ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	**Executive – July 14 2014**
Date:	**June 27 2014**
Subject:	**Meeting the Needs of Older Adults – Accommodation Options Amlwch and Llangefni**
Portfolio Holder(s):	**Cllr K Hughes**
Head of Service:	**Alwyn Jones, Head of Adult Services**
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Local Members:	**Local Members for Twrcelyn, Lligwy, Talybolion and Canolbarth Mon**

A –Recommendation/s and reason/s

(Please note that the full background and justification for the following recommendations are contained in the appendices as shown in Section F below.)

It is recommended that, in order to better meet the needs of older people, the Executive agrees in principle that:

Extra Care be developed in Amlwch and Llangefni and in conjuction with this, and as a part of developing appropriate future provision, the existing residential care homes in those locations (Brwynog and Plas Penlan) are de-commissioned, and officers undertake the work necessary to achieve this. The work to be done to develop the programme includes:

- Developing a bid for funding the project of approximately £5.0m to procure two new Extra Care facilities. The funding package is expected to include a capital grant; a contribution of land by the council or alternatively capital receipts from the sale of the existing assets; and capital resources. The funding gap of about £3.5m would be the subject of a bid into the capital budget, possibly on a spend to save basis.
- Identifying appropriate development partners through the required procurement process who, together with Council Officers, will develop the final build model;
- Continuing to engage with local communities and the required consultations taking place;
- Land sites in Amlwch and Llangefni to be confirmed through Corporate Asset Procedures;
- Agreeing the model of care within Adult Services, and assurances provided that care needs can be met and continuity of care maintained for existing residents;

- Formal approval will be sought from the Executive to proceed.

Officers will report on progress and seek approval for final land sites to be made available. Should suitable development partners for Extra Care not be identified or funding models agreed (or other impediments and diversion to progress identified), further options for how services are to be delivered will be progressed by the Transformation Board and brought back to the Executive.

With increasing levels of demand upon services for older people (projected increase of over 150% of over 85s by 2033), including accommodation provision, changing expectations amongst the older population as to how they want to be cared for and where they want to live, and much reduced budgets, alternative approaches to providing care and accommodation to our older people need to be developed. Current models are neither sustainable nor attractive.

This business case brings together evidence to demonstrate that:

- There is sufficient need and demand for ECH in Amlwch and Llangefni, in terms of demographic trends and care needs;
- ECH promotes quality of life and positive outcomes for older people in terms of their physical health and safety, independence and social wellbeing;
- Older people who are currently living in their own homes in Amlwch and Llangefni are very keen to continue living independently (i.e. with their own front door and housing rights) should they need to move out of their current homes. Most are adamant that they do not want to live in residential care;
- There are a number of financial savings:
    - It is more cost effective for the Council to provide care in an Extra Care setting as opposed to in Private Residential Care. These savings are projected to be between £139k and £156k per annum in Amlwch, and between £153k and £170k per annum in Llangefni (figures are dependent on the model of overnight care delivery).
    - Cost avoidance - there are further savings from not having to fund the cost of bringing the homes up to an acceptable standard. *Over three years* these figures are estimated as: Brwynog £258k and Plas Penlan £389k.
- There would also be additional capital receipt should the homes/sites be sold
- ECH is usually a more financially attractive option for older people compared with residential care; the maximum financial contribution for care within ECH is lower than that within residential care and, in addition, an older person living in ECH is entitled to the full range of welfare benefits so will usually have a higher net weekly income.
- Developing ECH in Amlwch and Llangefni is financially sustainable for the Council.
- It is not financially and strategically sustainable for the Council to commission ECH in Amlwch and Llangefni **and** to be a provider of residential care in these areas;
- Potential partners for the development of ECH in Llangefni have been identified; the Council is working to identify a partner or partners in Amlwch. This will involve looking at a range of ways in which ECH can be delivered in both areas.

Thus this paper recommends development of Extra Care Housing in principle, as it:

- Provides better care outcomes for residents than for those who live in residential homes (they live longer and enjoy a better quality of life);
- Has a key role to play as the centre for Community Hub that would energise and coordinate the community in the provision of support for older people;
- Is more cost effective in meeting the needs of those who live there than residential care; it would both reduce costs of meeting needs and avoid costs over the long term;
- Residential Care in both Amlwch and Llangefni is not best suited to meet the long term needs of older people and is an expensive model of provision.

B – What other options did you consider and why did you reject them and/or opt for this option?
The Older Adults Social Care Board considered a number of options for the future of accommodation in these areas that were reported on in December 2013 and January 2014, and on the basis of both improved care and value for money extra care was identified as the best way forward. This was endorsed by the Service Excellence Board.

C – Why is this a decision for the Executive?
This is a matter which requires executive support from the outset as it concerns potential changes to corporate assets and in order to support a consistent approach when engaging with residents, their families and indeed prospective investors in social care. In addition, it identifies a possible requirement for additional funding, possibly on a spend to save basis. The decision is important with reference to its impact on individual residents and their families and the strategic direction of future adult care. Actions taken by the authority will be subject to scrutiny by regulators and statutory bodies and, in addition, the matter is likely to attract media attention.

CH – Is this decision consistent with policy approved by the full Council?
The authority has noted its commitment to providing the best possible services, in accordance with identified need, with the available resources. This proposal is consistent

with this principle.

D – Is this decision within the budget approved by the Council?
The proposal identifies revenue savings for the authority. Developing a bid for funding the project of approximately £5.0m to procure two new Extra Care facilities. The funding package is expected to include capital grant; a contribution of land by the council or alternatively capital receipts from the sale of the existing assets; and capital resources. The funding gap of about £3.5m would be the subject of a bid into the capital budget, possibly on a spend to save basis.

DD – Who did you consult?		**What did they say?**
1	**Chief Executive / Strategic Leadership Team (SLT)** (mandatory)	This is on the Agenda of the SLT for 7th July.
2	**Finance / Section 151** (mandatory)	Finance have been involved closely in the development of the Business Case and are in agreement with its proposals. Further work is required to finalise capital and revenue funding options.
3	**Legal / Monitoring Officer** (mandatory)	Officers have kept Legal Services updated and where required will continue to seek relevant, specialist legal advice.
4	**Human Resources (HR)**	Consultations on implications for staff including any potential TUPE, redundancy and HR issues are continuing. HR will work with officers on relevant issues.
5	**Property**	Have been engaged in identifying possible site and have confirmed their lead role in any site/property disposal/sale.
6	**Information Communication Technology (ICT)**	Not consulted
7	**Scrutiny**	The Corporate Scrutiny Committee considered the report on 1 July 2014. The Committee supported the recommendation contained therein.
8	**Local Members**	All local members from Twrcelyn, Lligwy and Canolbarth invited to briefings. Positive response on developing Extra Care.
9	**Any external bodies / other/s**	RSLs Agewell Community and Town Councils

		Broad agreement about direction of travel and changing to model of extra care

E – Risks and any mitigation (if relevant)		
1	**Economic**	
2	**Anti-poverty**	
3	**Crime and Disorder**	
4	**Environmental**	
5	**Equalities**	Equality Impact Assessments will be undertaken as required should decisions to progress be taken.
6	**Outcome Agreements**	
7	**Other**	

F - Appendices:
1. Business Case 2. Financial Model

Basic Numbers

How many new units at the scheme?			48	
How many will be used for IoACC clients?			36	
Annual cost of core service (support)		£	35,992.32	(£14.42 per unit per week)
Annual cost of core service (night care)	Sleep-in	£	25,480.00	
Percentage clients diverted or transferred from Residential Care			70.00%	25 clients
Percentage clients diverted or transferred from Domiciliary Care			30.00%	11 clients
			100.00%	36
Hourly rate for care in Extra Care Scheme(s)			13.05	

Savings for Residential clients

					£	
Average OP Residential Rate (Net of client contribution of £120)					333.00	per week
For Extra Care, assume	17.5	hours per week at	13.05	=	173.38	per week
Saving per week per client					159.63	
	25	clients weekly saving:			3,990.63	
	25	clients annual saving:			207,512.50	

Savings for Domiciliary clients

	£	
Current average OP Domiciliary rate (per hour)	14.50	per week

Projected Distribution of these clients across Extra Care Bands:

Band 1	20.00%
Band 2	30.00%
Band 3	50.00%
	100.00%

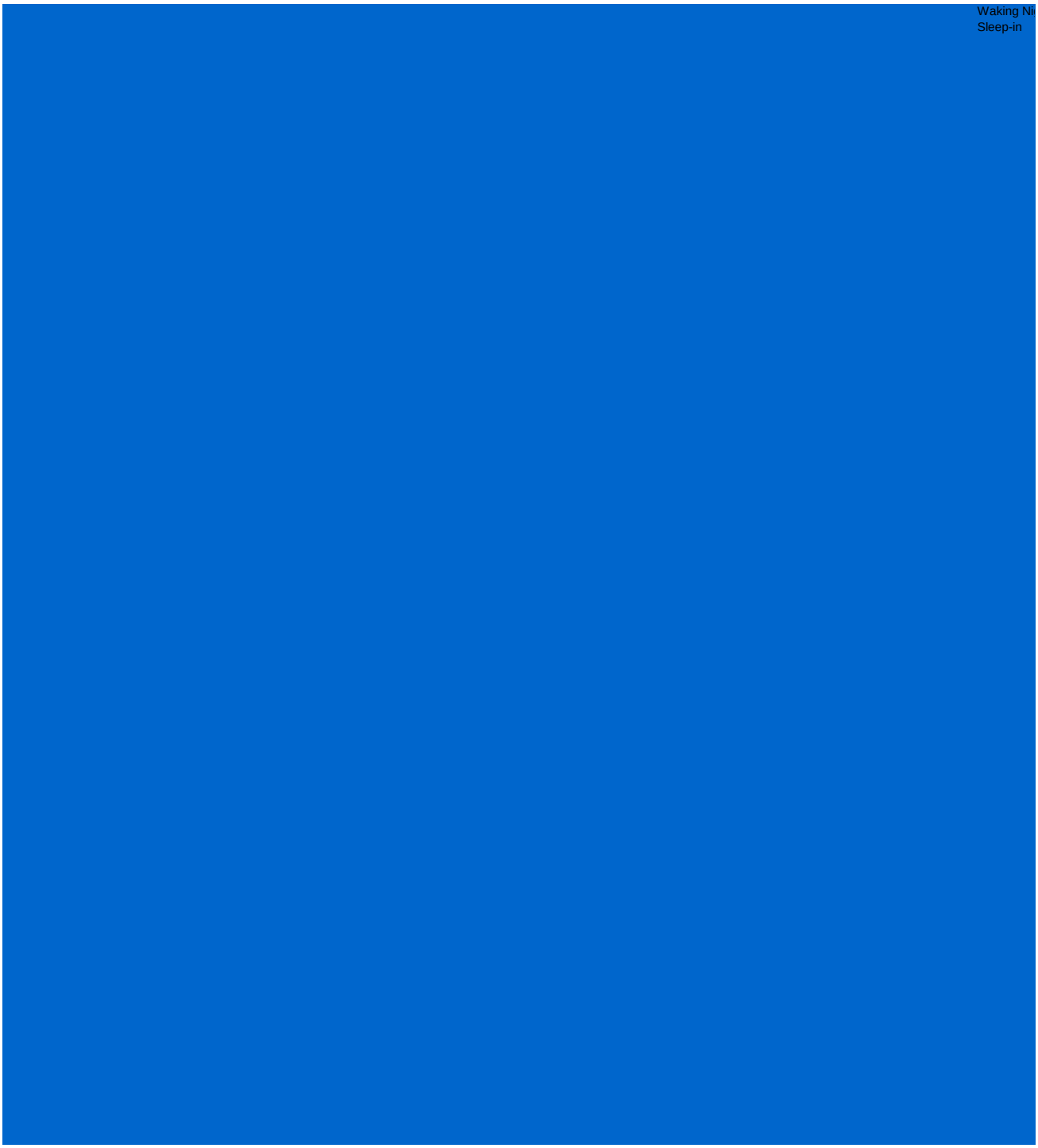
Like-for-like hours saving Domiciliary Care vs. Extra care

