AVISON YOUNG

Harefield Road

Response to Social Care Comments

1. Introduction

1.1 This note has been prepared in response to the comments from the London Borough of Hillingdon's (LBH) Social Care team received on 3rd February 2021 in relation to application ref. 16299/APP/2020/3313 for the comprehensive redevelopment of Land off Harefield Road, Uxbridge (the site).

1.2 The comments are summarised as follows:

a) The financial model suggests that the units available within the scheme would be very expensive and therefore resulting in limited local demand;

b) Cost linked to the high density of the development suggests that there would be limited local demand;

c) Points a) and b) above mean that demand is likely to come from people outside of Hillingdon;

d) For people who do move in the high cost means resident capital is likely to rapidly fall below threshold limits as determined by the Care Act, 2014, and therefore increase demand on local Adult Social Care funds.

1.3 We have given consideration to the above comments in full in the context of the development plan and material considerations and set out our response below.

2. The Guild Product

2.1 This section provides further detail on the Guild product, which provides a comprehensive integral wellness package under a C2 planning use class for residents in need of care.

Management and Operations

2.2 The Guild product provides a comprehensive suite of facilities and services designed to meet the needs of residents that require a level of support or care. This provision, required by all residents, includes (but is not limited to):

- Time spent with the Guild Team to manage and arrange the delivery of prescription, medication, or food services specific to the individual needs.
- Time spent with the Guild Team to organise and facilitate visiting clinical care specialists or allied health professionals.
- Time spent with the Guild Team to plan and arrange home support which could include cleaning, laundry, and other domestic support.
- Access to Wellbeing facilities, services, classes, and expertise to support the prevention of health decline.
- Health or wellbeing checks, such as blood pressure, temperature, heart rate, and other health care indicators.
- Advice on health, including nutrition and other foundations of wellbeing, including physical exercise.
- Organised rehabilitation, following a hospital visit or health event.
- Personal care assistance, aiding with mobilising, bathing, going to the toilet, dressing, eating or drinking.
- A 24-hour emergency response system which will provide:
    - attendance at residence if required.
    - comfort, reassurance, and peace of mind to residents.
    - facilitate/greet/liaise with emergency services if called.
- Use of the transport services for trips out into the wider community.
- Advice, encouragement, and supervision relating to the above activities.

2.3 The proposed development has been specifically designed to enable this level of care and support, with bespoke facilities included that all residents will be able to access including: Wellness Centre; Residents' Lounge; Restaurant/ Café; and Library/ Reception.

2.4 A significant quantum of external communal amenity space is also provided, including private communal amenity space in the form of the Podium Garden and Magistrates' Gardens, all of which have been carefully designed to respond to resident's emotional and physical needs. This is further enhanced by the provision of public communal amenity space provided through the public courtyard, which will help to draw the community into the development with the aim of combatting loneliness.

2.5 The services and management required to provided them are all inextricably linked to the design of the development, to ensure that future residents are provided with the care they require to contribute towards physical and mental wellbeing.

<u>Monthly Membership Fee (MMF)</u>

2.6 As a result of the comprehensive package of services and required management to facilitate them, the MMF for the proposed development is higher than a service charge associated with a traditional residential (C3) product.

2.7 An indicative breakdown of the service change can be provided as follows:

- Community facilities, such as maintenance of communal areas, delivery of health & safety standards, waste collection, upkeep of gardens and window cleaning, utilities in communal areas and insurances.

- Additional services, such as concierge, valet parking, security services, 24-7 emergency response services and local shuttle service.

- Health & Wellness services, such as access to all facilities, classes, and health assessments/re-enablement support. Social engagement, such as event services, entry to member only events and access to smaller events and activities.

3. Applicant Response

a) The financial model suggests that the units available within the scheme would be very expensive and therefore resulting in limited local demand

3.1 The average sales price (ASP) for a semi-detached house in LBH is £525k[1]. The Guild business model is based on an ASP for a Guild property being circa £552k (£686 psf). This is comparable with other similar products, including Lysander House in LBH where the ASP for a 2-bed unit is £581k[2]. Furthermore, there have been 1,900 transactions between 2018 to 2020 in LBH at or above the Guild ASP[3].

