



Setting Standards for  
Retirement Communities

# Annual Review 2015

September 2014 to August 2015

The Associated Retirement Community Operators (ARCO) is the main body representing the retirement community sector in the UK.

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## About ARCO

The Associated Retirement Community Operators (ARCO) is the main body representing the retirement community sector in the UK. Retirement communities may also be referred to as retirement villages; extra-care housing; housing-with-care; assisted living; close care apartments; or independent living.

ARCO was formed in 2012, and its membership includes a mix of private and not-for-profit providers.

ARCO continually strives to:

- Promote confidence in the sector, ensuring that all members are providing a high quality service to their residents. To this end, all ARCO-registered schemes have to adhere to the standards laid out in ARCO's Standards and Compliance Framework.
- Raise awareness of the retirement community model amongst older people and stakeholders alike – ensuring that all older people are aware of the variety of housing options available to them; and that policy makers fully understand the ways in which this type of housing provision can meet the lifestyle, health and social care needs of our ageing population.
- Increase the volume and quality of expertise within the sector and share this with members, continually investing in research to better understand and promote the socio-economic value of the housing with care model.

# Welcome



We are delighted to present ARCO's annual report for our third year of operation, which ended in August 2015. In this report we set out some of ARCO's key achievements during this period.

ARCO's work has grown in scope and impact, and we are now recognised as a highly credible and influential voice for our sector. As such our work has helped ensure that retirement communities are now regarded as an effective solution to address the housing and care needs of the ageing population.

ARCO has played an influential role representing the sector in an impressive array of policy debates, ranging from how the care within our members' communities is regulated, to changes to consumer rights legislation, and regulatory reform around fire safety in older people's housing.

ARCO's position as a representative voice for the sector, and its reputation for astute analysis, deep sector knowledge, and practical solutions means that it is now highly regarded and regularly consulted by organisations such as CQC, government departments and the Law Commission. Similarly it is increasingly sought out by the media, corporate organisations and partners working in the sector.

Through our member workshops and briefings, ARCO has also been instrumental in sharing best practice within our sector, with several hundred colleagues from ARCO members taking part in workshops over the year.

We believe that ARCO's success so far is underpinned by our members' strong reputation for quality and fairness. This year, this has been greatly enhanced by our adoption of the ARCO Consumer Code. This Code sets our members apart from other providers and segments of the retirement market, and sends a vital and strong message to the public and wider community that we act with integrity and with older people's interests at heart.

We would like to thank our members and executive team for their hard work and dedication in finalising and agreeing the Code, and contributing to the year's achievements. We look forward to working together in the year ahead to further grow ARCO's influence and reach.

**Richard Davis** Chair, ARCO

**Jane Ashcroft** Vice-Chair, ARCO

Raising awareness and influencing policy	2
Increasing sector expertise	5
Increasing confidence and settings standards	6
Governance and staffing	6
Outlook for 2015/2016	7
ARCO Members	8

# Raising awareness and influencing policy



## September 2014 to August 2015

In the last year ARCO has been working hard to raise awareness of the retirement community sector and ARCO as a standard setting organisation. Our activities have clustered around four related activities:

- **Influencing policy**
- **Presentations and representation at stakeholder meetings**
- **Generating media coverage**
- **Conducting and contributing to research and guidance**

## Influencing policy

One of ARCO's key strategic aims is to create an appropriate and effective policy and regulatory framework for our sector. We engage with a wide range of policy and regulatory stakeholders, both proactively and reactively, in order to further this aim.

### Ongoing policy input

Our main public affairs work is focused on the issues that are specific to our members and the housing-with-care delivery model. We have successfully managed to raise awareness of this model, and to position ARCO as the 'go-to' body for information on this sector, and we are delighted stakeholders actively seek our view on a number of key areas of our members' work. Examples of this include:

