charities have been providing safe, secure homes for those in housing need for a thousand years, and today 36,000 people rely on them for their home.

At their heart almshouse charities are created through compassion and thrive on the companionship found within. They are homes for independent living providing a genuinely affordable form of housing in the community. Despite their longevity, the almshouse model is still so relevant today.

This report identifies not only the £43m financial benefit that almshouses bring to communities but highlights the benefits of living in micro-communities based on companionship and care. As this report shows, investment in almshouses is clearly prudent when compared to the annual benefit almshouses bring to the residents, their communities, social care and the NHS.

The last few years have shone a light on the link between isolation and wellbeing. From this report it is clear that almshouse charities provide a model of housing based on warmth and hospitality that seems to provide a physical and mental health benefit to residents and even trustees.

This report goes some way to evidencing the value of supporting almshouses in our communities, often as the most affordable form of housing and in some cases the only local form of housing, for those in need.

These charities do not exist alone, they are the cornerstone of our towns, villages and cities. Trustees, local authorities, parish councils and the church have all been partners in seeing almshouses thrive over the centuries. I hope that this report helps to energise these vital relationships.

I would like to thank all the almshouse trustees and clerks for contributing so enthusiastically to the report, sharing data and responding to interview requests. I would also like to thank Housing LIN for their professional approach and drive for evidence.

This report helps us and others better understand the great value of almshouses and I would like to think that it helps to secure their place in our communities for many centuries to come.



Nick Philips

Chief Executive,
The Almshouse Association

1. Introduction and context

- 1.01** This is a report from the Housing Learning and Improvement Network (LIN). The Almshouse Association commissioned an assessment of the evidence of financial benefits provided by almshouses, particularly in relation to the health and social care economy but also wider financial benefits.
- 1.02** This report sets out the evidence of the financial benefits provided by almshouses, for example to the NHS and local authorities with adult social services responsibilities. Sections 3-7 presents evidence from existing data and from primary research with almshouses about the financial benefits provided by almshouses, which are disaggregated into benefits across a series of categories. Section 8 provides estimated calculations of the financial benefits of almshouses, drawing on the evidence reviewed in sections 3-7.
- 1.03** This is intended to assess the evidence of the financial benefits provided by almshouses primarily for an audience of local authorities, the NHS, Government, policy makers and other stakeholders with an interest in housing and accommodation for older people.
- 1.04** The Almshouse Association defines an almshouse as a unit of residential accommodation, usually a house or flat, which belongs to a charity to meet the charity's purposes. These purposes are typically to provide relief in relation to financial need or infirmity.
- 1.05** The Almshouse Association estimates that there are approximately 32,000 units of accommodation provided by approximately 1,700 almshouse charities, i.e. an 'average' almshouse provides 19 units of accommodation.
- 1.06** However, the almshouse sector is very diverse. Almshouse charities vary in scale from less than 10 units of accommodation to over 2,000 units of accommodation. The majority of almshouse charities provide accommodation and associated services to older people; however some almshouses accommodate young people and/or homeless people.
- 1.07** A large number of almshouses are many years old, however many almshouses have been modernised and upgraded to meet improved housing standards, and mergers between almshouse charities have allowed for better use of resources such as land and buildings¹. Almshouses provide opportunity for social connection among residents through their design features, such as the three- and four-sided courtyard model².
- 1.08** Almshouses provide affordable housing in high cost areas, such as central London and some town centres, where they are located close to amenities. This allows for residents with a low income to continue living in their local area, whom possibly would not be able to otherwise continue living close to their family or close social contacts.

¹Pannell (2013): Transforming almshouses for the 21st century; Housing LIN

²Pannell & Pooley (2020): Almshouses: a model of community housing for an ageing population; RICS

2. Approach to assessing the evidence of financial benefits provided by almshouses

- 2.01** Research undertaken about almshouses since the late 1990s^{3,4,5} has, amongst other things, highlighted the important role played by almshouses as a form of housing and support for (predominantly) older people with a wide range of benefits for their residents, the communities in which they are located and for other stakeholders such as local authorities.
- 2.02** There is more limited evidence specifically in relation to the financial benefits provided by almshouses. This assessment of the benefits associated with the provision of almshouses is intended to provide estimates of the financial benefits provided by almshouses as a form of accommodation for (predominantly) older people.
- 2.03** The evidence from previous research about almshouses has identified the differences and similarities between almshouses and other types of housing that are designated for older people, such as sheltered housing provided by housing associations and other social landlords. Key differences identified include:
- Different organisational types. Almshouses are charities whereas most social landlords providing housing designated for older people (in England) are Registered Providers (of social housing). Some almshouse charities are also Registered Providers.
 - Different governance arrangements, reflecting the different organisational types.
 - Different regulatory frameworks and regimes (i.e. almshouse charities are regulated by the Charity Commission where as social landlords are regulated by the Regulator of Social Housing).
 - Differing types of tenure. Registered Providers typically provide tenancy agreements, often assured tenancy agreements, for their tenants; almshouse charities offer 'licenses' to their residents.
 - Differing charging arrangements. Registered Providers charge weekly or monthly rents and service charges to their tenants; almshouse charities charge 'weekly maintenance contributions' rather than 'rent'.
- 2.04** However, there are also fundamental similarities between almshouses (as predominantly a form of housing for older people) and sheltered housing provided by housing associations and other social landlords. Some almshouses provide accommodation which they describe as sheltered housing, although many almshouses will typically be smaller in scale than sheltered housing provided by housing associations and other social landlords. Some almshouses and housing associations also provide a type of accommodation described as 'extra care housing' which typically has more extensive facilities than sheltered housing, including onsite 24/7 staffing in many cases; as few almshouse charities provide 'extra care housing' the similarities between almshouses and housing associations is focused on sheltered housing.

³Pannell (2013); *ibid*.

⁴The role of almshouses in the 21st century: a scoping review (2019). Pannell, J & Pooley, A for The Almshouse Association

⁵Almshouses: a model of community housing for an ageing population (2020). Pannell, J & Pooley, A for RICS

2.05 Key similarities between almshouses and sheltered housing include:

- A form of housing that is predominantly designated and intended to accommodate older people, typically people aged over 55 years (although this varies in both the almshouse and sheltered housing sectors).
- A form of housing that is usually intended to provide long term accommodation for older people.
- Housing that may have been designed and/or adapted to better meet the needs of older people, e.g. providing ramps rather than steps, provision of handrails, the layout of individual properties and communal spaces, enhanced lighting (however the prevalence of such adaptations and design features varies between almshouses and sheltered housing schemes).
- A housing 'offer' that typically includes a degree of communal facilities, internally and/or externally, that is, in part, intended to facilitate and encourage socialising between residents (and residents' families, friends etc). However, it should be noted that the extent of communal facilities varies between almshouses and sheltered housing schemes.
- A housing 'offer' that provides a degree of onsite and/or offsite support from staff and/or volunteers, i.e. it is intended to provide a supportive environment suited to the needs and requirements of older people, in many cases also including access to a telecare system (it should be recognised that the extent of onsite and offsite staffing and volunteer support can vary significantly within and between the almshouse and sheltered housing sectors).

2.06 Given these similarities between some sheltered housing and some almshouses as a form of housing designated for older people, evidence of the financial benefits provided by sheltered housing for older people have been identified and assessed as an evidence 'proxy' in terms of their applicability to almshouses, where there isn't an equivalent body of evidence specifically in relation to almshouses.

2.07 This review of secondary evidence has been complemented with evidence from a survey that was undertaken by The Almshouse Association of almshouse charities as part of providing evidence for this research. A summary of the key findings from the survey are shown at Appendix 1.

2.08 The assessment of evidence of financial benefits and associated financial benefits provided by almshouses covers the following 'domains' (set out in sections 3-7):

- Financial benefits: local authority funded social care
 - Likelihood of the use of residential care
 - The need for domiciliary care
- Financial benefits: NHS funded services
 - Use of GP services
 - Ambulance call-outs (associated with falls)
 - Duration of hospital stays and delayed discharges from hospital
- Financial benefits: Almshouses as a form of affordable housing for older people
- Financial benefits: quality of life benefits provided by almshouses
 - Health and social wellbeing
 - Experience of loneliness

- Financial benefits: economic benefits of almshouses
 - Benefits to the wider housing market
 - Benefits of employment and volunteers

2.09 For each financial benefit 'domain' the approach has been to:

- Assess evidence that is relevant derived from The Almshouse Association's survey of almshouse charities;
- Assess secondary evidence, where it is available, specifically in relation to almshouses;
- Assess secondary evidence in relation to sheltered housing (and in some instances 'retirement housing' for older people more generally) where this is the most appropriate evidence 'proxy' in terms of the applicability to almshouses.