3.2 Experian data confirms that there are 5,133 eligible households in LBH i.e. a 65+ household with sufficient housing wealth to sell and move into the scheme at the Average Sales Price of £552,000[4].

3.1 Of these eligible households, it is necessary to identify the number of eligible downsizers, whereby a 65+ household has sufficient housing wealth within LBH to sell and move into the scheme at the Average Sales Price of £552,000 downsizing from £690,000 while releasing 20% of their housing equity. Experian data identifies that there are 2,877 eligible downsizer households in LBH[5].

3.2 In summary, the product is comparable in terms of costs to other similar products in LBH and it has been demonstrated that there is a significant pool of eligible downsizers in LBH that could choose to live in the proposed development.

b) Cost linked to the high density of the development suggests that there would be limited local demand;

3.3 As highlighted above, the Guild ASP is comparable with other similar products including Lysander House in LBH where the ASP for a 2-bed unit is £581k. However, the Guild product is unique to the UK market

[1] Source: HM Land Registry, UK House Price Index, 2020 - Semi-detached House ASP
[2] Source: HM Land Registry, Price Paid Data, 2020 - Lysander House, Sales achieved
[3] Source: HM Land Registry, Price Paid Data, 2020 - Hillingdon Transaction Data
[4] Source: Experian Data, 65+Household Reference Points, Hillingdon, 2020
[5] Source: Ibid. Source 4: Experian Data, 65+Household Reference Points, Hillingdon, 2020

by purposefully focusing on large-scale urban areas and providing extensive facilities and an innovative continuum of care model for residents.

3.4 The proposed development provides three tiers of accommodation to meet the needs of future residents as they change over time. This includes:

- **Guild Living Residences (GLR)** – Guild Living's core product offering of independent living units designed for ageing in place. The GLR's are specialist older persons accommodation that provide flexibility to adjust care services if / when residents' requirements change. The units are for sale with a fixed MMF and a deferred management fee payable on exit. GLR's are restricted to over 65s (unless they have a partner who would also be living in the accommodation). A minimum of 2.5 hours a week of care/support will be provided.
- **Guild Care Residences (GCR)** – Functions as traditional assisted living accommodation and is located in the scheme closer to the care amenity. The units have been designed to assist members with a higher level of support requirement and are available to rent. GCR's are restricted to over 65s (unless they have a partner who would also be living in the residences). A minimum of 2.5 hours a week of care/support will be provided.
- **Guild Care Suites (GCS)** – To provide greater assurance and a continuum of care GCS's provide 24-hour clinical support and care and make up roughly 10% of the total community. GCS's are suited for those who would benefit from around the clock support rather than independent living. End of life needs can be managed here, as can nursing and cognitive needs. The units are aimed to provide care for those over 65 and are for rent.

3.5 Residents in a GLR will pay an index linked MMF. The residents in GCRs and GCSs units will not incur a MMF as it is included in their rent or average weekly fees, respectively. The draft MMF budget proposes that a GLR 2 bed unit will pay a MMF charge of £7,700 p.a.

3.6 Guild does not operate a ground rent model.

3.7 GLR and GCR residents will be provided with a minimum of 2.5 hours of care and support each week. Additional care can be provided and would be charged on an hourly basis.

3.8 GCS units will have 24/7 on-site care and clinical staff and is expected to support those with a greater level of dependency including mobility, cognitive and nursing needs.

3.9 £462,000 for a GCR and £255,000 for a GCS are not the annual rental cost for a resident, this is the value per unit that Guild assumes as part of its Gross Development Value. A GCR unit rent will be £3,750 per month (£45,000 per annum) and GCS unit rent will be £1,500 per week (£78,000 per annum) and will include 5 hours of care per day as standard. These are in line with comparable assisted living units in the market and other care home rates within the Borough.

3.10 The proposed development also provides a greater range and quantum of wellness facilities, including the Wellness Centre; Residents' Lounge; Restaurant/ Café; and Library/ Reception. These spaces complemented by a significant quantum of external communal amenity space, including: private balconies and gardens; private communal amenity space in the form of the Podium Garden and Magistrates' Gardens and public communal amenity space provided through the extensive public courtyard. Each of these spaces are inextricably linked to the design of the development, to ensure that future residents are provided with the care they require to contribute towards physical and mental wellbeing.