- We are a member of Care Quality Commission's Advisory Group on Housing-with-Care, which is currently looking at whether and how the housing-with-care sector needs to be regulated. While older people's housing-with-care is not the primary focus of CQC's work (which appears to be on housing-with-care for people with learning disabilities), we are arguing strongly that the care element in a retirement community should be regulated as 'personal care' (i.e. domiciliary care), without additional burdens which make effective care delivery unviable. This work is ongoing but will remain of critical importance to our members as retirement communities become increasingly popular, and an established way to meet our ageing population's needs for care, support and housing.
- The Competition and Markets Authority concluded their market study on Property Management Services earlier in the year. ARCO liaised with the CMA, including organising meetings with them and arranging for them to speak to residents and visit a retirement community. The CMA's final report highlighted a number of important issues. We made the point that managing retirement communities was very different from property management in the general needs housing market, and we focused our submission on key areas of importance for retirement community operators. We succeeded in arguing for the inclusion of a recommendation that integrated providers offering not just property management but also care, activities and dining should be excluded from rules on retendering of property management functions if 51% of residents demanded a change of manager.
- The Law Commission is currently consulting on changes to the existing system of authorising Deprivation of Liberty. While this has not yet become a prominent issue in our sector, the challenge posed by dementia (and how to support people with dementia) will inevitably increase and will become much more pertinent to our work. To inform the Law Commission's work in this area, we accompanied colleagues from the Law Commission on visits to retirement communities, and provided input at the pre-consultation stage. We also liaised with colleagues from other stakeholder organisations on this issue, and prepared a consultation response, which was submitted after our August year-end.
- We were also invited to sit on the Higher Risk Accommodation Working Group convened by the Chief Fire Officers' Association. This is currently looking at producing new guidance on fire safety standards and strategies in specialist housing. We agree that a more consistent approach to fire safety is needed, and will work with the group to ensure that this is appropriate, and respects that our residents live in their own homes rather than care homes.
- A key area of work has been the Law Commission's review of event fees. Our Executive Director Michael Voges was part of the advisory panel during the pre-consultation stage, and we provided information as well as invited the Law Commissioner and colleagues to retirement communities in order for them to speak to residents and experience first-hand what a housing-with-care setting could offer. This work is now in the consultation stage, and we continue to be heavily involved in the project.

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## Consultation responses

ARCO has also responded to a number of consultations by government bodies, setting out our priorities, and ensuring that the perspective of retirement community operators is considered in government policy and regulations.

During the course of the last year, ARCO submitted responses to a variety of consultations including:

- A detailed response to the consultation around the Care Act changes for 2016, focusing on the issues affecting housing and care, and arguing for greater consideration of housing as a key contributor to the care landscape.
- The Care Cap consultation for 2016, arguing for spending on housing-with-care to be considered, and highlighting that some proposals may have the effect of disincentivising older people to move to housing-with-care settings.
- The DCLG consultation on space standards.
- CQC's consultation on fee levels (which we submitted with the Care Provider Alliance).

## Other policy work

- Throughout the year, we participated in meetings of the Housing and Dementia Working Group.
- We supplied the Treasury with information on retirement communities and the social and economic benefits they bring.
- We fed into the Design Council's work on housing options in later life, which included retirement communities.
- In order to coordinate our work in this area, we maintain good working relationships with other stakeholder bodies such as the Care Providers Alliance (including individual members within it), the HousingLin, the Retirement Housing Group, the Home Builders Federation, the Elderly Accommodation Council, AgeUK, the National Housing Federation and others.
- We were a signatory to a letter to the Prime Minister on retirement housing, alongside other companies and organisations such as Legal & General, McCarthy and Stone, Lord Best, Anchor and the ExtraCare Charitable Trust, which was published in national newspapers.
- We maintained links with DCLG on a number of initiatives relating to our sector.
- We advised the Mayor of London's Design Advisory Group on their ongoing strategy.
- We contributed as a member of an advisory panel for a DWP/DCLG review of Supported Housing.

## Presentations and representation in meetings

A key focus remains on 'flying the flag' for retirement communities at meetings and events we attend. As our sector is small, it can easily be overlooked, but we continue to provide a voice for our members and the sector we represent. To this end, ARCO Executive Director Michael Voges' work on raising sector awareness included:

- A workshop at the Housing LIN conference on the 'middle market' (in association with CastleOak).
- A presentation at the Henry Stewart conference on healthcare in February.
- Participating in meetings of the Mayor's Design Advisory Group.
- Chairing a session at the CIH Health and Social Care Conference.
- Presenting at the UK Land Institute's Later Living Conference.
- Giving the keynote presentation at a ministerial roundtable on the retirement housing sector.
- Participating in other roundtable events, for example at the Home Builder's Federation event at the Conservative Party Conference.
- Speaking at the launch of Peabody's Older People's strategy in the House of Lords.
- Presenting to the British Property Federation's Healthcare Committee.
- Explaining our sector to a meeting of London Healthwatch organisations.
- Judging the 'extra care' category and presenting the award at the LaingBuisson Healthcare awards.
- Presenting at the LD 'Care Homes and Retirement Living Conference' in London in November 2014.
- Taking part in a roundtable regarding a proposal for a Minister for Older People with Paul Burstow and Care Minister Norman Lamb.