3. Financial benefits: local authority funded social care

Costs benefits: Likelihood of the use of residential care

- 3.01** The Almshouse Association’s survey of almshouse charities showed that respondents identified that, on average, the percentage of residents in an ‘average’ almshouse that avoided a move into a residential care home per year is c.10%. This suggests that a benefit of living in an almshouse setting is that it helps, for some residents, to avoid moves to residential care.
- 3.02** In relation to evidence about sheltered housing as a form of ‘retirement housing’, it is typically characterised as a preventative type of housing model that can support people to maintain their independence which may help to avoid and/or reduce the likelihood of admissions of older people to residential care. Berrington (2017)⁶ identified that sheltered housing can provide a cost-effective alternative housing provision to residential care.
- 3.03** Due to the provision of, typically, access to support from staff and the potential for reduced isolation and loneliness from the social opportunities amongst residents, sheltered housing and almshouses may assist and promote healthy ageing, potentially helping to limit the likelihood of admission to residential care and provide a more cost-effective alternative for local authorities in relation to older people eligible for state funded care.
- 3.04** An average person aged 65+ will use an average of 9 months of residential care in their lifetime⁷. This care typically will cost £659 per week or £2,636 per month⁸. Multiplying 9 months by £2,636 per month, it is estimated that the average expected lifetime cost⁹ of residential care for a person in mainstream housing is £23,724.
- 3.05** Kneale and Smith (2013)¹⁰ state that extra care housing residents over the age of 80 are approximately half as likely to enter institutional care as compared with older people in the community in receipt of domiciliary care. Furthermore, Housing LIN (2017)¹¹ identifies that as retirement housing is an intermediate type of housing between extra care and mainstream housing, the probability of moving into a care home is estimated to be reduced by up to 25% for retirement housing residents, due to retirement housing being an intermediate housing ‘model’ between extra care housing and mainstream housing.
- 3.06** Taking into account estimates of reduced likelihood of entering residential care due to being an almshouse resident from The Almshouse Association’s survey of members of c.10% and the evidence from Kneale & Smith (2013) in Housing LIN (2017), it is reasonable to estimate that the reduction in the likelihood of entering long-term care due to being an almshouse resident is c.20%.

⁶Berrington (2017): The Value of Sheltered Housing; National Housing Federation

⁷Comas-Herrera & Wittenberg (2010): Expected lifetime costs of social care for people aged 65 and over in England; PSSRU, University of Kent

⁸Curtis & Burns: Unit Costs of Health and Social Care 2018; PSSRU

⁹Housing LIN (2019): The health and social care cost-benefits of housing for older people

¹⁰Kneale & Smith (2013): Extra Care Housing in the UK: Can it be a Home for Life?

¹¹Housing LIN (2017): Demonstrating the Health and Social Cost-Benefits of Lifestyle Housing for Older People; Report for Keepmoat Regeneration / Engie

- 3.07** Based on this, as almshouses are estimated to provide a reduction in the likelihood of a resident moving into a care home by c.20% compared with someone living mainstream housing, the average expected lifetime cost of residential care for a person in sheltered housing or almshouses is c.£18,980.
- 3.08** Based on this evidence it is reasonable to assume that there are significant potential financial benefits for local authorities generated from the avoidance of residential care enabled by older people living in sheltered housing and almshouses.
- 3.09** Given the identified key similarities between sheltered housing and some almshouses, this potential financial benefit is reasonably assumed to be applicable to almshouse settings.



Case study

Wyggestons is quite unusual as an almshouse charity in that we have an almshouses in its traditional manifestation but also a care home connected to the Scheme. As a result all beneficiaries have the opportunity if their needs increase to have a period of respite in our care home if vacancies are available – either self-funded or via local authority if appropriate. We frequently house our residents in the care home after a stint in hospital and our care and warden teams work together to ensure the transition back to the almshouses is smooth and enables the resident to regain their independence. We recently had a resident who had had a very bad fall in the local community receive respite in the home for 6 weeks funded by the local authority whilst in rehab and has now returned to her almshouse. This prevented a lengthy hospital stay or permanent care placement. We frequently assist with this service to wider community placements on 4 -6 weeks basis.

Wyggestons

Financial benefits: The need for domiciliary care

- 3.10** There is evidence that care needs may reduce after a person moves into sheltered housing and almshouses due to the housing model maintaining a person's independence and encouraging people to have and maintain social relationships.
- 3.11** Previous data held by The Almshouse Association indicates that approximately 15% of almshouse residents receive care at home and approximately 30% receive regular care from a casual carer, such as a family member.
- 3.12** Evidence from The Almshouse Association's survey of almshouse charities showed that respondents identified that, on average, 2 residents of an almshouse were receiving domiciliary care each week for an average of approximately 5 hours per week.
- 3.13** NICE research¹⁴ into the costs of home care estimates that the typical minimum cost per hour of a care worker is £11.01 and it estimates that the total cost of an hour of home care is £15.74.
- 3.14** Using the NICE figures for the estimated costs of typical domiciliary care of £15.74/hour, this equates to an annual cost of £8,185, assuming an average 10-hour weekly care package¹³ is provided for each week of the year for older people living in mainstream housing.
- 3.15** The evidence from The Almshouse Association's survey of almshouse charities indicates that the domiciliary care received by almshouse residents is on average 5 hours per week, i.e. approximately 50% of the median weekly domiciliary care package. This suggests that an the equivalent average financial benefit reduced use of domiciliary care for a resident of an almshouse is £4,093 per annum.

¹³ PSSRU (2010) Unit costs of health and social care

¹⁴ National Institute for Health and Care Excellence (2015): Costing statement: Home care - Implementing the NICE guide-

4. Financial benefits: NHS funded services

Use of GP services

- 4.01** Polisson (2011)¹⁵ found the average number of annual visits to a GP in England was 7.4 for women aged 65 and over, and 6.7 for men aged 65 and over, i.e. based on this evidence a person aged 65 and over visits a GP on average 7.05 times per annum. The Almshouse Association's survey of almshouse charities showed that respondents identified that, on average, the number of GP consultations per resident per annum was approximately 1.54. This needs to be treated with caution given it is significantly lower than the average number of annual GP visits amongst the wider population over 65 years (Polisson, 2011). However, it does suggest that GP visits may be lower on average amongst almshouse residents than amongst the wider population aged over 65 years.
- 4.02** Research conducted by Demos into the social value of sheltered housing¹⁶ found that lonely people are 1.8 times more likely to visit a GP than those who are not lonely. The International Longevity Centre (ILC) found that a retirement housing/village resident experiences half the amount of loneliness (12.17%) than older people living in the community (22.83%)¹⁷. This evidence suggests that living in a retirement housing setting such as sheltered housing may reduce the frequency that an older person typically visits a GP.
- 4.03** Anchor Hanover, in 2020, conducted qualitative research with its residents living in sheltered housing¹⁸. Observed was a reduction in GP visits per year of 5%, as a result of addressing loneliness among these residents.
- 4.04** The PSSRU identified that an average GP consultation costs £39.23¹⁹. Assuming a person aged 65 and over visits a GP 7.05 times per annum, and that the cost of each visit is £39.23, the estimated cost for one year of visits is £275. Applying the evidence from the Anchor Hanover research of a 5% reduction in GP visits per year among its residents, this suggests 6.7 visits to a GP on average per year at an annual cost of £261.
- 4.05** Given the identified key similarities between sheltered housing and some almshouses, this potential financial benefit is reasonably assumed to be applicable to almshouse settings.

¹⁵ Polisson (2011): Do waiting times matter in primary care? GP visits and list sizes in England

¹⁶ Wood (2017): The Social Value of Sheltered Housing; Demos

¹⁷ Beach (2015): Village Life – Independence, Loneliness, and Quality of Life in Retirement Villages; International Longevity Centre UK

¹⁸ Anchor Hanover (2020): Understanding the social value of an Anchor Hanover tenancy

¹⁹ Curtis and Burns: Unit costs of Health and Social Care 2020; PSSRU



Case study

On the wardens' visits, health problems are often a popular topic of conversation! The wardens always advise and signpost accordingly. Resident H is nearly 90 years. Over the years our warden has known her, H often seemed to make unnecessary trips to the GP. Jacqui usually suggests a visit to the Pharmacist for minor health issues. Quite interestingly, when Resident H became quite ill with a UTI, she did not want to see her doctor! At present, she is in good health and is doing very well for her age. Also, she is planning a big party for her 90th birthday!

Taunton Almshouses

Ambulance call-outs (associated with falls)

4.06 The National Housing Federation²⁰ states that housing providers with staff who can respond to emergencies and provide increased levels of support where needed can reduce the numbers of cases where ambulances are called out. Sheltered housing and almshouses are an example of this - some sheltered housing schemes and some almshouses typically have staff whom may be able to act upon and assess emergency situations for their residents. People diverted from hospital reduce pressure on A&E services. Anchor Hanover found

that ambulance call-outs comprised approximately 11% of the financial benefits per resident generated through provision of accommodation for older people²¹.

4.07 Living in unsuitable housing tends to result in a greater risk of accident or injury. Clegg et al (2013)²² state that frailty affects approximately 4% of people aged 65-69 and approximately 26% of people over 85. Falls and fractures in people aged 65 and over account for more than four million hospital bed days each year in England²³.

²⁰ Housing LIN (2017): Home from hospital - How housing services are relieving pressure on the NHS

²¹ Anchor Hanover (2020); *ibid*.