3.11 This provision is significantly greater than what is provided in other comparable products as set out in **Table 1** below.

Development	Food and Beverage	Wellness	Other Amenity	Nursery	Total
Guild at Uxbridge	316 sqm	259 sqm	458 sqm	284 sqm	1,317 sqm
Landmark Place	65 sqm	-	70 sqm	-	135 sqm
St Andrews Anchor	103 sqm	127 sqm	63 sqm	-	293 sqm

3.12 In summary, it has been demonstrated that there is a significant pool of LBH residents that could afford the product and that the proposed development provides a more comprehensive product than other comparable schemes that are achieving similar ASPs.

c) Points a) and b) above mean that demand is likely to come from people outside of Hillingdon;

3.13 It is agreed by LBH, the GLA and the applicant that there is a need for this type of accommodation in LBH and across London.

3.14 The 'Publication' London Plan identifies a requirement to prove 180 specialist older persons housing units per annum over the plan period.

3.15 LBH's 5 Year Land Supply Document (5YLSD) (2019) identifies a need for 640 traditional sheltered housing units; 480 'extra care' units; and, 220 'sheltered plus or enhanced sheltered' units over the period 2014-36. The 5YLSD identified the following schemes have been granted which would contribute towards that supply:

- 60 Units approved at Park View Court, Yiewsley.

- 72 Units approved within RAF Uxbridge, Uxbridge North (now 70 extra care units approved in February 2020 as a standalone application for the St Andrews Park scheme following the expiry of the outline consent (ref. 585/APP/2019/829).
- 50 Units approved within Trout Road Site A (Kirby and Rainbow Industrial Estates), Yiewsley.

3.16 This expected delivery of 180 units over the next 5 years falls significantly below the target set out in the Publication London Plan by 720 (900 units over the equivalent five-year period).

3.17 Notwithstanding this clear identified need, further independent research demonstrates that there is a requirement for 760 extra care units in LBH up to 2024[6]. This is based only on the required supply for over 75s. However, 20% of residents living in extra care are between the ages of 65-64 which demonstrates that the need is likely to be significantly greater than 760 units. In addition to this, Guild has also received 3,200 enquires from local residents demonstrating a current significant local interest in the product.

3.18 It has been demonstrated that there 5,133 eligible households in LBH and the proposed 180 units would directly contribute towards this identified need.

3.19 Guild Living's ASP is comparable to other products in the market. Notwithstanding this, the Guild product stands alone in its product offering, comprising a broader range of living options and a more comprehensive wellness package than other comparable products.

3.20 In summary, there is an identified need in LBH, there are identified eligible households in LBH and the proposed product offers high quality accommodation with a greater range of care options, services and facilities than other comparable products with a similar ASP.

d) For people who do move in the high cost means capital available to residents is likely to rapidly fall below capital limits as determined by the Care Act, 2014, and therefore increase demand on Adult Social Care.

3.21 It has been demonstrated the pricing levels are in line with the local market and the business model is derived from housing wealth in LBH. As per para. 3.1, Land Registry data confirms a significant number of transactions have occurred in LBH over a similar sales period. Experian data illustrates the wealth profile of a Guild Living buyer in LBH will typically have income, investable assets, and downsizer equity release available to demonstrate wealth comfortably more than the capital limits determined by the Care Act, 2014.

3.22 A typical Guild Living downsizer will have 6.8 years' worth of care funded years available from investable assets, downsizer equity release, and income [7].

[6] Source: Carterwood Planning Needs Assessment, February 2021. Pp. 32
[7] Source: Care Funded Years Calculation

3.23 Of the potential 5,133 eligible households in LBH, 2,877 can release over £138k of equity from their home when purchasing a Guild apartment. Experian data shows that these 2,877 potential households have a combined average income of £63k per annum and investable assets of £180k. ONS data shows there are 1.4 people to a 65+ household in LBH[8].

3.24 Residents occupying a GLR will have an annual cost of living of £18.5k (average expenditure[9], including Guild MMF and council tax). This demonstrates the cost of living for the 153 GLRs in the scheme are considerably affordable to run while maintaining an average lifestyle in line with ONS data. This demonstrates the running costs of a GLR can be maintained well within typical buyer income levels.