We also sponsored a category at the EAC Older People's Housing Awards, and presented the winners with their prize. In addition, Michael was invited to speak at the Retirement Villages Association of New Zealand (RVANZ) conference in Melbourne in June, which presented a valuable learning opportunity.

ARCO will continue to represent the sector, and welcomes invitations or recommendations from members and stakeholders to events where a sector perspective may be required.

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## Generating media coverage

ARCO have played an active role publishing and distributing press releases, writing and co-signing letters to newspaper editors, giving interviews, writing comment pieces, and signposting media opportunities to members.

This resulted in a wide range of opportunities, including:

- An interview with the Daily Mail about the trend towards retirement villages.
- An interview with Moneywise for a feature on retirement communities.
- We were co-signatories of a letter to the editor which was published in the Daily Telegraph on the need for more retirement housing (including housing-with-care), along with L&G, Lord Best, Baroness Greengross, McCarthy & Stone, Home Builder's Federation, Anchor and the ExtraCare Charitable Trust.
- A comment piece for Community Care Market News on the outlook for the election.
- A quote about ARCO and the 'middle market' in a Guardian story about retirement communities in July.
- An interview with a regional BBC radio outlet.

This year also saw us lead the preparations for the ARCO Open Weekend, which took place after our year-end.

## Conducting and contributing to research and guidance

We need to continue to highlight the housing-with-care agenda, and ensure it is recognised in external publications. Throughout the year, we have been working on getting housing-with-care onto the agenda of decision makers and research institutions. Examples of this include:

- Beginning to work in partnership with the Elderly Accommodation Council and other signposting and information providers in order to ensure that information about ARCO, retirement communities, and our members is presented in a clear and informative way.
- We took part and provided information for a research exercise commissioned by the Housing and Care Ministers on the market for housing-with-care, arguing for housing-with-care to be identified as a clearly distinct category.
- We provided evidence (in writing and in person) to the All Party Parliamentary Group on affordability issues in retirement housing for older people<sup>1</sup>.
- We contributed to the think tank Demos' 'Demos Quarterly' publication on the need to emphasise social value in planning<sup>2</sup>.
- In order to inform the future work of the newly-founded Centre for Ageing Better, we submitted evidence on the need for further research into housing-with-care.
- We contributed to a Skills for Care review of changing job roles in the extra care sector.

<sup>1</sup> [http://www.demos.co.uk/files/Demos\\_APPG\\_REPORT.pdf?1415895320](http://www.demos.co.uk/files/Demos_APPG_REPORT.pdf?1415895320)

<sup>2</sup> <http://quarterly.demos.co.uk/article/issue-5/responses-to-the-future-of-social-value/>

# Increasing sector expertise



## Member and external events

ARCO runs a number of regular meetings and workshops for members. These are designed to be 'from members for members' – i.e. the agenda is set according to what members find most interesting. Speakers are mainly made up of colleagues from ARCO member organisations and our Corporate Supporters (with occasional external speakers depending on topics). The meetings are typically held in an ARCO member scheme and include a tour of the premises, which is always a popular and informative part of the day.

We also ran a seminar series aimed at funders and lenders interested in the retirement community/extra care model. Overall, from September 2014 to August 2015 we ran the following events (excluding Directors' meetings such as Board and Steering Group meetings):

- Four 'Investing in Retirement Communities' Seminars (with approx. 100 attendees)
- Four Marketing and Sales Meetings (with approx. 90 attendees)
- Three Technical and Development Forums (with approx. 60 attendees)
- Three Operational Management Workshops (approx. 60 attendees)
- Two meetings of the ARCO Valuer Forum, which is sponsored by seven of the main valuation firms active in the sector. The focus of these meetings is exploring how a common valuation methodology could be developed for housing-with-care schemes.