²² Clegg et al (2013): Frailty in elderly people; University of Leeds

²³ Age UK (2014): "Nearly 2 million NHS days lost to delayed discharge"

- 4.08** Whilst there is no equivalent evidence for the population of people aged 65 and over living in almshouses, respondents to The Almshouse Association’s survey of almshouse charities identified that, on average, residents were admitted to hospital as a result of a fall 1.2 times per annum.
- 4.09** A study by the Strategic Society Centre calculates²⁴ that people aged 65+ have a 33% probability (0.33) of experiencing a fall each year, but this is reduced to between 1.5 and 2.8 (2.15) times less likely in retirement housing, such as sheltered housing.
- 4.10** An analysis of the financial benefits to the NHS associated with sheltered housing, conducted by Wood (2017)²⁵, estimates that approximately 600,000 older people attend A&E following a fall each year (approximately 17% of all falls), and around a third are then admitted to hospital. As part of the same analysis it is estimated that approximately 91,940 falls per annum are prevented by people living in sheltered housing.
- 4.11** Given the identified key similarities between sheltered housing and some almshouses, this potential financial benefit is reasonably assumed to be applicable to almshouses settings.



Case study

Our residents are encouraged to use the piper line as soon as they have a fall, and we advise them not to struggle to get up. The helpline can then continue to monitor and assess whether an ambulance is necessary, as the response team can manage the lift with one person. Resident J fell in her bedroom, between her bed and the wall. The response team member was able to assist her up with little difficulty. We organised a talk from the helpline and a team member demonstrated how a lift is done using a manager.

Taunton Almshouses

²⁴ Lloyd, J. (2016). Valuing Retirement Housing: Exploring the economic effects of specialist housing for older people. Strategic Society Centre, London.

²⁵ Wood (2017); *ibid*.



Case study

The almshouse service is 24/7 with staff on site during the working day and on call locally at night, supported by the 24/7 care home team if necessary. The warden service is supported by the care team in providing training and equipment to assess any resident who has fallen and if appropriate use the equipment to lift them and assist them into a chair or bed without need for ambulance attendance.

Wyggestons

Duration of hospital stays and delayed discharges from hospital

4.12 Berrington (2017)²⁶ highlights that provision of communal facilities in sheltered housing enabled residents to create friendships and contribute to their social wellbeing and that these interactions slowed cognitive and physical decline through the mental stimulation received. The stronger social networks also served as an “early warning system” to encourage the residents to seek medical help sooner rather than later, which may help to reduce hospital admissions and duration of hospital stay. Many almshouses also have communal spaces for use by residents that are intended to foster social relationships and social wellbeing.

4.13 Wood & Salter (2016)²⁷ identified that sheltered housing that is able to effectively mitigate loneliness can reduce the need for hospital admission, as tackling loneliness helps build greater self-care and, as a result, a potentially reduced need for hospital admissions²⁸. An example of this is Living Well Cornwall, which was a programme started by Age UK and NHS Kernow CCG to build self-reliance and self-confidence in the participants; the result was a 41% reduction in the cost of hospital admissions, and a 3:1 return on investment. The programme also led to an 8% reduction in social care costs²⁹.

²⁶ Berrington (2017); *ibid*.

²⁷ Wood & Salter (2016): Building companionship – how better design can combat loneliness later in life; Demos and McCarthy & Stone

²⁸ Wood & Salter (2016); *ibid*.

²⁹ Local Government Association (2016): Combatting Loneliness: A guide for local authorities

- 4.14** The NHS states that the unit cost of an excess bed day, where excess bed days are measured relative to a maximum expected length of stay, was £346 for 2017/18³⁰. This measurement is applicable to all types of care, including acute care.
- 4.15** The daily 'Delayed Transfers of Care (DToC)' data provides a measurement of the average daily number of 'delayed days' during a month for acute care patients. It is calculated by dividing the total number of delayed days by the number of calendar days for that month.
- 4.16** Cook et al (2016)³¹ found sheltered housing residents have a mean hospital admission length of stay of 8.2 days, which is 68.8% of the average length of stay for emergency admissions for the over-65 population living in mainstream housing, which is 11.9 days.
- 4.17** Given that sheltered housing residents stay on average for 8.2 days in hospital after an emergency admission compared to 11.9 days for someone over the age of 65 living in the wider community, sheltered housing residents are expected to provide financial benefits to the NHS in the form of reduced duration of stay in hospital. The c.3 excess bed days as a result of a person aged 65 living in the wider community instead of sheltered housing is estimated to produce financial benefits of approximately £1,038 per person, where each excess bed day is assumed to cost £346.
- 4.18** Given the identified key similarities between sheltered housing and some almshouses, this potential financial benefit is reasonably assumed to be applicable to almshouse settings.

³⁰NHS Improvement (2018): Reference costs 2017/18 - highlights, analysis and introduction to the data

³¹Cook et al (2016): Older UK sheltered housing tenants' perceptions of well-being and their usage of hospital services; Health and Social Care in the Community

5. Financial benefits: almshouses as a form of affordable housing for older people

- 5.01** Almshouses are usually intended to provide accommodation to older people whom are typically of limited financial means.
- 5.02** Affordable housing is defined as housing for sale or rent, for those whose needs are not met by the market . This definition also states that, in order to be considered affordable housing (provided by Registered Providers of Social Housing), rent including service charges, should be set in accordance the Government’s rent policy for Social Rent or Affordable Rent (20% below local market rents).
- 5.03** Almshouses charge a Weekly Maintenance Contribution (WMC) to their residents, which is, similar to a weekly ‘rent’, to help meet almshouse charities’ costs in providing the accommodation to their residents. The Almshouse Association identifies that the majority of almshouses charge a WMC of no more than approximately 90% of the value of Local Housing Allowance (LHA).
- 5.04** Data for LHA rates for 2019-20³⁰ shows that, for tenants with access to one bedroom and exclusive access to other facilities (i.e. 1 bed self-contained properties), the average LHA rate across all English local authorities is £113.31 per week. Using The Almshouse Association’s estimate that the average WMC equates to c.90% of the LHA rate, it can be estimated that the average WMC for all English almshouses is 90% of £113.31 per week, equating to £101.98 per week. The 2019-20 average LHA rate for Greater London for a 1 bed self-contained property was £220.70. The assumed WMC for Greater London, calculated as 90% of the average LHA rate, equates to £198.63 per week.
- 5.05** The Almshouse Association’s survey of almshouse charities identified that amongst the almshouses that responded, the average WMC is £83.50. This is below the average LHA rate for a 1 bed self-contained property and corroborates The Almshouse Association’s previous evidence that WMCs are typically no more than 90% of LHA rates.
- 5.06** There is evidence that, compared with sheltered housing in the social housing sector, almshouses typically charge lower WMCs than average sheltered housing weekly rents. The Supported Accommodation Review (2016)³¹ found that the average weekly rent for sheltered housing (social housing) was £88 per week, and the average weekly service charge was £39 per week, a total cost of £127 per week.
- 5.07** The average WMC of £83.50 for almshouses is lower than:
- The average weekly cost sheltered housing of £127.
 - The average LHA rate of £113.31 per week for a 1 bed self-contained property.
- 5.08** This indicates that almshouse charities provide c.30,000 units of housing for predominantly older people which is a form of affordable housing (in England) given, on average, the lower weekly cost to their residents compared to sheltered housing for rent provided by social landlords and applicable average LHA rates for 1 bed self-contained properties in the private rented sector.

³⁰ Blood, I, Copeman, I, and Finlay S (2016), Supported accommodation review – The scale, scope and cost of the supported housing sector; DWP & DLCC

³¹ Valuation Office Agency: Local Housing Allowance (LHA) Rates Applicable from April 2019 – March 2020

Case study

We have had several residents moving from accommodation that they cannot afford to live in. Other reasons for wanting to move are sometimes the need for support and a community. Resident M moved from a flat that was costing him too much and he is now managing with his finances a lot better. He also enjoys the safe feel of a community around him, while also maintaining his independence.

Taunton Almshouses

Credit: Eventide Homes



6. Financial benefits: quality of life benefits provided by almshouses

Health and social wellbeing

- 6.01** Research on the quality of social life in age-designated housing conducted by Demos³⁶ found that residents benefitted from the balance between the independence of the individual having their own flat and the opportunities to socialise with other residents.
- 6.02** A Dutch study compared the self-reported life satisfaction of older people in sheltered housing to older people in independent housing in the community³⁷. Those in sheltered housing reported higher autonomy, security and quality of life. They also participated more frequently in social activities.
- 6.03** Brownbill (2017)³⁸ qualitatively investigated the value of communal spaces in sheltered housing found that the existence of communal spaces within a sheltered housing scheme improved the quality of life of those that used them.
- 6.04** Given the identified key similarities between sheltered housing and some almshouses, these potential quality of life benefits can be reasonably assumed to be applicable to almshouse settings.
- 6.05** There is some evidence suggesting that almshouse residents may tend to live longer than non-almshouse residents. The Whiteley Foundation for Ageing Well found that women who entered their almshouses had consistently higher longevity when compared with the English and Welsh average life expectancy³⁹. Qualitative testimonials of residents reported better health – due to an improved sense of security, peace of mind and appreciation of the aesthetics and surroundings of the almshouses.

³⁶ Bazalgette & Salter (2013): Sociable housing in later life; Demos

³⁷ van Bilsen et al (2008): Sheltered housing compared to independent housing in the community. *Scandinavian Journal of Caring Sciences*.