Band	Hours of Care per week	Average Hours per week	Number of Clients	Total Number of Weekly Dom Hours	Cost of hours at Av. Dom Rate (£)	Cost of hours at Ex. Care rate (£)
Band 1	0-7	3.5	2	7	101.50	91.35
Band 2	7-14	10.5	3	31.5	456.75	411.08
Band 3	15+	17	6	102	1,479.00	1,331.10
			11	**140.5**	**2,037.25**	**1,833.53**

Weekly cost of Dom Care for these clients (£)	2,037.25
Weekly cost of Ex. Care for these clients (£)	1,833.53
Weekly saving (£)	**203.73**
Annual Saving for clients diverted or transferred from Domiciliary (£)	**10,593.70**

Total Saving Calculation

	£
Annual Cost of Core Service (support)	-35,992.32
Annual Cost of Core Service (night cover)	-25,480.00
Annual saving from Residential Clients	207,512.50
Annual saving from Domiciliary Clients	10,593.70
Total estimated annual saving	**156,633.88**


Waking Ni
Sleep-in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Basic Numbers

How many new units at the scheme?			60	
How many will be used for IoACC clients?			45	
Annual cost of core service (support)		£	44,990.40	(£14.42 per unit per week)
Annual cost of core service (night care)	Waking Night	£	42,751.00	
Percentage clients diverted or transferred from Residential Care			60.00%	27 clients
Percentage clients diverted or transferred from Domiciliary Care			40.00%	18 clients
			100.00%	45
Hourly rate for care in Extra Care Scheme(s)			13.05	

Savings for Residential clients

					£	
Average OP Residential Rate (Net of client contribution of £120)					333.00	per week
For Extra Care, assume	17.5	hours per week at	13.05	=	173.38	per week
Saving per week per client					159.63	
	27	clients weekly saving:			4,309.88	
	27	clients annual saving:			224,113.50	

Savings for Domiciliary clients

	£	
Current average OP Domiciliary rate (per hour)	14.50	per week

Projected Distribution of these clients across Extra Care Bands:

Band 1	20.00%
Band 2	30.00%
Band 3	50.00%
	100.00%

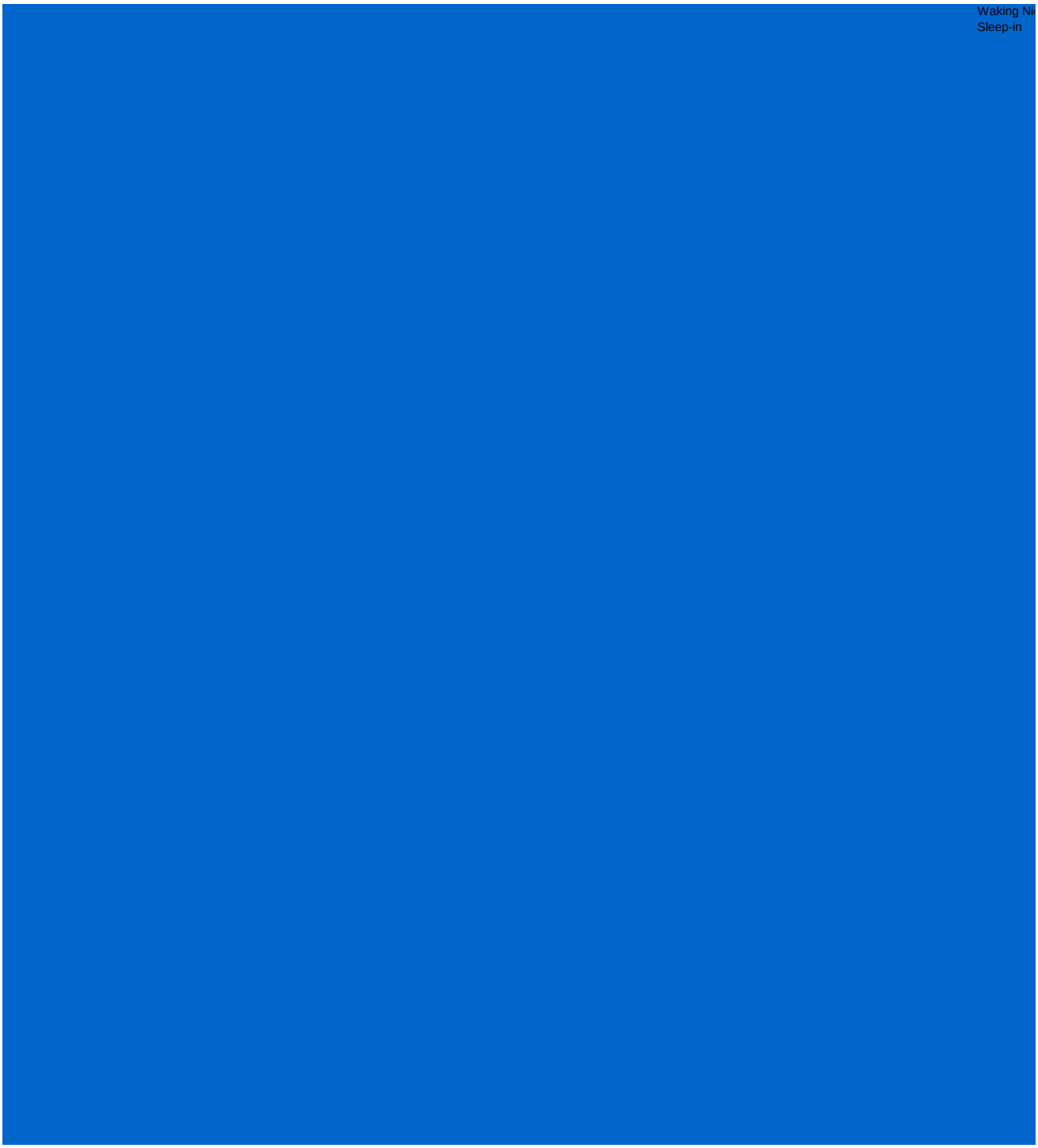
Like-for-like hours saving Domiciliary Care vs. Extra care

Band	Hours of Care per week	Average Hours per week	Number of Clients	Total Number of Weekly Dom Hours	Cost of hours at Av. Dom Rate (£)	Cost of hours at Ex. Care rate (£)
Band 1	0-7	3.5	4	14	203.00	182.70
Band 2	7-14	10.5	5	52.5	761.25	685.13
Band 3	15+	17	9	153	2,218.50	1,996.65
			18	**219.5**	**3,182.75**	**2,864.48**

Weekly cost of Dom Care for these clients (£)	3,182.75	
Weekly cost of Ex. Care for these clients (£)	2,864.48	
Weekly saving (£)	**318.28**	
Annual Saving for clients diverted or transferred from Domiciliary (£)	**16,550.30**	

Total Saving Calculation

	£
Annual Cost of Core Service (support)	-44,990.40
Annual Cost of Core Service (night cover)	-42,751.00
Annual saving from Residential Clients	224,113.50
Annual saving from Domiciliary Clients	16,550.30
Total estimated annual saving	**152,922.40**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TITLE	Extra Care Housing Business Case.
SECTION/S	Introduction Strategic Case Economic Case Financial Case Commercial Case Management Case Summary
VERSION	Final
DATE	23rd June 2014

Contents

Executive Summary

Introduction

In line with the changing aspirations of older people, the focus of care and support on Anglesey will be on enabling individuals to stay in their homes, with as much control and involvement in their community and for as long as possible. Maintaining traditional residential care homes is not sustainable and does not meet the needs of our older citizens.

The purpose of this business case is to examine and assess the need for and financial viability of developing extra care housing (ECH) in Amlwch and Llangefni, including as an alternative option to the use of residential care, and alongside the development of other assets such as Sheltered Housing.

ECH has no statutory definition and there are many different models. The key characteristics are:

- Self-contained and accessible accommodation (residents have housing rights as tenants and/or leaseholders);
- 24/7 care and support available with an alarm system; individual care and support packages provided as required; and
- Access to communal facilities, meals and social activities.

The business case follows the Welsh Government's 'five case model', considering the strategic, economic, commercial, financial and management case in turn.

The Strategic Case

The strategic case examines the evidence of potential need for ECH in the Amlwch and Llangefni areas, particularly as an alternative to the use of residential care.

Predictions for the Amlwch and Llangefni catchment areas suggest that:

- The over 75 population will increase by 84% from 2013 to 2033;
- In Amlwch, there is need for 34-41 units of extra care housing (including 4-5 units for dementia) in 2013, increasing to 62-75 units (including 7-9 for dementia) in 2033.
- In Llangefni, there is need for 80 units of extra care housing (including 9 units for dementia) in 2013, increasing to 143 units (including 17 for dementia) in 2033.
- The number of domiciliary care clients will double (assuming current eligibility criteria) from 2013 to 2033.

Social care service provision data shows:

- At March 2014, 42 Alaw residents and 32 Cefni residents aged 65 and over were in residential care.
- Approximately three-quarters of these residents were IoACC funded; the remainder were fully self-funded.
- In 2013/14, 88 Amlwch residents and 108 Cefni residents were in receipt of domiciliary care.

- The vast majority (81% in Amlwch and 87% in Cefni) were either owner occupiers or private tenants.