## Topics discussed at these meetings include:

### Marketing and Sales Meetings

- Using estate agents vs. selling yourself (pros and cons)
- Try before you buy/rent-to-buy (pros and cons)
- Information disclosure during the resale process
- Marketing to a diverse audience (e.g. care vs. lifestyle)
- Deposits: Best practice around amounts and refunds
- "The positive health impact of ExtraCare housing" - results of a three year research programme
- An overview of business models used in the sector
- Marketing shared ownership flats (challenges and opportunities)
- Discussion on the demand for private rentals
- Marketing to the external community (i.e. bringing revenue into schemes via external domiciliary care packages, gym memberships or catering)
- The ARCO Open Weekend 2015
- ARCO's Consumer Code and Key Facts document

## Technical and Development Forums

- Fire strategies in retirement communities (including alarm systems, corridor designs etc)
- Price inflation and capacity in the construction sector
- Green technologies and their pros and cons in a retirement community
- Using wireless technology: Discussion and demonstration
- Prefab vs. onsite construction: The costs and benefits
- Fire strategies: Update on draft national guidance
- Vertical retirement villages: The model of the future?
- Construction and design challenges on an eleven storey retirement village (Earlsden Village)
- Future-proofing new designs
- Main issues in planning
- Incorporating care homes into retirement villages and the benefits/challenges of doing so

## Operational Management Workshops

- The implications of the 2014 Care Act
- The role of the village manager: Do they hold CQC registration or not, training needs, accountability etc.
- Ensuring 24-hour staff cover: How is this paid for? How can this be made more affordable? What happens if the local authority doesn't pay? What happens if a large group of residents wants to move away from 24-hour cover?
- How to manage the residents' association
- Financial/business models in the housing-with-care sector
- 'Right to Manage' retirement communities
- Catering, food and retail service models
- How to deal with potential conflicts between renters and leaseholders
- How to deal with potential conflicts between those with no care needs and those with high care needs
- Deprivation of Liberty Safeguards, the recent ruling by the Supreme Court and implications for providers

## Valuer Forums

- Lack of systematic information on new developments
- Sales rates
- KPIs for the sector
- An update on the Law Commission's work
- A case study of how to value a retirement community as an operational business

## 'Investing in Retirement Communities' Seminars

- A general sector overview
- Capital investment for affordable extra care and private rental models
- Equity investment
- Debt funding for housing-with-care schemes (both affordable extra care and leasehold model)

# Increasing confidence and settings standards



The ARCO Consumer Code was launched in 2015 to provide a benchmark for good practice within the housing-with-care sector. The introduction of the Code marks the culmination of two years of work to agree a common set of high standards for the sector, which go above and beyond statutory duties.

From September 2014 to August 2015 ARCO's members went through three pilot phases and several iterations of the Code. Eighteen members had pilot assessments conducted by our external auditor, and the Board agreed a final Code in August 2015.

Overall, the introduction of a self-regulatory Code is a major step for ARCO, and feedback from regulators (such as from the CMA and the Law Commission) has already been positive. The cooperation from our members was key to this, and we would like to thank all colleagues and members who were involved in the process. Our working relationship with our Code assessors has also been highly productive, and we will be continuing our work with them in the next financial year.

As our sector grows, it is possible that sector-specific regulation and legislation may be introduced. Our work on ensuring compliance with a common set of standards is aimed at reducing the need for further external regulation. It remains ARCO's ambition that our standards of good practice should inform the basis of any potential future statutory framework for the sector.

# Governance and staffing



## Membership

ARCO's membership increased to twenty-six members during the year, with the addition of three new members:

- Berkeley Healthcare
- Rangeford
- The Orders of St John Care Trust

This meant that ARCO represented 23,268 housing units in 401 schemes during 2014/2015. A list of members can be found at the end of this report.

## Governance arrangements

**Richard Davis** (Chief Executive of LifeCare Residences) was our Chair throughout the year, supported in this role by **Nick Abbey** (Chief Executive of the ExtraCare Charitable Trust) as Vice-Chair. Nick announced that he would retire from September 2015, and in the summer **Jane Ashcroft** (Chief Executive of Anchor) took over the role of Vice-Chair. The Board and Executive are immensely grateful to Richard, Jane and Nick for their work and dedication.