³⁸ Brownbill (2017): *Quality of Life and the Role of Communal Space in Sheltered Housing: A Qualitative Study*

³⁹ Armstrong (2019): *Almshouse Research: Ageing Well*; The Whiteley Foundation for Ageing Well



Case study

Our purpose is to house older people in need. As a result, it is likely that residents are able to claim 'housing related costs' which are claimable via the universal credit or local authority paid housing benefit.

We provide additional services which are not housing related, through the services, support and advice we provide. Examples are wide ranging from providing what would

be considered pastoral support, arranging a range of activities including supporting resident's involvement in gardening, to sending Birthday and Christmas Cards. All of which we believe contribute towards fostering a sense of community and belonging. We fund such additional services via our endowment income.

Eventide Homes

Experience of loneliness

- 6.06** The Almshouse Association's survey of almshouse charities identified that amongst the almshouses that responded, approximately 50% of residents participated weekly in at least one social activity, suggesting that almshouses are a form of accommodation that promotes social interaction and activity amongst residents.
- 6.07** Research by Beach for the ILC⁴⁰ found that a retirement village/housing resident experiences half the amount of loneliness (12.17%) than those in the community (22.83%).
- 6.08** Demos⁴¹ found that those living in age-designated housing tend to report feeling much less lonely than their peers.
- 6.09** The Demos research additionally shows that lonely people use health services more frequently. They are:
- 1.8 times more likely to visit the GP.
 - 1.6 times more likely to visit A&E.
- 6.10** Drawing on the Demos methodology⁴² and using PSSRU⁴³ and NAO⁴⁴ data that identifies the average cost of a GP consultation at £39.23 and A&E attendance at £124, combining these figures with the increased likelihood of lonely people using NHS services, it is estimated that the annual cost benefit of reduced loneliness to the NHS is approximately £230 per person for the over 65s (from reduced GP visits) and approximately £10 per person for the over-65s (from reduced A&E attendance).

Case study

In recognition of the impact Coronavirus and the necessary restrictions has had on our residents we have held a number of open-air events inviting all residents as the restrictions lifted. For example: 4 wellbeing days to help people adjust back to joining into activities increasing their confidence, assisting us to combat loneliness concerns as lockdown is lifted.

The Whiteley Homes Trust



⁴⁰ Beach, B. (2015); *ibid.*

⁴¹ Wood, C. (2017); *ibid.*

⁴² Wood, C. (2017); *ibid.*

⁴³ Curtis and Burns: Unit costs of Health and Social Care 2020; PSSRU

⁴⁴ National Audit Office (2015): Stocktake of access to general practice in England; Department of Health and NHS England.

Case study

As a fully staff service we have been combatting loneliness as the key to delivery model. Our almshouse has a full activity list for residents, some delivered by staff, other resident led (art groups)/ music afternoons) and other outside bodies. In addition we arrange speakers and fundraising events for the residents chosen Charities. The Charity also contributes to the fundraising and we provide annual grants through a cheese and wine evening so residents can present donations to their chosen charities.

Pastoral care is provided by our Master (a C of E minister) who resides on site and provides support to residents either individually including twice weekly chapel services. In summer months we host concerts in our chapel with a variety of types of music for the residents, local community and family members. We subsidise all social events at the scheme. We have very close links with local churches and faith groups to enable residents to continue to practice their faith throughout their time with the Charity. We have close links with a local children nursery and they attend the care home weekly as part of intergenerational projects as well as local Brownie and schools that attend at Christmas and provide carol concerts for the residents.

Throughout the year we have social events to mark significant dates including Valentines Day, Pancake Day, Easter and Christmas supported by our on-site meals service to provide sit down meals for residents and staff. Every day we provide a meal service in our main community room for those interested residents of the almshouses and a Sunday roast lunch which is very popular after a late morning social event

Wyggestons

Credit: St Mary's Almshouses, Horsham



7. Financial benefits: economic benefits of almshouses

Benefits to the wider housing market

- 7.01** Data from The Almshouse Association's survey of almshouse charities has been analysed to assess the extent to which developing and providing Almshouse 'frees up' housing in the wider housing market. This includes estimates of housing released in the general needs social housing sector and in the private housing market (for rent and for sale).
- 7.02** An analysis of the impact of downsizing into housing designated for older people, Wood (2013)⁴⁵, based on findings from the English Longitudinal Study of Ageing (ELSA)⁴⁶, finds that:
- If every individual that preferred to 'downsize' was able to do so, for every 50 older people moving to a retirement property from their current home, 47 properties would be freed up in the general needs housing market.
 - If half the individuals that preferred to 'downsize' were able to do so, for every 8 older people, 7 homes would be freed up in the general needs housing market.
- 7.03** Amongst the almshouse charities that were surveyed, an average of 5 people moved into each almshouse during the period April 2018 – March 2020. This average number of 5 moves into an almshouse is multiplied by the total number of c.1,700 almshouses in the UK⁴⁷, resulting in an estimated figure of approximately 8,500 moves into almshouses over a two year period. This equates to approximately 4,250 moves into almshouses per annum.
- 7.04** The survey found that, associated with these moves over the period April 2018 – March 2020, the percentages of these moves from different tenures was:
- Owner-occupier sector: 17.4%
 - Private rented sector: 48.4%
 - Social rented sector: 23.4%
 - Other housing settings: 10.8%
- 7.05** Applying the above percentages, and the ratio of moves of older people with respect to the number of properties 'freed up' in the general needs housing sector, to the estimated 4,250 moves per annum into almshouses, it is estimated that there would be approximately:
- 740 older people moving out of a home in the owner-occupier sector, resulting in the freeing up of between 648 and 696 homes.
 - 2,057 older people moving out of a home in the private rented sector, resulting in the freeing up of between 1,800 and 1,934 homes.
 - 995 older people moving out of a home in the social rented sector, resulting in the freeing up of between 871 and 935 homes.
 - 463 older people moving out of a home in the other tenures in the wider housing market, resulting in the freeing up of between 405 and 435 homes.

⁴⁵ Wood (2013): The Top of the Ladder; Demos

⁴⁶ English Longitudinal Study of Ageing (2011): Insight into a maturing population

⁴⁷ Almshouse Association

Case study

A number of residents have moved to our almshouses having previously lived in larger homes locally. We have had recent examples of residents who have been in homes where they have been unable to meet the costs of an interest only mortgage upon retirement or have been given notice in their privately rented home where they have been for many years. Upon each of these recent examples, three-bedroom houses have been 'freed up' for sale or rent in the local area and we have been able to house the residents who meet our qualifying criteria.

Eventide Homes



Case study

The Charity accepts direct referrals from any party and houses any person in housing or social need over the age of 60 who resides or has a connection to the County. The Charity is increasing its housing stock by developing new apartments and cottages at present (complete in the Autumn) and has a 5 year plan to further increase our almshouses at our site so that we will provide housing support and care to over 100 persons. The Charity promotes its services to persons of all backgrounds and accepts applications from both home owners (up to an equity limit for a family home) and renters from all sectors. The majority of all new entrants are leaving family housing after loss of partner or finding home too costly to maintain. Our waiting list is based on need rather than time on the list.

Recent housing applicants for new properties in which two persons moving from family homes that are having to be sold by children due to loss income due to pandemic and would otherwise be homeless older persons. Another applicant has sold her 2 bedroom flat in nearby estate of family housing to move in to the scheme for more support and issues over accessibility to upper rooms.

Wyggestons

Benefits from employment and volunteering

- 7.06** Among the almshouse charities surveyed by The Almshouse Association, the average number of full-time equivalent employees employed by an almshouse charity is estimated to be 2 per annum, and the estimated number of part-time employees is estimated to be 2 per annum. It should be noted that larger almshouse charities will have a much larger number of employees whilst many small almshouse charities will have no employees.
- 7.07** If these average employee numbers are applied to the total 1,700 almshouse charities in the UK, there are estimated to be 3,400 full-time equivalent employees and 3,400 part-time employees employed by almshouse charities. If full-time equivalent and part-time equivalent employees are aggregated up to make up a total labour force of 6,800 people working for almshouse charities, this represents approximately c.1% of the total workforce in the housing sector, based on an estimated 651,000 employees working in the housing sector among the total UK labour force⁴⁸.
- 7.08** Almshouses provide benefits to the economy through the wages provided to employees of almshouses. Based on evidence from the survey of almshouse charities, the typical almshouse charity has a total expenditure of £27,483 on employee wages during a typical year. Multiplied by the total number of 1,700 almshouses, this equates to £46,721,100 as the total annual expenditure of almshouses on their employees.
- 7.09** Work by volunteers contributes significant economic value to almshouses and to the wider economy. The evidence from The Almshouse Association's survey of almshouse charities identifies that a typical almshouse benefits from 252 hours of voluntary work from Trustees and 62 hours of voluntary work from other volunteers during a typical year.
- 7.10** In order to estimate the contribution that volunteering in almshouses provides to the wider economy, an annual monetary value is estimated, which is calculated through attributing an hourly wage rate to the average number of hours of volunteering contributed across all volunteers in the almshouses that had responded to the survey.
- 7.11** The method to estimate the economic impact of these volunteer hours is based upon Volunteer Scotland's method of generating a monetary figure for the value of volunteering⁴⁹.