The number of residential care placements and domiciliary care packages in 2013/14 in both Amlwch and Llangefni exceed the projected demand for ECH in these two areas, suggesting enough need for care to sustain development of ECH in both of them. These would replace current Council owned residential care homes and work alongside other developments of both existing assets, such as Sheltered Housing, and new initiatives such as Community Hubs.

IoACC Operational Social Care Staff Perspectives

To understand under what circumstances ECH could provide a viable alternative to residential care in Amlwch and Llangefni, we asked frontline social care and health professionals to identify the key triggers for placing an older person in residential care at present.

- People needing help with toileting or transferring at unpredictable times/ overnight
- Carer breakdown/ families' concern about the risks of their relative living alone
- Risks to self and others resulting from dementia

The evidence suggests that ECH can support couples to continue living together and caring for each other safely and sustainably, and that it can bring peace of mind to other relatives whilst enabling them to continue providing some ongoing care and support.

In order for it to act as a viable alternative for those who have dementia and/or unpredictable needs, any ECH scheme in Amlwch or Llangefni must offer 24/7 care and support and expertise/ accessible design to support people with dementia.

The Economic Case

The Economic Case considers whether ECH can provide better outcomes for older people and improved value for money compared to other care options.

A recent evaluation of ECH for the Housing Learning & Improvement Network found that:

- Extra care housing is a preventative model, supporting independence and avoiding admissions into residential care;
- Extra care housing is a more cost effective model of care delivery than other models, including residential care and care in the community. The evaluation indicated that the cost of ECH was on average half the gross cost of the alternative placements.

The evidence on ECH suggests older people can experience positive outcomes in relation to:

- Functional abilities;
- Social wellbeing;
- Physical environment, including accessibility, safety and security; and
- Promoting independence and feeling in control.

ECH may also create wider economic benefits, for example: by reducing hospital usage; freeing up family housing; creating a hub for the local community; and promoting opportunities for local employment and enterprise.

The Financial Case

The Financial Case explains the ECH service model and costs, and proposes a financial and savings model for ECH.

ECH offers the potential for financial savings and efficiencies:

- It is more cost effective for the Council to provide care in an ECH setting as opposed to in Residential Care. The cashable savings are projected to be between £139,362 and £156,333 per annum in Amlwch, and between £152,922 and £170,193 per annum in Llangefni (figures are dependent on the model of care delivery);
- Cost avoidance: there are further savings from not having to fund the cost of bringing the Council's residential homes to an acceptable standard. Over three years these figures are estimated as: Brwynog £257,946 and Plas Penlan £388,983;
- There would also be additional capital receipts should the homes/sites be sold.

Developing ECH in Amlwch and Llangefni is financially sustainable for the Council. It is not financially and strategically sustainable for the Council to commission ECH in Amlwch and Llangefni **and** to be a provider of residential care in these areas.

ECH is usually a more financially attractive option for older people compared with residential care; the maximum financial contribution for care within ECH is lower than that within residential care and, in addition, an older person living in ECH is entitled to the full range of welfare benefits so will usually have a higher net weekly income.

The Commercial Case

The Commercial case assesses the viability of ECH in Amlwch and Llangefni based on the views of older people and potential providers of ECH.

We spoke to 3 groups of older people in Amlwch and Llangefni and analysed the 212 responses to the IoACC's *Have a Say* survey of people living in the Amlwch catchment area:

- Older people who gave their views did not want to live in a residential care home.
- Older people put a very high value on maintaining their independence.
- The option to 'downsize' to smaller, more manageable, accessible and conveniently located properties, such as ECH, should prove attractive to significant numbers of people

We met with three housing associations: all consider Anglesey to be a suitable location for ECH development, however whilst they are interested in developing ECH in Llangefni none of them are committed at this stage to developing ECH in Amlwch.

The Management Case

The Management case sets out the commissioning and procurement considerations and options to develop ECH in Amlwch and Llangefni.

Key considerations in relation to commissioning ECH include:

- The requirement for ECH to provide a viable alternative to the use of residential care;
- The need to deliver financial savings and efficiencies for the Council;
- The need to attract RSLs or other organisations to consider developing ECH in Anglesey;
- The need to consider not only how other Council assets (including Sheltered Housing) can be utilised, but also to be creative in how all available assets and services can be developed in a cohesive and strategic manner to ensure needs are met;
- The importance of avoiding the commissioning 'model' adopted at Penucheldre.

An integrated 'core service', consisting of 24/7 on-site support and overnight care staffing, combined with personalised 'add-on' packages of domiciliary care as necessary should enable an ECH scheme to act as an effective (and generally cheaper) alternative to residential care.

The Council will work within the appropriate procurement guidelines to ensure that best value is achieved and due process is followed.

1. Introduction

1.1. Vision for Adult Social Care

Provision of care for older adults on Anglesey is changing, and will continue to do so for some time yet. Whilst in part there is undoubtedly an economic imperative, it is as important to recognise that one of the most significant drivers for change is in what older people (including those not yet "old") expect in terms of care as they get older and require some support. The clear message on Anglesey, as elsewhere not only in Wales and the UK but the rest of Europe and indeed globally, is that people want to stay in their own homes, remain in and be supported by and through their communities (and this can cover a wide range of social, economic, political and geographic definitions) and exercise as much control and choice as possible.

It is also clear that models of care that have been in operation for some time and have provided a good service for many, such as residential homes, are neither no longer attractive to prospective service users nor economically viable, but also they have been superseded by alternative models that provide better outcomes in terms of care and quality of life. In Extra Care Housing for example, evidence indicates that those living there live longer and enjoy a higher quality of life than those in residential care. And local consultation is supporting this move toward the provision of Extra Care and away from traditional residential care homes.

Anglesey has already started to make changes. It has introduced a "Re-ablement" model which provides intensive intervention at points of care crisis that enable the service user to return to living without levels of care dependency and maintain independence in their own home. We are developing models of co-production with communities to see what can be provided out/along-side Council owned and provided services, working to develop "Community Hub" models and working with local private and 3rd sector companies and organisations to stimulate and support the provision of such services as domiciliary care or meals at home.

The need for such changes and the strategic and policy confirmation for this direction of travel is contained within the new Social Services and Wellbeing (Wales) Act 2014. In this the future emphasis for Adult Services in Councils is placed clearly on developing their role to one of providing information and signposting, empowering communities, developing a stronger role as a commissioner rather than a provider of services and looking to make interventions short term and re-enabling.

The focus of care and support in the future is placing the individual service user at the centre of their care and enabling them to stay in their home for as long as possible, with as much control and involvement in their community as possible. Maintaining traditional residential care homes is not sustainable and does not meet the needs of our older citizens. However it is recognised that for some older people with the highest levels of care needs there will be a continuing role for some registered nursing care services. This Business Case is concerned with developing a key aspect of service provision to ensure that it fits within the future service vision and model.

This is a business case in relation to meeting the needs of older people by developing additional Extra Care Housing (ECH) on Anglesey and reconsidering the role that residential homes play in meeting such need. There is also a need to ensure that developments regarding Extra Care Housing have a strategic fit with the use of the Council's Sheltered Housing in helping to meet a range of housing, care and support needs, (an assessment of the role of the Council's Sheltered Housing is outside the scope of this business case).

The purpose of this business case is to examine and assess the need for and financial viability of developing ECH in Amlwch and Llangefni including as an alternative option to the use of residential care.

1.2. ECH: Definition

Extra care housing has no statutory definition. There are no nationally agreed standards or regulations as there are for residential care homes or nursing care. Easy categorisation of extra care is not really possible or straightforward. Extra care can be more usefully thought of, particularly in relation to a model for Anglesey, in terms of the key *characteristics* that make up a development and then the operational management and delivery. In practice schemes described as extra care vary considerably in size, facilities, nature of accommodation, care provided, management arrangements, funding and staffing, and how they relate to the wider community

Within the context of future development of extra care housing in Anglesey the characteristic features of extra care housing are likely to include:

- Self contained accommodation incorporating design features to facilitate independence and safety.
- Provision of care and support in the individuals own home if required.
- 24/7hour care available and an alarm system.
- Communal facilities.
- Meals being available.
- Specialist equipment to help meet needs of more frail or disabled residents such as assisted bathing.
- Social activities on site and/or arranged.

Key features that distinguish extra care housing from residential care homes are:

- Self contained accommodation not simply a room (including en-suite rooms).
- Provision of care can be separated from provision of housing.
- Care can be more easily delivered on an individualised basis.
- Occupiers can be assured tenants or owners with security of tenure not licensees.

However due to the diversity of the population and the rural nature of much of Anglesey, 'models' of extra care housing will need to be flexible and adaptable and may not feature all of these characteristics but still be effective at meeting older people's housing and care needs.

1.3. Structure of Business Case

The business case has been developed consistent with current Welsh Government guidance regarding the content and structure of business case reports (the 'five case model'). In line with this guidance it contains the following sections.

Strategic case: examines the evidence of potential need for ECH in the Amlwch area and the Llangefni area

Economic case: considers the evidence in relation to whether ECH can provide better outcomes for older people and provide improved value for money compared to other care options.

Financial Case: sets out the wider financial context: IoACC funding for care services, an explanation of extra care housing (ECH) service model and costs, and a proposed ECH financial and savings model.

Commercial case: assesses the commercial case for ECH in Amlwch and Llangefni based on the views of older people and potential providers of ECH.

Management case: sets out the commissioning and procurement considerations and options to develop ECH in Amlwch and Llangefni.

2. The Strategic Case

Summary

Over the period 2013 – 2033 the total over 65 years population will increase from 16994 to 23644, an increase of 39.13%. However what is more significant is that the over 75 years cohort as a percentage of the over 65 years population will increase from 44.12% in 2013 to 58.25% by 2033.

The 75-84 years population will increase by 53.60% over the period 2013 – 2033 with the most significant growth in the period to 2023. The 85+ population will increase by 152.68% over the period 2103 – 2033 with increases in this population cohort over every 5 year period to 2033.

It is estimated that there is a requirement for ECH in Amlwch of approximately 34-41 units in 2013 rising to 62-75 units by 2033.

It is estimated that there is a requirement for ECH in Llangefni of approximately 80 units in 2013 rising to 143 units by 2033.

The number of residential care placements and the number of domiciliary care packages in 2013/14 exceed the projected need for ECH indicating that there is corroborating evidence of sufficient need for care to sustain development of ECH in Amlwch and Llangefni including it being an alternative care model to the use of residential care.

The Strategic Case examines the evidence of potential need for ECH in the Amlwch area and the Llangefni area particularly as an alternative to the use of residential care.

It draws on the recent report *Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support* in relation to the demographic profile of the population aged 55 years and over, projections of future need for specialised housing and accommodation for older people, specifically extra care housing, and predicted need for care and support services for older people.

The strategic case assesses this evidence against usage of residential care services and domiciliary care services in 2013/14 by older people aged 65 years and over in the Amlwch area and the Llangefni area.