ARCO's Board delegates some of its functions to a Steering Group which meets every four to six weeks. During the year, this Steering Group consisted of Richard Davis, Jane Ashcroft and Nick Abbey, as well as:

- **Nick Sanderson** (Chief Executive of Audley)
- **Claire Anderson** (Development Director at Hanover, until December 2014)
- **Kevin Beirne** (Group Director of Housing Care and Support at One Housing Group, from December 2014)
- **Bob Bessell** (Chairman of Retirement Security Ltd, from December 2014)
- **Adrian Bagg** (Chief Executive of MHA, from December 2014)

Whilst some functions are delegated to the Steering Group, the Board retains decision making responsibility for membership, budget planning and the key issue of approving standards for ARCO. ARCO's executive team have a strong relationship with the Board, and the Board's input has been instrumental in shaping ARCO's ongoing work.

# Outlook for 2015/2016



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## Corporate Supporters

We are extremely grateful to our three Corporate Supporters, who made a generous financial contribution to ARCO, but importantly also provided their technical expertise and input at workshops and events. Our Corporate Supporters are:

- **Nicol Thomas**, an architectural practice and employer's agent who have designed thousands of units for our members over the years;
- **Castleoak**, a leading design and build contractor in the care sector, and well known to our members; and
- **Trowers & Hamlins**, a law firm with sector-leading expertise in housing, property and care, who frequently take part in and host ARCO events.

## Staffing

Staffing levels throughout the year remained unchanged, with Michael Voges as Executive Director and Shandi Petersen as Operations Manager.

Michael has led ARCO since its inception, and he continues to be the public face of ARCO. Michael has used his intimate knowledge of the retirement community sector to establish himself as an influential commentator on issues relating to the housing and care needs of older people in the UK. Michael oversees ARCO's day-to-day operations and has responsibility for delivering the strategy set by ARCO's Board.

As Operations Manager, Shandi is in charge of the things that keep ARCO ticking. This includes membership matters such as registration, Code compliance and invoicing, as well as event organisation, maintaining the website, and management of ARCO's internal operations and HR. Shandi works for ARCO on a part-time basis (three days per week).

At the end of the year we were delighted to be able to recruit Maia Beresford as our Policy and External Communications Manager. Maia joined ARCO at the start of our new financial year in September 2016 on a part-time basis (three days a week). Maia's role was created in response to our decision to do more of our external communications work in-house, and Maia will be taking on the joint tasks of working on key policy areas, but also of working on press releases, events, social media and campaigns.

Apart from ARCO's own staff, we work with external suppliers who provide services such as Consumer Code compliance assessments, accountancy and budget monitoring, payroll, PR and design.

Our strategic goals have not changed, and our focus remains on awareness raising, standard setting, and stimulating the supply of high quality retirement communities.

We will continue to give special attention to CQC's work on housing-with-care, the Law Commission's review of event fees, and working with the fire services to ensure an appropriate framework for fire safety.

Our work on the Consumer Code is in full swing, and we will also seek opportunities to engage with planners and the health service around the many benefits retirement communities bring. To maintain our visibility in the sector, we will also be holding an ARCO conference in 2016.

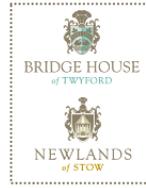
We believe that ARCO's strength has been its flexibility and its capacity to identify and respond to both new risks and opportunities. We need to maintain this flexibility, and the Board is confident that the ARCO team will continue to successfully highlight those areas where ARCO and our sector can add real value - for residents, operators and our society as a whole.

As a strong and confident voice for the housing-with-care sector, ARCO is well placed to lay the foundations for the sector's continued growth.

# ARCO Members

**The following retirement community operators were members of ARCO in 2014-15:**

Anchor	Midland Heart
Audley	NorseCare/Saffron Housing Trust
Berkeley Healthcare Limited	One Housing Group
The ExtraCare Charitable Trust	The Orders of St John Care Trust
Family Mosaic	Rangeford
Genesis	Renaissance Villages
Guinness	Retirement Security
Hanover	Retirement Villages
Housing & Care 21	Richmond Villages
Jewish Care	Sanctuary
LifeCare Residences	St Monica Trust
MHA	Trafford Housing Trust
Middleton Hall Retirement Village	Your Housing Group



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