⁴⁸ ONS: Workforce Jobs by Industry: JOBS02 – June 2021. The labour force figure of 650,000 refers to an average of the labour force for employees in category L (real estate activities) as of March 2021.

⁴⁹ Volunteer Scotland: Calculating the economic value of your volunteers

- 7.12** For trustees, 252 hours per year for each almshouse is divided by 35 to obtain the number of full-time equivalent (FTE) weeks per year of volunteering, which equates to 7.2 weeks FTE weeks per year. The number of FTE weeks of 7.2 weeks of volunteering per year is multiplied by the median weekly wage of £586/week⁵⁰, which generates a figure of approximately £4,219.20 of economic value for each almshouse per year. This figure of £4,219.20 of economic value per almshouse is multiplied by the total number of almshouses,⁵¹ 1,700 to generate an annual financial benefit of £7,172,640 to the wider economy as a result of volunteering carried by almshouse trustees during a typical year.
- 7.13** The same method has been applied to generate the economic benefits of volunteering carried out by other volunteers in almshouses. For other volunteers, 62 hours of voluntary work per almshouse during a typical year carried out by other volunteers is divided by 35 to obtain the number of FTE weeks of volunteering, which is approximately 1.8 FTE weeks per year. This is then multiplied by the median weekly wage of £586/week to generate a figure of £1,054.80 per year of value for each almshouse through volunteering throughout a typical year. This figure of £1,054.80 is multiplied by 1,700 almshouses, which generates an annual financial benefit of £1,793,160 to the wider economy as a result of volunteering carried out by volunteers that are not Trustees in almshouses during a typical year.

⁵⁰ ONS: Employee earnings in the UK: 2020 - Measures of employee earnings, using data from the Annual Survey for Hours and Earnings (ASHE).

⁵¹ Almshouse Association

8. Estimating the value of financial benefits associated with the financial benefits of almshouses

Establishing the financial benefits and metrics

The evidence (as set out in sections 3-7) identified the range of financial benefits associated with older people living in almshouses. This section estimates the monetary value associated with this evidence of financial benefits that accrue from the provision of almshouses.

This approach has been used to generate estimated financial benefits for each of the following 'domains' from the provision of almshouses:

- A. Financial benefits in relation to local authority social care expenditure
- B. Financial benefits to NHS funded services
- C. Financial benefits of almshouses as a form of affordable housing for older people
- D. Financial benefits in relation to quality of life improvements provided by almshouses
- E. Financial benefits in relation to the wider economic benefits of almshouses

The method used to produce estimates of the monetary value of identified financial benefits is described in the table below. This method has then been applied to each of the identified benefit domains.

Financial benefit method	
1. Summary from the assessment of evidence	This section summarises the evidence reviewed highlighting the key elements of the research evidence that allows a financial benefit to be estimated.
2. Estimated financial benefit	This section applies relevant monetary 'metrics' to calculate an estimated financial benefit. Where assumptions have been used, a conservative approach has been taken to avoid 'over-estimating' any financial benefit. The final value is written in bold .
3. Caveats and assumptions	In this section, applicable caveats and assumptions are set out that need to be acknowledged when considering the estimated financial benefits.

A1. Financial benefits: Local authority social care expenditure. Financial benefits of almshouses compared to residential care

1. Summary from the assessment of evidence

The Almshouse Association's survey of almshouse charities showed that respondents identified that, on average, the number of moves to residential care per year 'avoided' by older people living in almshouses was 2 per annum. This suggests that a benefit of living in an almshouse setting is that it helps, for some residents, to avoid moves to residential care. An average person aged 65+ will use an average of 9 months of residential care in their lifetime⁵². This care typically will cost £659 per week or £2,636 per month⁵³.

Kneale and Smith (2013)⁵⁴ states that extra care housing residents over the age of 80 are approximately half as likely to enter institutional care as compared with older people in the community in receipt of domiciliary care. Furthermore, Housing LIN (2017) states that as retirement housing is an intermediate type of housing between extra care and mainstream housing, the probability of moving into a care home is estimated to be reduced by between up to 25% for retirement housing residents, due to retirement housing being an intermediate between extra care housing and mainstream housing.

Taking into account both estimates of reduced likelihood of entering residential care due to being an almshouse resident from The Almshouse Association's survey of members of c.10% and the evidence from Kneale & Smith (2013) in Housing LIN (2017), it is reasonable to estimate that the reduction in the likelihood of entering long-term care due to being an almshouse resident is c.20%.

2. Estimated financial benefit

Using the figure of care costs of £659 per week or £2,636 per month, it is possible to estimate the average expected lifetime cost of residential care for a 65+ individual living in mainstream housing. Multiplying the monthly cost of £2,636 by 9 months, the average lifetime cost of a 65+ individual living in mainstream housing is estimated to be £23,724.

Applying this figure to the reduced likelihood of moving into residential care for a person living in sheltered housing/almshouse provision of c.20%, the expected lifetime cost for someone living in sheltered housing/almshouse provision is c.£18,990. Therefore, an estimated lifetime saving of £4,824 per person aged 65+ is generated through lower expected likelihood of residential care use for sheltered housing/almshouse residents, in comparison with mainstream housing residents.

Average life expectancy from 65+ is on average c.20 years (18.8 years for males and 21.1 years for females)⁵⁵. An estimated lifetime saving of £4,824 per person over 20 years equates to a **financial benefit of c.£241 per person aged 65+ per annum.**

3. Caveats and assumptions

- Assumes that the relative lower likelihood of retirement housing residents moving to residential care applies to sheltered housing/almshouse residents.
- Assumes that the average lifetime duration of residential care use is the same for mainstream housing residents and sheltered housing/almshouse residents. There may be variation in the length of stay in residential care for both types of residents

⁵² Comas-Herrera & Wittenberg (2010); *ibid*.

⁵³ Curtis & Burns: Unit Costs of Health and Social Care 2018; PSSRU

⁵⁴ Kneale & Smith (2013): Extra Care Housing in the UK: Can it be a Home for Life?

⁵⁵ National life tables – life expectancy in the UK: 2017 to 2019

A2. Financial benefits: local authority funded social care Reductions in the need for domiciliary care

1. Summary from the assessment of evidence

There is evidence that care needs may reduce after a person moves into sheltered housing/ almshouse provision due to the housing model promoting greater independence and encouraging allows people to have/maintain social relationships⁵⁶; i.e. people in sheltered housing may use fewer care (domiciliary care) hours than if they were living in the wider community. Evidence from The Almshouse Association's survey of almshouses showed that respondents identified that, on average, 2 residents of an almshouse were receiving domiciliary care each week for an average of approximately 5 hours per week.

2. Estimated financial benefit

NICE research⁵⁷ of the costs of home care estimates that the total cost of an hour of home care is £15.74. Using the NICE figures for the estimated costs of typical domiciliary care of £15.74/hour, which makes up an annual cost of £8,184 based on an average 10-hour weekly care package being provided for each week of the year.

The evidence from The Almshouse Association's survey of almshouses indicates that the domiciliary care received by residents is on average 5 hours per week, i.e. approximately 50% of the median weekly package. This suggest that an equivalent average cost of domiciliary care for a resident of an almshouse is £4,093 per annum.

This suggests a financial benefit of c.£4,000 per annum per almshouse resident in receipt of a domiciliary care package (on average 2 residents per almshouse in receipt of a domiciliary care package). **Based on an average almshouse of 19 units this is the equivalent of a financial benefit of on average of c.£420 per resident per annum.**

3. Caveats and assumptions

- Assumes the average cost of domiciliary care per hour in the community is applicable to care package costs of residents of almshouses.
- Not all of these financial benefits will accrue to local authorities as a proportion of almshouse residents will self-fund their care.

⁵⁶ Berrington (2017); *ibid*.

⁵⁷ National Institute for Health and Care Excellence (2015); *ibid*

B1. Financial benefits: NHS funded services

Reductions in the number of GP visits

1. Summary from the assessment of evidence

Polisson (2011) found the average number of annual visits to a GP in England was 7.4 for women aged 65 and over, and 6.7 for men aged 65 and over, i.e. based on this evidence a person aged 65 and over visits a GP on average 7.05 times per annum.

Anchor Hanover, in 2020, conducted qualitative research with its residents living in sheltered housing. Observed was a reduction in GP visits per year by 5%, as a result of addressing loneliness among these residents. Given the identified key similarities between sheltered housing and some almshouses, this potential financial benefit is reasonably assumed to be applicable to almshouse settings.

2. Estimated financial benefit

The Kings Fund identified that an average GP attendance, as an overall amount, cost £39.23⁵⁸. Assuming a person aged 65 and over visits a GP 7.05 time per annum, the estimated cost is £275. Applying the evidence from the Anchor Hanover research of a 5% reduction in GP visits per year among its residents, this suggests 6.7 visits to a GP on average per year at a cost of £261.

Thus, for an almshouse/sheltered housing resident there is assumed to be an average annual financial benefit to the NHS of approximately **£14 per annum through reduced GP visits**⁵⁹

3. Caveats and assumptions

- Assumes the prevalence of GP visits amongst people aged over 65 has remained consistent since 2011.
- Assumes that the cost of GP visits based on data from 2016 has remained unchanged.
- Assumes that the research undertaken by Anchor Hanover with its sheltered housing residents is a reasonable proxy for almshouse residents.