The Strategic Case covers:

- Context: Anglesey. Demographic profile and projected need for specialised housing, including ECH, and care/support services.
- Alaw: Amlwch Area. Demographic profile and projected need for specialised housing, including ECH, and care/support services.

- Cefni: Llangefni Area. Demographic profile and projected need for specialised housing, including ECH, and care/support services.
- IoACC Operational Social Care Staff Perspectives. Qualitative data in relation to potential need for ECH alongside the quantitative evidence of need

2.1. Context: Anglesey 2013-2033

To set the need for ECH in Amlwch and Llangefni in context, this section summarises for Anglesey the demographic profile and projected need for specialised housing, including ECH, and care/support services

2.1.1. Anglesey: 55 years and over population projections 2013 - 2033

Table 2.1 (below) sets out the population projections for the over 55 years cohort over the period 2013–2033 broken down by age band.

Table 2.1. Population projections: Over 55 years cohort over the period 2013–2033

	2013	2018	2023	2028	2033
55 -64	9693	9722	9863	10006	10151
65-69	5413	5073	4807	4985	5109
70-74	4082	5462	4810	4579	4761
75-79	3083	3661	4626	4388	4202
80-84	2140	2573	3127	4000	3821
85-89	1426	1566	1969	2449	3177
90+	850	1132	1431	1928	2574
Total	26687	29189	30633	32335	33795

Source StatsWales (IoACC)

Table 2.2 (below) summarises the population projections for the 55-64 years population, the total 65 years and over population and the total over 75 years population over the period 2013–2033.

Table 2.2. Summary population projections: Over 55 years cohort over the period 2013–2033

	2013	2018	2023	2028	2033
55 -64	9693	9722	9863	10006	10151
65+	16994	19467	19763	22329	23644
75+	7499	8932	11153	12765	13774

Source StatsWales (IoACC)

Over the period 2013 – 2033 the total over 65 years population will increase from 16994 to 23644, an increase of 39.13%. However what is more significant is that the over 75 years cohort as a percentage of the over 65 years population will increase from 44.12% in 2013 to 58.25% by 2033.

Table 2.3. shows in more detail the trends in terms of percentage increases/decreases in the population over 65 years based on the figures in table 2.2.

Table 2.3. Trends: Population over 65 years

	% increase 2013 – 2018	% increase 2018 - 2023	% increase 2023 - 2028	% increase 2028 - 2033	% increase 2013 - 2033
65+ overall	14.55	1.52	12.98	5.88	39.13
65-74	10.95	-8.71	-0.55	3.19	3.94
75+ overall	19.11	24.86	14.45	7.90	83.67
75-84	19.35	24.36	8.19	-4.35	53.60
85+ overall	18.54	26.01	28.73	31.39	152.68

The overall increase of 39% in the over 65 years population over the period 2013 – 2033 is significant however it masks some more dramatic changes shown in the table above. The increase in the 65-74 years cohort is actually modest, 3.94% over the period 2013 – 2033. The more dramatic increases are in the 75 – 84 years and 85 years + cohorts. **The 75-84 years population will increase by 53.60% over the period 2013 – 2033 with the most significant growth in the period to 2023. The 85+ population will increase by 152.68% over the period 2103 – 2033 with increases in this population cohort over every 5 year period to 2033.**

Anglesey is facing a substantial increase in the over 75 years population over the next 20 years. This is significant as this is widely accepted as the age at which entry to more specialised forms of housing and accommodation with care starts to occur, including extra care housing and residential/nursing care.

2.1.2. Future need: for specialised housing and accommodation and care/support

The recent report, *Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support*, identified the:

- Projected need for specialised housing and accommodation in Anglesey to 2033 (see table 2.4. below);
- Predicted need for care and support services in Anglesey to 2033 (see table 2.5. below).

The projections of future need for specialised housing, accommodation and related support **should be treated as a guide to future demand rather than a definitive prediction**. The key gaps in the current market for specialised housing and accommodation suggested by these projections of future need that are relevant to the development of ECH are:

- Significant gaps in the availability of specialised forms of housing that offer differing levels of care and support including extra care housing; **an additional 283 units of extra care housing in 2013 increasing to an additional 566 units by 2033**.
- There is a gap for people living with dementia who need to live in supportive housing with care setting who do not need or want to live in residential care; **an additional 45 units of housing based provision for dementia in 2013 increasing to an additional 83 units by 2033**.

The predictions of the need for future care and support services **should be treated as a guide to future demand rather than a definitive prediction**. The predicted future care and support needs indicate the following key gaps and trends in the market for care and support services that are relevant to the development of ECH are:

- **The current supply and range of care and support services will not be able to meet the predicted future growth in demand for care and support** due to the dual increases in the population aged 65 years and over and the substantial increases in the 'drivers' that affect and influence future need.
- There is a predicted **increase by 2033 in excess of 100%** in the need for care and support services including domiciliary care, reablement and respite care services due to the combination of growth in the over 65 years population and the predicted increases in other factors that drive demand for social care services.
- There is an almost **60% predicted increase** in the need for care and support due to increasing prevalence of dementia amongst the population over 65 years of age by 2030.

Table 2.4. Anglesey: Projected need for specialised housing and accommodation to 2033

Housing/accommodation types	1. Existing provision (units)	2. Existing provision (ratio per 1000 pop 75+)	3. Suggested ratio of provision (per 1000 pop 75+)	2013 Pop 75+ 7,499		2023 Pop 75+ 11,153		2033 Pop. 75+ 13,774	
				4. Projected no. of units required 2013	5. Increase/ decrease	6. Projected no. of units required 2023	7. Increase/ decrease	8. Projected no. of units required 2033	9. Increase/ decrease
Sheltered housing for rent	556	74.14	60	449	-107	669	+113	826	+270
Leasehold retirement housing	31	4.13	75	562	+531	836	+805	1033	+1002
Extra care housing. ♦ For rent ♦ For sale	54 0	7.20 0	15 30	112 225	+58 +225	167 334	+113 +334	207 413	+153 +413
Housing based provision for dementia	0	0	6	45	+45	67	+67	83	+83
Registered care: nursing/dementia provision	258	23.60	40	300	+42	446	+188	551	+293

Source: Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support.
Note: 'Housing based provision for dementia' is extra care housing that is suitable for people living with dementia

Table 2.5. Anglesey: Over 65 years population: predicted need for care and support services to 2033

Service type	2013 65+ pop	2013 No. of clients	Ratio: provision per 1000 65+ pop.	2023 Estimated need (pop 65+: 19763)	2033 Estimated need (pop 65+: 23644)
Domiciliary care	16994	582	34.24	835	1190
Reablement	16994	355	20.89	510	726
Respite care	16994	326	19.18	472	676
Telecare/community alarms	16994	2639	155.29	3790	5397

Source: Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support.

2.2. Alaw: Amlwch Area

2.2.1. Population over 65 Years

Table 2.6. sets out the population over 65 years over the period 2013 – 2033. The population over 65 years is predicted to increase by 39% over this period.

Table 2.6. Population over 65 years 2013 – 2033

Alaw	Baseline (2010)			Over 65 years population estimate				
	Total pop.	65+ pop.	65+ as % of total pop.	2013	2018	2023	2028	2033
	11328	2749	24.26	3041	3483	3536	3995	4230

Source: IoACC/StatsWales

Table 2.7. sets out the population over 75 years over the period 2013 – 2033. The population over 75 years is predicted to increase by 84% over this period.

Table 2.7. Population over 75 years 2013 – 2033

Alaw	Baseline (2010)			Over 75 years population estimate				
	Total pop.	75+ pop.	75+ as % of total pop.	2013	2018	2023	2028	2033
	11328	1222	10.78	1341	1597	1994	2282	2462

Source: IoACC/StatsWales

2.2.2. Estimated Need for Specialised Housing and Care/Support

The recent report, *Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support* identified the:

- Projected need for specialised housing and accommodation in Alaw to 2033 (table 2.8. below). This includes projected need for ECH and 'housing based provision for dementia' (which may be part of an ECH scheme);
- Predicted need for care and support services in Alaw to 2033 (table 2.9. below).

The predicted figures for Alaw have been adjusted for Amlwch to reflect the population 'catchment' of Amlwch within the wider Alaw area. An estimate of 50-60% of the Alaw population (for both 65 years and over and 75 years and over) has been used as a baseline for Amlwch for predicting future need for specialised housing and care/support services.

Table 2.8. Alaw: Projected need for specialised housing/accommodation to 2033

Housing/accommodation types	1. Existing provision (units)	2. Existing provision (ratio per 1000 pop 75+)	3. Suggested ratio of provision (per 1000 pop 75+)	2013 Pop 75+ 1,341		2023 Pop 75+ 1,994		2033 Pop. 75+ 2,462	
				4. Projected no. of units required 2013	5. Increase/ decrease	6. Projected no. of units required 2023	7. Increase/ decrease	8. Projected no. of units required 2033	9. Increase/ decrease
Extra care housing.									
♦ For rent	0	0	15	20	+20	30	+30	37	+37
♦ For sale	0	0	30	40	+40	60	+60	74	+74
Sub total				60		90		111	
Housing based provision for dementia	0	0	6	8	+8	12	+12	15	+15

Source: Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support.
Note: 'Housing based provision for dementia' is extra care housing that is suitable for people living with dementia

Amlwch: Projected need for specialised housing/accommodation to 2033

Housing/accommodation types				2013 Projected no. of units required		2023 Projected no. of units required		2033 Projected no. of units required	
Extra care housing.				30-36 units		45-54 units		55-66 units	
Housing based provision for dementia				4-5 units		6-7 units		7-9 units	
Extra care housing: Total				34-41 units		51-61 units		62-75 units	

Based on 50-60% of the projections for Alaw for ECH units and housing based provision for dementia

Table 2.9. Alaw: Estimated need for care and support services to 2033

Service type	2013 65+ pop	2013 Estimated need: No. of clients	Ratio: provision per 1000 65+ pop.	2023 Estimated need (pop 65+: 3536)	2033 Estimated need (pop 65+: 4230)
Domiciliary care	3041	97	31.89	139	198
Reablement	3041	46	15.12	66	94
Respite care	3041	49	16.11	71	102
Telecare/community alarms	3041	407	133.83	584	832

Source: Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support.

Amlwch: Projected need for care and support services to 2033

Service type		2013 No. of clients		2023 Estimated need	2033 Estimated need
Domiciliary care		48-58		70-83	99-119
Reablement		23-28		33-40	47-56
Respite care		25-29		36-43	51-61
Telecare/community alarms		204-244		292-350	416-499

Based on 50-60% of the projections of estimated need for Alaw for care and support services

2.2.3. Service Provision

Table 2.10 shows the provision of residential care services for clients placed from Alaw as at 31st March 2014.