3.25 Residents occupying a GCS will have an Average Weekly Fee of £1,500, which equates to £78k per annum. We can demonstrate through our Financial Means Assessment that the shortfall against a typical downsizer buyer's personal income equates to £33k per annum. This can be comfortably funded from investable assets and equity release that totals £228k on average for those downsizing.

3.26 Using the same principles as above, the 5,133 eligible households who can afford the average sales price or above will be able to fund their own care for 2.5 years. Experian data shows that the average combined wealth of the household are as follows: £53k income per annum and £142k of investable assets. Per person this equates to £38k and £101k, respectively. Upon moving into a GCS there will be a shortfall of £44k thus their investable assets will cover 2.5 years of care.

3.27 In both instances, residents maintain capital levels above £23,250 and have sufficient capital to meet, if not exceed, the median length of stay[10]. This demonstrates that the Guild Living product will ensure the LBH Adult Social Care Budget is not negatively impacted.

4. Planning and Social Care Benefits

4.1 There are a significant range of planning and social care benefits associated with the proposed development which are a material consideration.

4.2 The proposed development will lead to Local Authority savings of £316,600 per annum[11] comprising savings of £184,500 through high level care provision, and savings of £132,100 through low level care provision.

4.3 LBH's budget strategy dated February 2020 identifies a £5m per annum saving requirement driven by a growing demand for services from 2024 onwards. Based on £316,600 savings per annum, the proposed development will represent a potential 6.3% cost saving against this budget requirement.

[8] Source: ONS, Household Composition Data Hillingdon, 2011
[9] Source: ONS, Household expenditure by gross income quintile group where the household reference person is aged 65 to 74, 2019
[10] Source: Length of Stay in a Care Home study by LSE commissioned by Bupa. Pp. 26
[11] Source: Better Lives for Older People (2015) study by Aston University. Pp. 4

4.4 In addition to these savings, the proposed development will reduce the likelihood of residents using local services, with a significant reduction in the duration of unplanned hospital stays, from an average of between 8-14 days to 1-2 days, promoting the efficient use of hospital beds and 46% less likely to visit a GP[12].

4.5 The proposed development will also provide the following additional economic benefits[13]:

- 90 jobs per year in the Council area over the construction phase, as a result of expenditure on construction-related activities;
- £20m in Gross Value Added (GVA) contributions to GDP for the Council area over the construction phase, as a result of expenditure on construction-related activities;
- Gross GVA contribution of £2.7m per year to the Council area during the operational phase;
- Annual consumer spending of new local residents of £14.9m; and
- 24 net additional direct operational jobs per year and a further 126 net additional jobs per year within the local economy via indirect and induced channels.

4.6 A comprehensive list of further planning benefits is provided in Section 8 of the submitted Planning Statement. this includes the potential for the proposed development to release family homes into the local market to contribute towards the Council's housing need.

5. Summary

5.1 This note has provided a response to the comments from the LBHs Social Care team in relation to application ref. 16299/APP/2020/3313.

5.2 In summary:

- The Guild product is comparable in terms of costs to other similar products in LBH and it has been demonstrated that there is a pool of 5,133 eligible households that could choose to live in the proposed development.
- It has been demonstrated there would be a local demand for the proposed product based on the identified eligible downsizers, comparable ASPs and greater range of wellness services and continuum of care offered as part of the Guild product.
- There is an identified need in LBH and that the proposed product can meet this need on the basis that there are identified eligible downsizers in LBH and the proposed product offers high quality accommodation with a greater range of care options, services and facilities than other comparable products with a similar ASP.
- The wealth of the eligible downsizers means that they will be able to afford the ongoing costs associated with the Guild product and will therefore not impact upon LBH Adult Social Care Budgets.

[12] Source: Ibid. Source 10: Better Lives for Older People (2015) study by Aston University. Pp. 3
[13] Source: Assessment of Benefits, Oxford Economics, Feb 2021

- The proposed development will result in social care savings of £316,600 per annum alongside a comprehensive package of further economic and planning benefits.