⁵⁸ Buck et al (2016); *ibid*.

⁵⁹ This financial benefit has been incorporated into the financial benefit calculation in table D, which highlights the aggregated financial cost benefit of reduced GP visits and A&E visits (based on reduced levels of loneliness).

B2. Financial benefits: NHS funded services. Reduced ambulance call-outs (associated with reduced incidence of falls)

1. Summary from the assessment of evidence

A study by the Strategic Society Centre calculates⁶⁰ that people aged 65+ have a 33% probability (0.33) of experiencing a fall each year, but this is reduced to between 1.5 and 2.8 times less likely in retirement housing, such as sheltered housing.

Respondents to The Almshouse Association's survey of almshouse charities identified that, on average, residents were admitted to hospital as a result of a fall 1.2 times per annum.

2. Estimated financial benefit

By multiplying the probability of a fall each year by the average cost of a fall to the NHS (£2,108) by 10 years, Lloyd calculates that the average expected lifetime cost of falls in mainstream housing over 10 years is around £7,000 compared with £3,720 in retirement housing. This represents a potential financial benefit of c.£3,800 over 10 years.

This equates to a financial benefit of **£380 per person per year for people living in sheltered housing/almshouses.**

3. Caveats and assumptions

- Assumes the 10-year financial benefit can be applied on a single year basis to produce a financial benefit per person per year.
- Future consideration should also be given to how the use of assistive and digital technology can minimise the risk of falling.

⁶⁰Lloyd, J. (2016). Valuing Retirement Housing: Exploring the economic effects of specialist housing for older people. Strategic Society Centre, London.

B3. Financial benefits: NHS funded services Reduction in duration of hospital stays and delayed discharges

1. Summary from the assessment of evidence

Cook et al (2016)⁶¹ found sheltered housing residents have a mean admission length of stay of 8.2 days, which is 68.8% of the average length of stay for emergency admissions for the over-65 population not living in sheltered housing, which is 11.9 days.

Given that sheltered housing residents stay on average for 8.2 days in hospital after an emergency admission compared to 11.2 days for someone over the age of 65 living in the wider community, sheltered housing residents are expected to produce financial benefits to the NHS in the form of reduced durations of stay in hospital.

Given the identified key similarities between sheltered housing and some almshouses, this potential financial benefit is reasonably assumed to be applicable to almshouses settings.

2. Estimated financial benefit

The NHS stated that the unit cost of an excess bed day, where excess bed days are measured relative to a maximum expected length of stay, was £346 for 2017/18⁶². This measurement is applicable to all types of care, including acute care.

The 3 excess bed days associated with a person aged 65+ living in the wider community compared with a person 65+ living in sheltered housing/almshouse provision (11.2 days for non-sheltered/almshouse residents compared to 8.2 days for sheltered/almshouse residents) is estimated to produce financial benefits of approximately £1,038 per person, where each excess bed day costs £346.

The evidence from The Almshouse Association's survey of its members identified that c.1 resident is admitted to hospital each year (as a result of a fall). Based on an average sized almshouse of 19 units, **the financial benefit is the equivalent of c.£55 per resident per annum.**

3. Caveats and assumptions

- Assumes the current cost of an excess bed day is equivalent to the cost in 2018
- Assumes that people over the age of 65 make up the majority of the delayed transfers of care.
- It should also be noted that due to Covid-19, there is a significant delay in hospital admissions with the BMA reporting 5.45 million on NHS waiting lists.⁶³

⁶¹ Cook et al (2016): Older UK sheltered housing tenants' perceptions of well-being and their usage of hospital services; Health and Social Care in the Community

⁶² NHS Improvement (2018): Reference costs 2017/18 - highlights, analysis and introduction to the data

⁶³ <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/pressure-points-in-the-nhs>

C. Financial benefits: Almshouses as a form of affordable housing for older people

1. Summary from the assessment of evidence

The Almshouse Association has identified that the majority of almshouses charge a WMC of approximately 90% of the value of Local Housing Allowance (LHA).

Data for LHA rates for 2019-20⁶⁴ shows that, for tenants with exclusive access to one bedroom and exclusive access to other facilities (i.e. 1 bed self-contained properties), the average LHA rate across all English local authorities is £113.31 per week. The Supported Accommodation Review (2016)⁶⁵ found that the average weekly rent for sheltered housing (social housing) was £88 per week, and the average weekly service charge was £39 per week, a total cost of £127 per week.

The Almshouse Association's survey of almshouses identified that amongst the almshouses that responded, the average WMC is £83.50.

2. Estimated financial benefit

The average WMC of £83.50 for almshouses (from the survey of almshouse charities) is lower than:

- The average weekly cost sheltered housing of £127.
- The average LHA rate of £113.31 per week for a 1 bed self-contained property.

This indicates that almshouse charities **provide c.30,000 units of housing for predominantly older people that which is a form of affordable housing** (in England) given, on average, the lower weekly cost to their residents compared to sheltered housing for rent provided by social landlords and applicable average LHA rates for 1 bed self-contained properties in the private rented sector.

3. Caveats and assumptions

- Assumes that the average weekly rent for sheltered housing residents since 2016 has remained relatively unchanged (in the context of a 4-year rent reduction programme for social housing providers from 2016/17).
- It should be noted that LHA rates vary across England and are significantly higher than the average in London.

⁶⁴ Valuation Office Agency: Local Housing Allowance (LHA) rates applicable from April 2019 to March 2020

⁶⁵ Blood, I, Copeman, I, and Finlay S (2016) Supported Accommodation Review. etc

D. Financial benefits: Quality of life improvements provided by almshouses. Reduced experience of loneliness

1. Summary from the assessment of evidence

The Almshouse Association's survey of almshouse charities identified that amongst the almshouses that responded, approximately 50% of residents participated weekly in at least one social activity, suggesting that almshouses are a form of accommodation that promotes social interaction and activity amongst residents.

Research by Beach for the ILC⁶⁶ found that the average person in retirement housing experiences approximately half the amount of loneliness of those in wider community. The research also found that a retirement housing/village resident experiences half the amount of loneliness (12.17%) than those in the community (22.83%), so it is reasonably assumed that tenants in sheltered housing/almshouses are also similarly less likely to experience loneliness (although it needs to be noted that the primary research was of residents of retirement villages). Research evidence suggests that lonely people use health services more frequently - they are: 1.8 times more likely to visit the GP and 1.6 times more likely to visit A&E⁶⁷.

2. Estimated financial benefit

Drawing on the Demos⁶⁸ methodology and using PSSRU and NAO data that identifies the average cost of a GP consultation at £39.23⁶⁹ and A&E attendance⁷⁰ at £124, combining these figures with the increased likelihood of lonely people using NHS services, it is estimated that the annual cost benefit of reduced loneliness to the NHS is approximately £230 per person for the over 65s (from reduced GP visits) and approximately £10 per person for the over-65s (from reduced A&E attendance).

This is estimated by adding up the estimated cost per person per year for GP visits and A&E visits due to loneliness, using the differences in prevalence in loneliness among sheltered housing residents and non-sheltered housing residents.

To estimate the cost of additional GP visits due to loneliness, the statistic of lonely people visiting their GP 1.8 x more than a non-lonely person is multiplied by the average annual number of GP visits of 7.4x per year for older women and 6.7x per year for men. This is then multiplied by the cost of a single GP visit of £39.23 per visit to estimate that there is an annual cost of approximately £494 per lonely older person. This is then compared to the annual costs of a sheltered housing resident, who have approximately half the likelihood of being lonely. An equivalent estimate for the average number of times both older men and women who suffer from loneliness visit a GP per year is calculated as 6.4 times and 7.1 times respectively. This is multiplied by the cost per GP visit to estimate that the average annual cost of a sheltered housing resident is approximately £263. The difference in annual GP visit costs per person for non-sheltered housing residents and sheltered housing residents due to loneliness is estimated to be approximately £231.

⁶⁶ Beach, B., (2015). Village Life: Independence, Loneliness, and Quality of Life in Retirement Villages. ILC, London.

⁶⁷ Wood, C. (2017); *ibid*.

⁶⁸ Wood, C. (2017); *ibid*.

⁶⁹ Curtis and Burns: Unit costs of Health and Social Care 2020; PSSRU

⁷⁰ National Audit Office (2015); *ibid*.

To estimate the cost of additional A&E visits due to loneliness, the statistic of lonely people being admitted is 1.6 x more than a non-lonely person is applied to the sheltered housing resident population based on the actual prevalence of loneliness amongst sheltered housing residents of 12.17% and the prevalence of loneliness in the wider community of 22.83%. These prevalence rates are used to construct a sub-population of sheltered housing residents of approximately 59,094 residents (if using the actual sheltered housing loneliness prevalence of 12.17%) and 110,857 residents (if using the wider community prevalence of loneliness of 22.83%), given that there is estimated to be 485,575 sheltered housing residents in the UK⁷¹. Given that the 2019 daily average number of A&E visits was approximately 70,231 for the general population equating to approximately 0.45 times per person per year⁷², multiplying this by 1.6x suggests that the average lonely person visits the A&E c. 0.75 times per year. Multiplying the two populations groups for sheltered housing residents of 59,094 and 110,857 by 0.75 visits per lonely person per year, this equates to approximately 44,321 annual visits for sheltered residents (using sheltered housing loneliness prevalence) and 83,143 annual visits for sheltered housing residents (using wider community loneliness prevalence). Multiplying these by the costs of a A&E visit, this equates to an aggregate cost benefit of approximately £4.81 million per year or £9.91 per person per year due to the lower level of loneliness amongst sheltered housing residents.