Table 2.10: Alaw: Residential care service placements at 31/03/2014

Total no. of registered care placements	Clients 65+ IoACC funded	Clients 65+ Fully self funded
42	34	8

Source: IoACC, 2014

Of the 42 clients placed from Alaw, 31 clients are placed at homes in Amlwch (Brwynog and Bryn-Y-Mor).

From recent analysis of panel decisions in Alaw over the last 18 months the volume of placements into residential care is falling due to the Council's policy of seeking to support more individuals in their own home with a package of domiciliary care. Over the 18 month period to March 2014 10 individuals from a total of 18 applicants entered into long term residential care, both Independent sector and Council homes.

Table 2.11 shows the number of clients receiving domiciliary care during 2013/14 in the Amlwch area during the period 1st April 2013 to 31st March 2014 broken down by tenure.

Table 2.11. Amlwch: Domiciliary care clients 2013/14 by tenure

	Accommodation type			
Weekly hours category	Privately owned or privately rented	Council House tenant	Sheltered Housing tenant	Total
1. <5 client hours per week	13	3	1	17
2. 5-9 client hours per week	25	4	1	30
3. 10-19 client hours per week	10	3		13
4. >=20 client hours per week	23	3	2	28
Total	71	13	4	88

Source: IoACC, 2014

This indicates that the majority of domiciliary care clients are home owners (with a few in private rented housing). These older people are therefore likely to be the key 'cohort' of those receiving domiciliary packages in the community for a move to ECH.

2.2.4. Summary

Table 2.12 shows the projected need for specialised housing, specifically ECH and housing based dementia provision.

Table 2.12. Amlwch: Projected need for ECH

	2013	2023	2033
ECH	30-36 units	45-54 units	55-66 units
Housing based provision for dementia	4-5 units	6-7 units	7-9 units
Extra care housing: total	34-41 units	51-61 units	62-75 units

2013/14 usage of residential care placements and domiciliary care in the community:

- Number of placements in residential homes in Amlwch as at 31st March 2014: 31 clients
- Number of domiciliary care clients in Amlwch 2013/14: 88 clients

The number of residential care placements and the number of domiciliary care packages in 2013/14 exceed the projected need for ECH indicating that there is corroborating evidence of sufficient need for care to sustain development of ECH in Amlwch including it being an alternative care model to the use of residential care.

2. 3. Cefni: Llangefni Area

2.3.1. Population 65 years and over

Table 2.13. sets out the population over 65 years over the period 2013 – 2033. The population over 65 years is predicted to increase by 39% over this period.

Table 2.13. Population over 65 years 2013 – 2033

	Baseline (2010)			Over 65 years population estimate				
	Total pop.	**65+ pop.**	**65+ as % of total pop.**	**2013**	**2018**	**2023**	**2028**	**2033**
Cefni	13068	3125	23.91	3456	3959	4019	4541	4808

Source: IoACC/StatsWales

Table 2.14. sets out the population over 75 years over the period 2013 – 2033. The population over 75 years is predicted to increase by 84% over this period.

Table 2.14. Population over 75 years 2013 – 2033

	Baseline (2010)			Over 75 years population estimate				
	Total pop.	**75+ pop.**	**75+ as % of total pop.**	**2013**	**2018**	**2023**	**2028**	**2033**
Cefni	13068	1390	10.63	1525	1816	2268	2596	2801

Source: IoACC/StatsWales

2.3.2. Estimated Need for Specialised Housing and Care/Support

The recent report, *Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support; 2013*, identified the:

- Projected need for specialised housing and accommodation in Cefni to 2033 (see table 2.15. below). This includes projected need for ECH and 'housing based provision for dementia' (which may be part of an ECH scheme);
- Predicted need for care and support services in Cefni to 2033 (see table 2.16. below).

Based on discussion with IoACC staff, the predicted figures for Cefni are viewed as applicable to the population 'catchment' of Llangefni.

Table 2.15. Cefni/Llangefni: Projected need for specialised housing/accommodation to 2033

Housing/accommodation types	1. Existing provision (units)	2. Existing provision (ratio per 1000 pop 75+)	3. Suggested ratio of provision (per 1000 pop 75+)	2013 Pop 75+ 1,525		2023 Pop 75+ 2,268		2033 Pop. 75+ 2,801	
				4. Projected no. of units required 2013	5. Increase/ decrease	6. Projected no. of units required 2023	7. Increase/ decrease	8. Projected no. of units required 2033	9. Increase/ decrease
Extra care housing.									
♦ For rent	0	0	15	24	+24	34	+34	42	+42
♦ For sale	0	0	30	47	+47	68	+68	84	+84
Sub total				71		102		126	
Housing based provision for dementia	0	0	6	9	+9	13	+13	17	+17
Extra care housing: total				80 units		115 units		143 units	

Source: Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support.
Note: 'Housing based provision for dementia' is extra care housing that is suitable for people living with dementia

Table 2.16. Cefni/Llangefni: Estimated need for care and support services to 2033

Service type	2013 65+ pop	2013 No. of clients	Ratio: provision per 1000 65+ pop.	2023 Estimated need (pop 65+: 4019)	2033 Estimated need (pop 65+: 4808)
Domiciliary care	3456	114	32.11	159	227
Reablement	3456	76	21.99	109	155
Respite care	3456	55	15.91	79	114
Telecare/community alarms	3456	508	146.99	729	1038

Source: Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support.

2.3.3. Service Provision

Table 2.17 shows the provision of residential care services for clients placed from Cefni as at 31st March 2014.

Table 2.17: Cefni: Residential care service placements at 31/03/2014

Total no. of registered care placement	Clients 65+ IoACC funded	Clients 65+ Fully self funded
32	24	8

Source: IoACC, 2014

Table 2.18 shows the number of clients receiving domiciliary care during in the Llangefni area during the period 1st April 2013 to 31st March 2014 broken down by tenure.

Table 2.18. Llangefni area: Domiciliary care clients 2013/14 by tenure

	Accommodation type			
Weekly hours category	Privately owned or privately rented	Council House tenant	Sheltered Housing tenant	Total
1. <5 client hours per week	23	1	1	25
2. 5-9 client hours per week	29	5	1	35
3. 10-19 client hours per week	22	2	2	26
4. >=20 client hours per week	20	1	2	23
Total	94	9	6	109

Source: IoACC, 2014

This indicates that the majority of domiciliary care clients are home owners (with a few in private rented housing). These older people are therefore likely to be the key 'cohort' of those receiving domiciliary packages in the community for a move to ECH.

The number of clients for Cefni placed in residential care and using domiciliary care services are assumed to be potential clients for ECH in Llangefni given the assumption that the Cefni area is considered as applicable to the population 'catchment' of Llangefni.

2.3.4. Summary

Table 2.19. shows the predicted need for specialised housing, specifically ECH and housing based dementia provision.

Table 2.19. Llangefni: Predicted need for ECH

	2013	2023	2033
ECH	71 units	102 units	126 units
Housing based dementia provision	9 units	13 units	17 units
Extra care housing: total	80 units	115 units	143 units

2013/14 usage of residential care placements and domiciliary care in the community:

- Number of placements in residential homes in Cefni as at 31st March 2014: 32 clients
- Number of domiciliary care clients in Llangefni area 2013/14: 109 clients

The number of residential care placements and the number of domiciliary care packages in 2013/14 exceed the projected need for ECH indicating that there is corroborating evidence of sufficient need for care to sustain development of ECH in Llangefni, including it being an alternative care model to the use of residential care.

2. 4. Operational Social Care Staff Perspectives

At the start of this Business Case, we set out the strategic requirement for ECH to provide a viable alternative to residential care within the wider vision for social care on the island. For this to succeed, it is necessary to understand not only how many people are currently being placed in residential care but how and why these decisions are being made.

IoACC analysis of panel decisions regarding placement in residential care in the Alaw patch over the past 18 months suggests that over half of those placed during this period were experiencing memory problems. In order to collect more in-depth qualitative data, we met with a group of around 20 social care and health professionals to understand the typical triggers for admission to residential care. These are effectively the factors which persuade panel decision-makers that someone can no longer be safely and practically supported within their own home.

We present the key triggers identified by this group discussion in table 2.20. Against each of these triggers, we explain whether, why and under what conditions an ECH scheme could provide a viable alternative for some – if not all – of those with these needs, drawing on our experience and knowledge of the sector.

Frontline professionals also highlighted a number of other risks and opportunities within the existing social care, health and housing systems which either strengthen the case for ECH or suggest important considerations for its development and implementation. These are presented in table 2.21.

Current key triggers for admission to residential care and the implications for an ECH model which will provide a viable alternative

Current key triggers for residential care admission	Implications for ECH if it is to provide a viable alternative to residential care
People needing help with toileting or transferring at unpredictable times, especially overnight	Onsite 24/7 care team will be key to ensuring that ECH can safely and sustainably accommodate people with overnight/ unpredictable care needs (overnight staff need to be able to assist transfers/ help with toileting, etc. in terms of numbers, skills, registration, etc.). Scheme needs to be Assistive Technology-ready and with good systems in place to get personal Occupational Therapy assessments done and changes made.
Carer breakdown	The evidence suggests that ECH can be a good model for supporting couples to continue living together and caring for each other safely and sustainably, with back-up from staff and/or for other family members to continue to support but 'at a distance'
Families are concerned about risks of living alone	The evidence suggests that ECH can support family relationships, families like visiting ECH and they can continue to provide some care and support but can also enjoy peace of mind.
Moderate - advanced dementia	Any ECH scheme that is going to provide a viable alternative to residential care needs to be dementia-specialist: this does not necessarily mean that all or part of the scheme needs to be exclusively designated for people with dementia but it means that dementia training, ethos, dementia-friendly design and good partnerships with memory teams, voluntary sector, etc must be built in from the very beginning. Scheme also needs to be Assistive-Technology-ready with an onsite 24/7 care team.
Risks to self or others, through wandering, aggressive behaviour, etc	Importance of dementia-specialist components (see above), design, Assistive Technology and 24/7 staffing
Hospital discharge – fewer admissions direct from hospital but poorly planned hospital discharge can mean people cannot manage at home	Importance of educating healthcare professionals about ECH and community-based options: challenging the idea that residential care is the default option, ensuring there are better pathways from hospital, including perhaps step-down beds within ECH or elsewhere.
Loneliness or bereavement (not a direct cause in itself but can be the trigger of a decline in terms of isolation, depression, self-care)	The evidence suggests that ECH can boost the social interactions of those who live in it. Bereavement is a key trigger for many of those who decide to move preventatively into ECH.