Aggregating both the cost benefits due to lower amount of GP visits and A&E visits amongst sheltered housing residents, due to lower prevalence of loneliness, the estimated financial benefit to the NHS of the assumed reduced incidence of loneliness amongst sheltered housing/ almshouse residents is **equivalent to c.£241 per person per annum**, compared with people aged 65+ living in the wider community.

3. Caveats and assumptions

- Assumes that the prevalence for loneliness is similar for almshouse residents and sheltered housing residents compared with retirement village residents.
- Assumes that the average prevalence of loneliness amongst almshouse residents is approximately 50% of the prevalence of people aged 65+ living in the wider community, reflecting the greater opportunities for social contact/activities within an age-designated housing setting.

⁷¹ Wood (2017); ibid.

⁷² NHS Key Statistics, England

E. Financial benefits of almshouses: economic benefits

1. Summary from the assessment of evidence

Among the almshouse charities that were surveyed by The Almshouse Association, an average of 5 people moved into a 'typical' almshouse during the period April 2018 – March 2020. The survey found that, among the moves into almshouses over the period April 2018 – March 2020, the percentages of these moves from different tenures were:

- Owner-occupier sector: 17.4%
- Private rented sector: 48.4%
- Social rented sector: 23.4%
- Other housing settings: 10.8%

An analysis of the impact of downsizing into housing designated for older people in Wood (2013), based on findings from the English Longitudinal Study of Ageing (ELSA), finds that:

- If every individual who preferred to downsize was able to do so, for every 50 older people moving to a retirement property from their current home, 47 properties would be freed up in the general needs housing market.
- If half the individuals who preferred to downsize were able to do so, for every 8 older people, 7 homes would be freed up in the general needs housing market.

Benefits of employment and volunteers

Among the almshouse charities surveyed by The Almshouse Association, the average number of full-time equivalent employees employed by an almshouse charity is estimated to be 2 per annum, and the estimated number of part-time employees is estimated to be 2 per annum.

From the survey data, the typical almshouse charity has a total expenditure of £27,483 on employee wages during a typical year.

2. Estimated financial benefit

Benefits to the wider housing market

The average number of 5 moves into an almshouse is multiplied by the total number of c.1,700 almshouses⁷⁵, resulting in an estimated figure of approximately 8,500 moves into almshouses in the UK over a two year period. This equates to approximately 4,250 moves into almshouses per annum.

Applying the percentages associated with the moves from the various tenures in general needs market, and the ratio of moves of older people with respect to the number of properties freed up in the general needs sector, to the estimated 4,250 moves annum into almshouses, it is estimated that **there are between approximately 3,700 and 4,000 homes that are freed up in the general needs housing market** as a result of older people moving into almshouses each year.

⁷³ Wood (2013): The Top of the Ladder; Demos

⁷⁴ English Longitudinal Study of Ageing (2011): Insight into a maturing population

⁷⁵ Almshouse Association

Benefits of employment and volunteers

If the average employee numbers of 2 full-time equivalent employees and 2 part-time employees are applied to the total 1,700 almshouse charities, there is estimated to be 3,400 full-time equivalent employees and 3,400 part-time employees employed by almshouse charities.

The average expenditure of a 'typical' almshouse charity on wages per annum of £27,483, multiplied by the total number of c.1,700 almshouses, **equates to £46.7m as the total annual expenditure (financial benefit)** of almshouses on their employees.

There is estimated to be on average 9 FTE weeks per year of voluntary work provided at each almshouse. Multiplied by the median weekly wage of £586/week, this generates a figure of approximately **£8.96m of financial benefit to almshouses and to the wider economy** as a result of volunteering carried by almshouse trustees during a typical year.

3. Caveats and assumptions

Benefits to the wider housing market

- This assumes that the rate at which older people move into almshouses is constant over a two-year period, as captured by the survey, in order to produce an accurate estimate of the annual moves. It also assumes that the period April 2018- March 2020 is representative of a typical two-year period.
- It assumes that the ratio between a move into housing for older people and the number of homes freed up in the general needs market is consistent with the evidence from Wood (2013).

Benefits of employment and volunteers

- This assumes that the average number of FTE and part-time employees from the survey is applicable to all 1,700 almshouses, which may not be the case given variations across regions and the varying size of almshouses.
- It assumes that the average expenditure identified from the survey is representative of all almshouses in the UK, which may not be applicable due to varying size and financial resources of almshouses.

9. Summary of the value of the financial benefits of almshouses

9.01 Whilst many almshouses have been in existence for a long time, their impact and associated benefits to the broader health and social care economy in particular, have not been as widely known or estimated.

9.02 The Almshouse Association wants to contribute to the evidence base about the financial benefits of almshouses with more specific evidence in relation to the associated financial benefits provided both to the health and social care economy, as well as other financial benefits.

9.03 Almshouses offer a wide range of benefits to their residents including maintaining independence, health and mental cognition and reducing loneliness. For some older people, almshouses may be a genuine alternative to living in a residential care home.

9.04 This review and assessment of relevant evidence indicates that almshouses have a range of financial benefits both to the health and social care economy as well as wider financial benefits, including

- Lower likelihood of residential care admission (by almshouse residents).
- Reduction in the likelihood of the use of domiciliary care (by almshouse residents).
- Reduction in ambulance call-outs (linked to falls) (by almshouse residents).
- Reduction in length of stay and delayed discharges from hospital (amongst almshouse residents).
- Reduction in GP and A&E visits as a result of lower incidence of loneliness (amongst almshouse residents).
- Investment in local economies through expenditure on staff (by almshouse charities).
- The economic value of volunteering (provided by almshouse charities).
- The provision of affordable housing (provided by almshouse charities).
- The 'freeing up' of housing in wider housing market (from older people moving into almshouses).

Summary of the value of financial benefits of almshouses

- 9.05** Table 1. summarises the financial benefits that are estimated to accrue from a person living in an almshouse.
- 9.06** Each financial benefit has been kept as specific as possible in order to minimise ‘double counting’. In circumstances where two figures were available for the same measure, the one from the most robust source was used (e.g. a long-term study with controls).
- 9.07** All the caveats and limitations in generating these financial benefits (as set out in section 8) need to be recognised.
- 9.08** An overall financial benefit, in relation to health and social care benefits, of a person living in an almshouse (per annum) is shown in table 1. **It is estimated that living in an almshouse generates financial benefits to the social care and health economy of c.£1,340 per person, per annum.**

Table 1. Summary of the value of the financial benefits of almshouses (per resident, per annum)

Health and social care financial benefit measures	Value of financial benefits (per almshouse resident, per annum)
Lower likelihood of residential care admission	£241
Reduction in the likelihood of use of domiciliary care	£420
Reduction in ambulance call-outs (linked to falls)	£380
Reduction in length of stay and delayed discharges from hospital	£55
Reduction in GP and A&E visits as a result of lower levels of loneliness	£241
TOTAL	£1,337

- 9.09** An overall financial benefit, in relation to health and social benefits, of a typical almshouse (of 19 units) and the overall almshouse sector (1,700 almshouse charities) (per annum) is shown in table 2.

Table 2. Summary of the value of financial benefits of almshouses (per 'average' almshouse and for the almshouse sector)

Health and social care financial benefit measures	Value of financial benefits (per 'average' almshouse charity)	Value of financial benefits (almshouse sector)
Lower likelihood of residential care admission	£4,579	£7,784,300
Reduction in the likelihood of use of domiciliary care	£7,980	£13,566,000
Reduction in ambulance call-outs (linked to falls)	£7,220	£12,274,000
Reduction in length of stay and delayed discharges from hospital	£1,045	£1,776,500
Reduction in GP and A&E visits as a result of lower levels of loneliness	£4,579	£7,784,300
TOTAL	£25,403	£43,185,100

9.10 9.10 It is estimated that almshouses provide financial benefits to the social care and health economy of:

- c.£25,400 per 'average' almshouse charity (per annum)
- c.£43.2m for the almshouse sector (per annum)

9.11 In addition, there are other identifiable financial benefits associated with almshouses shown in table 3.

Table 3. Summary of the value of other financial benefits of the almshouse sector

Other financial benefit measures	Financial benefits (per annum)
Investment in local economies: expenditure on staff	Aggregate financial benefit of c.£46.7 million
Economic value of volunteering	Aggregate financial benefit c.£8.96 million
Provision of affordable housing	c.32,000 units of affordable housing provided by almshouses
Freeing up of housing in wider housing market	Annually, between c.3,700 and c.4,000 homes freed up