Other health and social care system considerations reported by professionals and implications of these for the ECH model

Other health & social care system considerations	Implications for the ECH model
Cuts to day centre provision and gaps in community services (including flexible overnight respite) risk carer breakdown happening earlier than it might	ECH could act as a hub, providing day opportunities and outreach by home care teams to support older people and their carers in their homes ECH offers a planned move into a supportive but independent setting before carers reach crisis Consideration should be given to including one or more respite/ step-up/ step-down flat in ECH developments.
Younger adults with learning disabilities and/or early onset dementia do not currently have suitable accommodation on the island – placements off the island weaken family networks and are very expensive	Explore the options for incorporating or co-locating accommodation for younger people with learning disabilities/ early onset dementia at ECH scheme(s)
Some older people with low-medium needs will choose to move to ECH but this will not be attractive to everyone and needs to be one of a range of housing/care options	Good information and advice is essential if people are to consider and express their options, Practical support for those who need help to move, and support for people to settle in/ orientate themselves, etc. ECH as part of a menu of community-based options and, through the hub model, a way of strengthening (not replacing) support for those continuing to live in their own homes.
Not all social/ health care professionals currently understand the distinction between residential care and independent living in a housing model like ECH and what this means in practice for their clients.	Social workers and other community based professionals need to be involved and educated in the development of ECH from the outset so they feel confident about who they can recommend ECH to if ECH is to work as an alternative to residential care.
Frontline professionals described the strong sense of locality, place and networks on the island and how this will influence where people will consider moving	Culture, language and a strong sense of locality need to be carefully factored into the location, allocation policies, marketing, etc. of ECH scheme(s)

3. The Economic Case

Summary

A recent evaluation of the cost effectiveness of ECH for the Housing Learning & Improvement Network found that

- Extra care housing is a preventative model, supporting independence and avoiding admissions into residential care;
- Extra care housing is a more cost effective model of care delivery than other models, including residential care and care in the community. The evaluation indicated that the cost of ECH was on average half the gross cost of the alternative placements.

The evidence on outcomes for older people from ECH suggests that there can be benefits in relation to:

- Functional abilities;
- Social wellbeing;
- Physical environment, including accessibility, safety and security; and
- Promoting independence and feeling in control.

ECH may also create wider economic benefits, for example: by reducing hospital usage; freeing up family housing; creating a hub for the local community; and promoting opportunities for local employment and enterprise.

The previous section considered the potential demand for ECH, both in terms of demographics and in terms of its strategic role within the vision for social care on Anglesey.

The Economic Case considers the evidence in relation to whether ECH can provide better outcomes for older people and provide improved value for money compared to other care options. If ECH is likely to maximise the quality of life of older people (especially those who need a lot of care and/or support) and it can be done in a cost effective way, there is a strong case for its development.

It draws on evidence from research, evidence from the Housing Learning and Improvement Network (Housing LIN) the leading source of ECH sector knowledge and innovation (originally established to cover England, it is has now been launched in Wales with funding from the Welsh Government in May 2014[1]), and consultancy work undertaken by IBA/HSP.

The Economic Case covers:

- Evidence of improved outcomes for older people
- Evidence of cost effectiveness

[1] www.housinglin.org.uk/Wales

- Wider economic benefits from ECH

3. 1. ECH: Evidence of improved outcomes for older people

PSSRU (Baumker et al, 2011) found that, on average, ECH residents had better outcomes than care home residents over a six month period following admission. There had been a marginal improvement in ECH residents' **functional abilities**, whilst those in residential care homes had, as a group, decreased.

Research evidence (e.g. Pannell, Blood & Copeman, 2012) also confirms the potential of ECH to improve the **social interactions** of its residents, especially those who have high care or support needs (who often describe feeling very isolated prior to moving in). 82% of the 600 residents studied by Callaghan et al (2009) said that, after 12 months in ECH their social life was 'good' or 'as good as it can be'. However, some schemes are more successful at promoting a strong sense of community than others. Success factors seem to include: scheme staff having the time and skills to broker relationships between individuals, organise activities, support resident involvement, and build links with the wider community (Croucher & Bevan 2012).

Other positive outcomes reported by ECH residents in Pannell et al (2012) include: living in a pleasant and accessible **physical environment**, feeling **safe and secure** and feeling **independent and in control** of their own lives. ECH can be particularly valuable in terms of enabling couples to live together, despite care needs of one or both that might otherwise have necessitated a move to a care home.

3.2. ECH: Evidence of cost effectiveness

PSSRU (Baumker et al, 2011) has undertaken some detailed comparisons of the cost and outcomes from ECH, compared to residential care for 480 individuals (i.e. 240 carefully matched pairs, one in residential care and one in ECH). Since the costs of care are included in the core costs of residential care but are added on in the case of ECH, there is a much greater *range* in the cost of someone with high care needs living in ECH. Nevertheless, for this sample, the average (mean) cost was lower (£374 at 2008 prices) in ECH than in residential care (£409 at 2008 prices). Those living in ECH are also likely to benefit from unpaid care and support from partners, family members and neighbours than those in residential care, and this was borne out in our findings for JRF (Pannell, Blood & Copeman 2012).

Overall, PSSRU (Netten 2011) conclude that:

"...for about a third of people moving in to care homes, extra care housing appears to be a cost effective alternative" (p.18).

However, this does not necessarily mean that ECH will work out to be cheaper overall than residential care for each individual with high support needs, though a key question will be around who pays for what. As Baumker et al point out,

"the complexities of the funding arrangements in extra care are such that no one sector will both bear the costs and reap the benefits" (p.535)

For example, housing benefit may cover the housing element of ECH, leaving Adult Social Services responsible only for the care element (less – under the current Welsh Government policy – a contribution of up to £55 per week from the older person). In care homes, where Housing Benefit cannot be claimed, Adult Social Services would pay the total cost of the placement (less a contribution from the client up to approximately £120 per week from the older person).

A recent evaluation of the cost effectiveness of ECH for the Housing LIN in East Sussex found that

- Extra care housing is a preventative model, supporting independence and avoiding admissions into residential care;
- Extra care housing is a more cost effective model of care delivery than other models, including residential care and care in the community. The evaluation indicated that the cost of ECH was on average half the gross cost of the alternative placements.

Other significant findings included:

- When assessing where residents in the ECH schemes would live if they were not living in ECH, 63% were judged as needing residential/EMI/nursing care;
- The enabling design and accessible environment of extra care housing supported self care and informal family care, thus increasing independence;
- The importance of the on-site restaurant was emphasised, not only for nutritional and health impacts, but also as a social hub and springboard for social activities.

Although there is a limited research evidence comparing the cost effectiveness of ECH with receiving domiciliary care in the wider community for older people with higher levels of needs, HSP/IBA are working with local authorities in England to develop ECH as a more cost effective 'pathway' for older people compared to people receiving domiciliary care in the wider community.

For this group, ECH can offer a preventative option, e.g. of moving into a more supportive and accessible environment and reducing the risk of a crisis move to residential care. There is substantial anecdotal evidence from ECH providers of individuals' care packages reducing once they move into ECH. Explanations for this include: the accessibility of accommodation; the availability of meals; low level support and opportunities for social interaction with staff and other residents, and ready access to help in emergencies.

3.3. ECH: Wider Economic Benefits

The following wider potential economic benefits should also increase the economic viability and sustainability of ECH in the longer term:

Hospital usage: Kneale's (2011) analysis found that, where an average person aged 80 and above in receipt of domiciliary care in the community spends 6 nights of the year in hospital, an ECH resident with similar demographic characteristics would, on average, spend 5 nights a year in hospital.

Freeing up family housing: Kneale (2011) also argues that:

"Expanding the ECH sector as part of an effort to grow and diversify the older people's housing market, could help alleviate the housing shortage facing young people and families through freeing up family sized housing" (p.5)

Creating a hub: When it works well as a hub for the community (and Family HA's Hazel Court in Swansea is an excellent example of this), ECH can provide a resource for the local community. This might include:

- daytime opportunities for older people (both resident and non-resident) – there is potential for this to offer a mix-and-match alternative to a day centre;
- a base from which care, support and health staff could outreach into the community to support older people living in their own homes; and
- facilities such as a cafe, gym, meeting rooms, laundry, hairdresser, affordable guest room, etc which could be accessed by local people and groups.

Opportunities for employment/ social and local enterprise: ECH schemes create work opportunities for care, housing, cleaning staff and can also create opportunities for local social enterprises or small businesses (e.g. handyperson services, hairdresser, cafe/ shop provision, depending on the models used).

3.4 Summary

- The evidence on outcomes for older people from ECH suggests that there can be benefits in relation to:
  - Functional abilities;
  - Social wellbeing;
  - Physical environment, including accessibility, safety and security; and
  - Promoting independence and feeling in control.
- The evidence suggests that ECH can be a more cost effective way of achieving these outcomes for many older people with care needs, when compared to residential care.
- ECH may also create wider economic benefits, for example: by reducing hospital usage; freeing up family housing; creating a hub for the local community; and promoting opportunities for local employment and enterprise.

4. Financial Case

Summary

ECH offers the potential for financial savings and efficiencies:

- It is more cost effective for the Council to provide care in an Extra Care Housing setting as opposed to in Residential Care. The cashable savings are projected to be between £139,362 and £156,333 per annum in Amlwch, and between £152,922 and £170,193 per annum in Llangefni (figures are dependent on the model of care delivery);
- Cost avoidance: there are further savings from not having to fund the cost of bringing the Council's residential homes to an acceptable standard. Over three years these figures are estimated as: Brwynog £257,946 and Plas Penlan £388,983;
- There would also be additional capital receipts should the homes/sites be sold.

Developing ECH in Amlwch and Llangefni is financially sustainable for the Council. It is not financially and strategically sustainable for the Council to commission ECH in Amlwch and Llangefni **and** to be a provider of residential care in these areas.

ECH is usually a more financially attractive option for older people compared with residential care; the maximum financial contribution for care within ECH is lower than that within residential care and, in addition, an older person living in ECH is entitled to the full range of welfare benefits so will usually have a higher net weekly income.

The financial case sets out:

- An explanation of extra care housing (ECH) service model and costs;
- A proposed ECH financial and savings model;
- Summary and implications;
- ECH: capital funding considerations.

4.1. ECH Service Model and Costs

4.1.1. ECH Service Model

It should be noted that the service model and financial model used initially at the ECH scheme in Holyhead, following reviews of that service, is not considered an appropriate model for future ECH development.

In order to consider the financial model for ECH it is necessary to consider the service model as this directly drives the costs within ECH. There are a wide variety of ECH service models across the UK; these models vary across the social and private sectors and are changing as

the ECH 'product' matures (from its original development in the mid 1990s) and as a result of the recession and indefinite public sector austerity.

As set out in the introduction, ECH has no statutory definition. ECH can be more usefully thought of, particularly in relation to a model for Anglesey, in terms of the key *characteristics* that make up a development and then the operational management and delivery.