9.12 In summary, the almshouse sector provides additional financial benefits including:

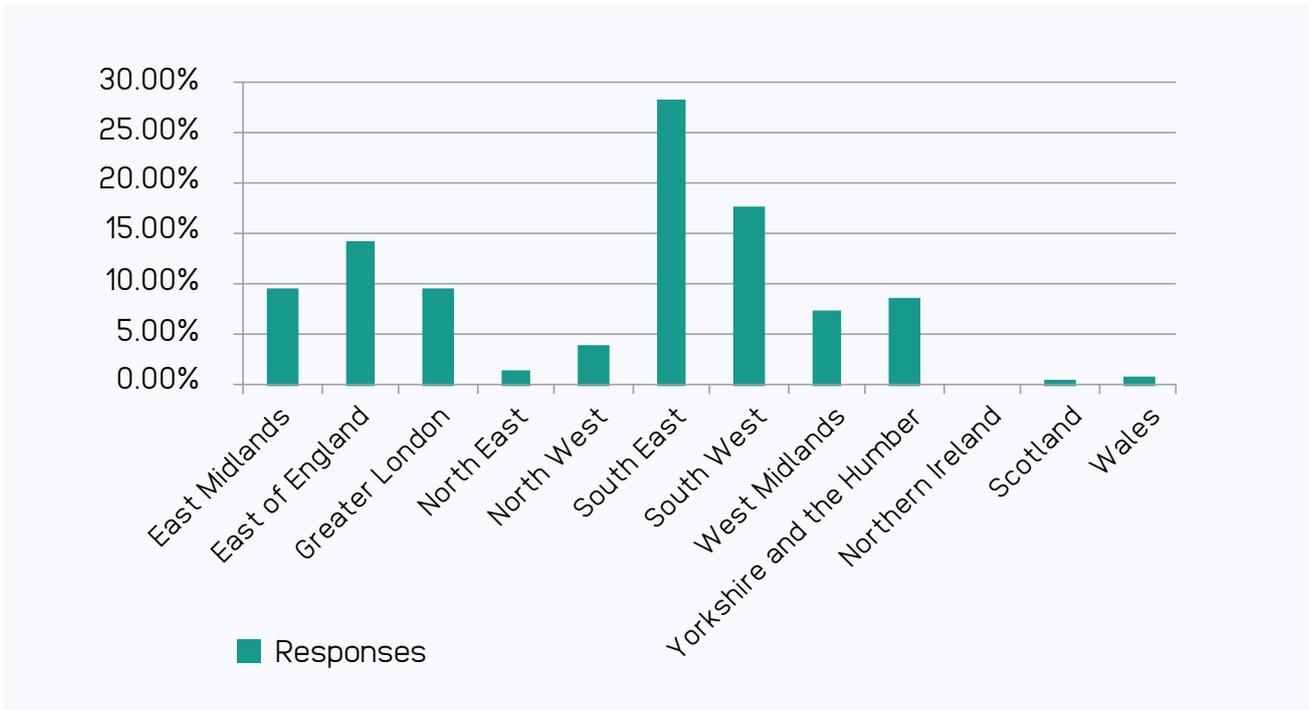
- The value of investment in employed staff and voluntary work, estimated to be c.£56m per annum.
- The provision of c.32,000 units of affordable housing, predominantly for lower income older people.
- Moves into almshouses free up between c.3,700 and c.4,000 homes in the social rented and private housing market per annum

Appendix 1 The Almshouse Association Member Survey: Summary data

Question	Average response value
Average WMC	£83.50
Number of admissions into hospital, per year	1.2 per year
Number of almshouse residents that receive domiciliary care, per year	2
Number of hours that almshouse residents receive domiciliary care for, per week	5.3 hours
Number of almshouse residents that move into a residential care home, per year	1 per year
Number of avoided moves to residential care homes, due to benefits of almshouses, per year	2 per year
Number of GP consultations, per year	51 per year
Community nurse visits to almshouse residents, per year	24 per year
Number of residents that take part in at least one social / leisure activity, per week	16
Number of people that have moved into the respondents' almshouses between Apr 2018 – Mar 2020	5
For the people that have moved in between Apr 2018 – Mar 2020: their previous tenure (percentage)	<ul style="list-style-type: none"> • Owner-occupier/shared ownership: 17.4% • Renter (private): 48.5% • Renter (social): 23.4% • Other tenure: 10.9%
Number of full-time/part-time equivalent staff working for almshouse organisation in a typical year	<ul style="list-style-type: none"> • Average full-time equivalent employees: 2 • Average part-time equivalent employees: 2
Total expenditure on wages/salaries in a typical year (including payment in-kind)	£27,483 per year
Number of voluntary work hours provided by trustees and other volunteers, per year	<ul style="list-style-type: none"> • Trustees: 252 • Other volunteers: 62

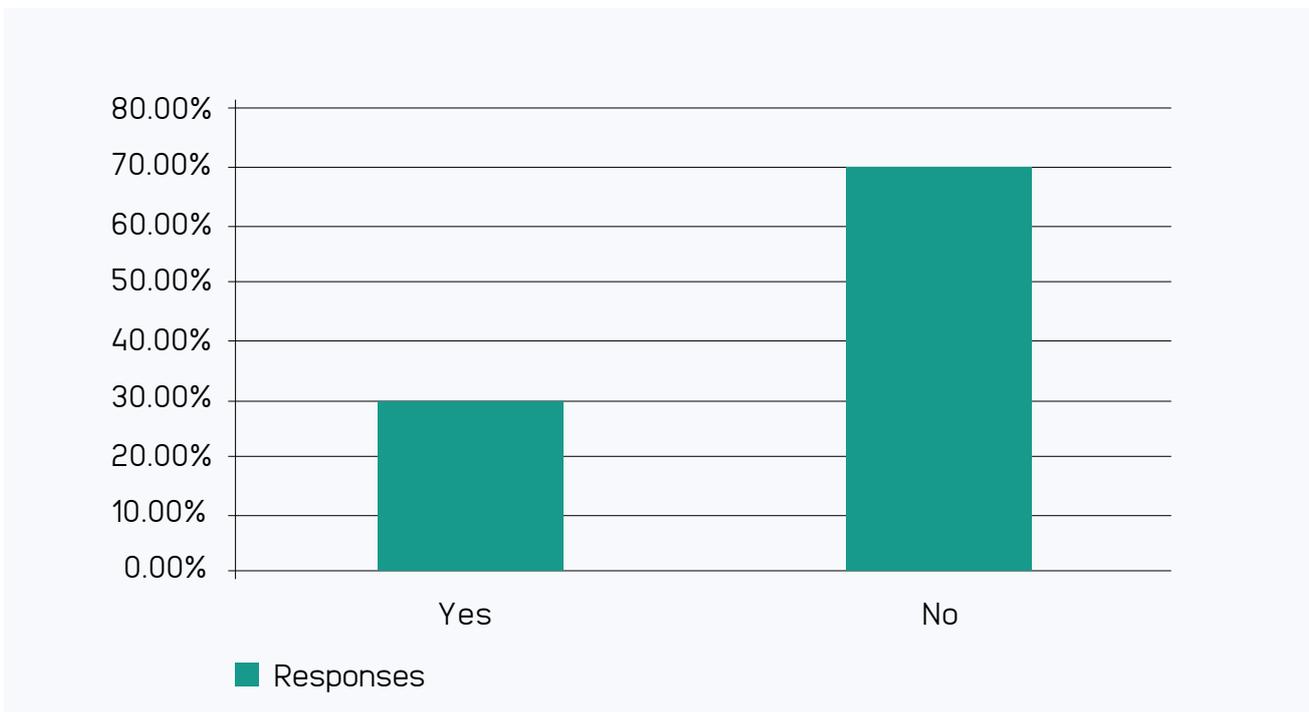
Graph 1. Almshouse charities by region

In which regions are your almshouse dwellings based? Select all that apply.



Graph 2. Almshouse charities survey of satisfaction of residents

Have you surveyed the satisfaction of almshouse residents with the service they receive?





Housing LIN

Connecting people, ideas and resources

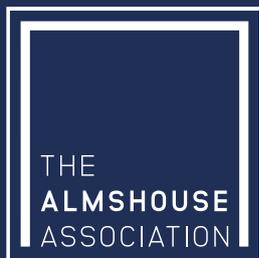
The Housing Learning and Improvement Network (LIN) is a sophisticated network bringing together housing, health and social care professionals in England, Wales, and Scotland to exemplify innovative housing solutions for an ageing population.

Recognised by government and the housing with care sector as a leading 'knowledge hub' on specialist housing, our online and regional networked activities:

- connect people, ideas and resources to inform and improve the range of housing choices that enable older and disabled people live independently
- share market insight and intelligence on latest funding, research, policy and innovative developments to spread practice faster, and
- engage with industry to raise the profile of specialist housing with developers, commissioners and providers to plan, design and deliver aspirational housing for an ageing population

The Housing LIN curates a dedicated page which brings together a wider range of resources on other research, latest policy, examples of innovative practice on almshouses at: www.housinglin.org.uk/Topics/browse/Housing/HousingforOlderPeople/Almshouses/

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The Almshouse Association is an umbrella membership charity that represents a network of over 1,600 independent almshouse charities across the UK, supporting some 36,000 residents. Its role is to guide and support the trustees of these local almshouse charities to manage their resources effectively, ensure good quality housing, promote the welfare and independence of their residents and preserve the historic tradition of almshouses for future generations.

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