The leading source of ECH sector knowledge and innovation is the Housing Learning & Improvement Network. Originally established to cover England, is has now been launched in Wales with funding from the Welsh Government in May 2014[2].

The most recent ECH Technical Brief[3] from the Housing LIN draws on current best and developing practice in relation to the service models within ECH services. These models do reflect changing local authority commissioning and procurement approaches to ECH as well as the approach of housing associations that have and continue to experience significantly reduced public sector subsidy for build costs, as well as the increasing expectations of older people and their families.

The LIN Technical Brief to ECH refers to the growing development of a model of ECH that is defined as 'core and add-on'. In practice the 'core' element of the service model is the essential features that make ECH work (i.e. otherwise it is simply a block of flats for older people with some of those individuals receiving domiciliary care). The core service will typically comprise the provision of:

- housing management services;
- support (often previously referred to as 'housing related support)
- activities and entertainment;
- a 24/7 emergency response including on-site staff overnight;
- access to an onsite care provider
- a meals/catering service.

The 'add-on' elements are principally the care packages for individuals living at an ECH scheme as well as other 'discretionary' elements of an ECH service: in larger schemes these might include additional facilities such as gyms/leisure facilities, hairdressers, shops, as well as 'outreach' support services into the wider local community.

The most appropriate ECH service model for Anglesey in terms of commissioning and procurement considerations is considered in the Management Case section 6

However the concept of a 'core service' within ECH is applicable to Anglesey and is used as the basis for the financial and savings model (section 3). In particular, given the requirement for ECH to be an alterative to the use of residential care, it is essential that the ECH service model for Anglesey includes:

- The provision of on-site care, to meet personal care needs, as well as support.
- 24/7 staffing including overnight care staff.

[2] www.housinglin.org.uk/Wales

[3] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Technical_briefs/Technical_Brief_02_FundingECH.pdf

ECH is inherently different to residential care in that it provides housing rights and security; the 24/7 staffing component is a key difference compared to a package of domiciliary care provided to an older person living in their own home.

The extent to which ECH can be an alternative option for an older person or disabled person compared to a placement in residential care and/or a 'higher' package of domiciliary care (e.g. 15 hours per week or higher) is dependent on how well the 'core service' operates and particularly the provision of onsite 24/7 care staff.

The typical model of an ECH scheme is for care staff to be based on-site alongside the scheme manager and any support staff avoiding the transport and increased downtime costs associated with a community domiciliary care model. Overnight cover is typically provided by the on-site care staff as either 'waking night' or 'sleep-in', typically from 10pm until 7am (although this can vary between schemes), depending on the assessed levels of needs and risks presented by residents in terms of the likelihood of needing support during the night. Larger schemes may have more than one member of staff on duty overnight, however this is not necessarily always the case; for example the largest ECH scheme in Wales (a 120 unit housing association ECH scheme in Swansea) has 1 sleep-in member of staff overnight.

The out of hours response is provided by the on-site staff overnight; in practice this means that if a resident requires assistance during the night, when they use their alarm the alert goes through to the on-site member of staff to respond.

Models within ECH vary but typically up to 30% of residents of extra care schemes might be individuals who have levels of care needs that might traditionally have been met within residential care homes. Given that ECH schemes on Anglesey are likely to be smaller in scale, there is likely to be a need for more than 30% of residents having this level of care need to provide the economies of scale necessary to justify on-site 24/7 on-site care.

ECH schemes can also be an effective way to support some adults with learning disabilities. This can either be through the allocations policy for an ECH scheme including access to the scheme for adults with learning disabilities, or through the design including specific units or elements of the building specifically for adults with learning disabilities. This can often be a more cost effective model of housing and care than some shared housing models of 'supported living for adults with learning disabilities due to the opportunity for greater care cost economies of scale.

4.1.2. Costs and Revenue Funding in ECH

Costs in ECH and how they are funded

The financial task with ECH is in combining disparate sources and types of revenue streams to deliver a well co-ordinated cohesive service so the customer experiences an integrated and 'seamless' service. This is in essence about the *balance* of costs that will be met by a resident living in ECH and the costs that will be met by other revenue streams typically from the local authority or generated by the housing association. Table 4.1 below shows the different main cost elements in ECH, how these costs are typically funded and the funding implications for the local authority.

Table 4.1 ECH costs: how they are funded and implications for a local authority

Cost element	How costs funded	Implication for local authority
Housing costs	Via rent or leasehold purchase	For tenants (and shared equity homeowners) rent costs met by housing benefit for those eligible. No net impact for LA.
Management and maintenance costs	Via service or management charges levied on residents	For tenants (and shared equity homeowners) rent costs met by housing benefit for those eligible. No net impact for LA
Support costs, including community alarm	Via a support charge levied on residents and/or revenue from the local authority;	Typically funded by local authority for those residents who are receiving housing benefit.
Care costs	Via care funding from the local authority net of any contributions from individual residents;	Funded by the local authority for those residents who have assessed eligible care needs, net of individual contributions.
Cost of providing meals service	Via service charges levied on residents or direct usage charges (some housing associations outsource the catering service);	Met directly by residents and any subsidy from the housing association (varies in practice). No net impact for LA.
Cost of leisure, social and health activities	Via service charges levied on residents or direct usage charges (some housing association outsource the leisure and health related services).	Met directly by residents. No net impact for LA.

Table 4.1.shows that the key funding elements in ECH for the local authority are the care and support costs, or at least a proportion of these costs, dependent on the contributions of residents towards the cost of care and the cost of support.

However it is increasingly important for local authorities and housing associations to consider the balance of costs that fall on to residents to fund directly. Factors driving this are:

- As Welsh Government grant funding for social housing reduces it is expected that more units in ECH scheme will need to be offered for outright sale and shared equity sale, in order to help subsidise the development and build costs.
- The need to attract the widest range of older people to ECH including those who are currently home owners and who are unlikely to be eligible for housing benefit if moving into an ECH scheme so would be liable for the full service charges and support costs.

This is an important consideration because the affordability of ECH for current and potential residents is an important factor in ensuring the long term viability of an ECH scheme.

To clarify the position table 4.2 sets out the range of costs and related financial assistance available for and the distinction between both tenants and owner-occupiers in ECH.

Table 4.2. The cost components in extra care housing: tenants and owners

Costs	Tenants	Owner occupiers
Housing and housing maintenance/management costs	Rent and service charges paid by the individual but may be covered wholly or partly by (means tested) housing benefit	To be met from pension/other personal resources. A shared owner eligible for housing benefit can get housing management and maintenance costs met by HB provided the lease is correctly drawn
Individual heat, lighting, power, water charges	To be met from pension/other personal resources	
Council tax	To be met from pension/other personal resources – means tested council tax reduction scheme may apply. Single person rebate and disability reduction may apply as appropriate	
Support	Possibly met by local authority (historically via Supporting People grant). Otherwise from pension/own resources	Historically support costs met by owners from own resources
Personal care and support	Dependent on eligibility for local authority care funding otherwise to be met from pension/other personal resources plus any attendance allowance/disability premiums.	
Help with domestic tasks, e.g. cleaning (non personal care)	Typically paid for from pension/other personal resources which could include Attendance Allowance.	

Costs in ECH

Actual costs within ECH schemes vary considerably typically depending on the size of the scheme and the range of facilities provided. To set costs in context, table 4.3 shows costs within ECH schemes covering rent, service charges and support charges. This is drawn from Continuous Recording (CORE) of lettings and sales in social housing in England, however comparative costs for ECH schemes in Wales are likely to be similar.

Table 4.3. Costs for extra care housing from CORE data across England (per week)

SOCIAL RENT ECH	Rent	Service Charges	Support Charges	Total costs (excluding additional Care/ support)
lower quartile	£65	£20	£10	£95
average	£78	£35	£17	£130
upper quartile	£90	£50	£30	£170

Source: Pannell, J. & Blood, I. (2012) *Supported housing for older people in the UK: an evidence review*

The comparative costs of the ECH scheme that was developed recently in Holyhead are:

- Rent p/w: £89/1 bed or £95/2 bed
- Service charge p/w: £58.62
- Support charge p/w: £32.24

As noted in section 4.1.1. this ECH scheme has a service and funding model, i.e. a level of funding from IoACC, that is not consistent with how IoACC wishes to develop ECH schemes in future. It was developed without an on-site care team and with funding from IoACC 'skewed' towards support costs. However comparison with the table above (which is from 2012) shows that although rent, service charges and support charges are within the upper quartile, they are consistent with other social rent (housing association) ECH schemes.

Similarly more recent work by HSP and IBA for the Joseph Rowntree Foundation and commercial consultancy for local authorities reflects that current housing association ECH schemes (outside of London) are charging rent, service charges and support charges that are consistent with those in table 4.3 above. Exceptions to this are typically in relation to some larger retirement village developments where weekly service charges are higher (up to £100 p/w in some cases) reflecting the very high specification of the social, communal and leisure facilities that have been included in such schemes. ECH schemes on Anglesey are likely to be smaller in scale with fewer of these types of facilities.

The costs of care provide within ECH have been met by local authorities in a variety of ways, however traditionally this has often been through some form of 'block contracting' arrangement with a volume of care hours specified within an agreed price. However the type of service model outlined in section 4.2.1. (above), a 'core service' with care as an 'add-on', is increasingly leading to local authorities, particularly in the context of citizen directed support and take-up of Direct Payments, to ensuring that care is available at a clear and transparent hourly rate, both for local authorities to purchase or for older people to purchase, either with a Direct Payment or as full self funders. Section 3 (below) develops this further as part of a financial and savings model.

Given that ECH on Anglesey needs to be an alternative to the use of residential care, it is necessary to understand the costs of residential care and also, importantly, the relationship between the cost of residential care and domiciliary care to IoACC.

Table 4.4. IoACC: average costs of residential care and domiciliary care

Average residential care costs	Average domiciliary care costs
♦ Cost per week £453.00 ♦ Client contribution £120.00 ♦ Net cost per week to IoACC £333.00	♦ Hourly rate £14.50 (external providers) ♦ Client contribution: up to £55 per week (maximum weekly contribution based on Welsh Government policy).

Table 4.5 (below) shows the 'tipping point' at which it becomes more cost effective for IoACC to fund an older person in residential care compared to funding domiciliary care to maintain a person to live in the community.

Table 4.5. Comparison of costs of domiciliary care and residential care to IoACC

Domiciliary care Hours p/w	Domiciliary care: net cost to IoACC	Residential care: cost to IoACC
10	(10 x £14.50 - £55) = £90.00	
15	(15 x £14.50 - £55) = £162.50	
20	(20 x £14.50 - £55) = £235.00	
25	(25 x £14.50 - £55) = £307.50	
27	(27 x £14.50 - £55) = £336.50	£333.00
30	(30 x £14.50 - £55) = £380.00	

Table 4.5 shows that once an older person is receiving over 27 hours per week of domiciliary care it becomes more cost effective for IoACC to fund a residential care placement for that individual. In the context of an ECH scheme, the same principle will apply (although this will depend on the domiciliary rate per hour funded within an ECH scheme) and the extent to which the supportive 'environment' within an ECH scheme can help to reduce, or slow the growth of, the amount of domiciliary care a person needs particularly compared to receiving domiciliary care but not living in ECH.

4.2. ECH Financial and Savings Model

4.2.1. ECH Financial Model

A viable financial model for ECH on Anglesey is based on the circumstances where ECH can be a lower cost alternative to other care models, specifically residential care and, potentially, domiciliary care in the community.

The circumstances in which ECH can be a lower cost alternative to residential care are where the mix of a supportive environment with 24/7 on-site care provision means that the amount of care required by an older person can be achieved at lower cost than a placement in residential care (as distinct from nursing care).

The circumstances in which ECH can be a lower cost alternative to domiciliary care in the community are based on the point at which domiciliary care in the community is at risk of reaching or has reached the 'tipping point' where a residential care placement becomes more cost effective; and where domiciliary care within an ECH scheme is paid at a lower rate than domiciliary care in the community (the rationale for this is that there are no transport costs incurred delivering domiciliary care in an ECH scheme and the provider also has the opportunity to grow and develop a 'critical mass' of care hours in an ECH scheme which it is harder to do to a dispersed population in the wider community).

A financial model for ECH is set out in the attached spreadsheets, one for Amlwch and one for Llangefni. It is based on:

- Providing a 'core service' which has funding from IoACC covering support (often previously referred to as 'housing related support') and on-site overnight care staff (effectively providing a 24/7 response);
- On-site care staff funded at an agreed hourly rate by IoACC for eligible clients.

The intention is to have a financial model as a basis for IoACC to determine its investment in an ECH scheme in a way that is consistent across all extra care schemes that may be developed on Anglesey, and that reflects a reasonable contribution towards the costs of providing the 'core service' by the ECH Provider and provides value for money for the Council.

The full set of assumptions under-pinning the financial and savings model are set out in Annexe 1.

4.2.2. ECH Financial Model: Estimated savings

The financial model for ECH is set out in the attached spreadsheets, one for Amlwch and one for Llangefni. These are based on:

- The ECH service model set out in section 4.1.1. (above)
- The assumptions in Annexe 1.

In addition to the assumptions above, it is also assumed that an ECH scheme in Amlwch will provide an alternative to the Brwynog residential home and that an ECH scheme in Llangefni will provide an alternative to the Plas Penlan residential home.

Brwynog has 29 places and Plas Penlan has 27 places. It is assumed that a high proportion of these places will provided for in an ECH scheme as an alternative.

For both an ECH scheme at Amlwch and Llangefni the financial model assumes that the overnight staff provision model can be either 'sleep-in' or 'waking night' depending on the assessed level of needs of the residents.

Table 4.6 summarises the estimated potential savings from developing an ECH scheme in both Amlwch and Llangefni as an alternative to residential care and domiciliary packages in the community for some clients.

Table 4.6. Estimated potential savings

Overnight staff model	**Amlwch (assumes ECH scheme of 48 units)**	**Llangefni (assumes ECH scheme of 60 units)**
	Estimated savings per annum	Estimated savings per annum
Sleep-in (1 staff)	£156,633	£170,193
Waking Night (1 staff)	£139,362	£152,922

Source: Spreadsheet/annexes for Amlwch and Llangefni
Note:

- For Amlwch the split between IoACC clients diverted from residential care and care packages in the community is 70%/30%
- For Llangefni the split between IoACC clients diverted from residential care and care packages in the community is 60%/40%

The summary in table 4.6 shows that estimated potential savings from developing ECH are:

- Amlwch. Based on a 48 unit scheme, between £139,362 and £156,633 per annum
- Llangefni. Based on a 60 unit scheme, between £152,922 and £170,193 per annum

The estimated potential savings are affected primarily by:

- The size of the scheme (number of units);
- The proportion of the total units that are filled by IoACC clients eligible for care funding;
- The balance of IoACC clients between those clients 'diverted' from residential care and those clients who have domiciliary packages in the community;
- The model of overnight staffing.

4.2.3. IoACC Residential Care Homes: ECH as an alternative Service Model

The Council plans to rationalise the six care homes that it operates. Table 4.7 summarises the financial implications of decommissioning, i.e. disposal or transfer to another provider, of the Brwynog home in Amlwch and the Plas Penlan home in Llangefni.

The previous financial assessments by the District Valuer for both homes either for sale as a going concern or in terms of a sale of a cleared site for redevelopment are shown below.

Table 4.7. Financial implications of sale of homes

	Brwynog	**Plas Penlan**
For sale as a going concern	£675,000	£591,000
Sale of a cleared site for redevelopment	£30,000	£230,000

Source: Transformation of Residential Care Services on Anglesey – A Business Case, 2012

Table 4.8 (below) summarises the potential cost avoidance implications of decommissioning Bwwynog and Plas Penlan (in relation to non care costs).

Table 4.8. Cost avoidance: implications of decommissioning Council residential homes

	Brwynog	**Plas Penlan**
Cost avoidance		
Immediate minimum cost of bringing property to acceptable standard (year 1) Investment required to maintain standards (Year2 and Year3)	£117,946 £140,000	£208,983 £180,000
Cost avoidance: total	£257,946	£388,983
One off decommissioning costs		
Estimated Redundancy costs (one off)	£110,764	£144,029
Additional estimated pension costs for staff>55 (one off)	£40,000	£120,000
Costs of securing additional private sector care home places as a result of decommissioning (one-off for up to 1 year)	£77,342	£75,164
Sub total	£228,106	£339,193

Source: Transformation of Residential Care Services on Anglesey – A Business Case, 2012
Assumptions:
A majority of the capacity lost, if both homes close, is provided at new ECH schemes.
Costs of securing additional private sector care homes as a result of decommissioning: it has been assumed that 25% of clients may need to be placed in private sector care homes
No TUPE implications are assumed
All figures are for 2012/13

The principal financial gains are:

- The potential capital receipts from disposal or transfer;
- The non care related cost avoidance from decommissioning both homes.

4.3. Summary and Implications

Summary Amlwch: Developing an ECH scheme and closure/transfer of Brwynog

- Developing ECH: Estimated cash savings of £139,362 - £156,633 per annum
- Cost avoidance (over 3 years) from decommissioning Brwynog: £257,946
- Sale of site: Estimated capital receipt of £30,000
- Sale as going concern: estimated capital receipt of £675,000

Summary Llangefni: Developing an ECH scheme and closure/transfer of Plas Penlan

- Developing ECH: Estimated savings of £152,922 - £170,193 per annum
- Cost avoidance (over 3 years) from decommissioning Plas Penlan: £388,983
- Sale of site: Estimated capital receipt of £230,000
- Sale as going concern: estimated capital receipt of £591,000

The proposed ECH service and funding model is based on a higher than is usual proportion of clients with high care needs (those 'diverted' from residential care).

ECH is not an 'easy' option to achieve savings; the process of achieving savings from moving to a reliance on residential care to use of ECH needs to managed carefully, both strategically and operationally. ECH can deliver savings as an alternative to using residential care for some older people if:

- The savings model is clear and realisable;
- Non IoACC funding streams available in ECH are maximised, i.e. charges levied by the ECH provider, maximising the benefits of residents and the ECH provider maximising earned income from the use of the facilities;
- The proposed funding model can be delivered in practice by an ECH provider;
- IoACC ensures there is a 'jointly commissioned' service model in terms of care and support.

The quality of the operational service within an ECH and the extent to which the baseline support is 'enabling' is crucial in creating the environment where residents' independence is maximised and dependence on direct personal care minimised. This includes the extent to which the available overnight support within an ECH scheme can manage care needs that occur during the night (this will typically determine whether it is sleeping-in or waking night).

Social worker/care manager practice has a crucial influence on the extent to which ECH can be used as a viable alternative to residential placements and high domiciliary care packages; in part this is usually a mix of awareness of the scope of ECH, the higher levels of dependency that can be accommodated and continuing to provide assistance once an older person moves into ECH to monitor the effectiveness of the support and care package (as

well as other informal support that often occurs within ECH schemes, e.g. from families and neighbours).

ECH needs to be a sufficiently attractive alternative (for an older person) to both placement in a residential care home and a high package of domiciliary care in a person's current home.

4.4. ECH: Capital Funding

Public funding to subsidise the capital costs of extra care housing development in the form of Social Housing Grant available to RSLs is likely to be reduced in the current environment of very constrained public finances.

The projected growth in the older population with increasing prevalence of illness and disability, combined with relatively high levels of home ownership, means that more people will be able and most likely be expected to pay for or towards both a home within an extra care housing development as well as towards some of the care, support and other services.

The funding context for the future development of extra care housing is:

- In order for extra care development to be viable consideration will need to be given by a development partner to a greater proportion of the units developed being for leasehold sale, either outright or through some form of shared ownership.
- In order for this to happen, older people who are currently owner occupiers will need to find new extra care developments sufficiently attractive to want to purchase an apartment.
- However RSLs in Wales have struggled to sell units in extra care housing schemes. Working both with RSLs and other organisations that have been successful in selling extra care housing elsewhere will be essential to deliver schemes in future.
- Provision of affordable rented units in new extra care development, in the context of the reducing availability of Social Housing Grant, may need to be funded in part through subsidy from units for sale and/or contributions of land at below market value.

Site selection reports have been undertaken by the Council in relation to developing ECH in Amlwch and Llangefni. A preferred site has been identified in Amlwch, land in the Council's ownership at Maes Mona. A preferred site has not yet been identified in Llangefni.

In order for ECH development to be sufficiently financially attractive to a development partner, it is likely that preferred sites within the Council's ownership will need to be made available to a development partner at below market value. Any such financial contribution will require an assessment of the financial payback period to the Council based on an assessment fo the projected cashable savings and the projected cost avoidance associated with developing and using ECH instead of using residential care.

5. The Commercial Case

Summary

Older people who gave their views did not want to live in a residential care home.

Older people put a very high value on maintaining their independence.

The option to 'downsize' to smaller, more manageable, accessible and conveniently located properties, such as ECH, should prove attractive to significant numbers of people

Housing Associations that were consulted all consider Anglesey to be a suitable location for ECH development, however whilst they are interested in developing ECH in Llangefni none of them are committed at that this stage to developing ECH in Amlwch.

This section of the business case assesses the commercial case for ECH in Amlwch and Llangefni. This was undertaken through 'reality testing' the assumptions and proposed ECH model by:

- Facilitating discussions about extra care housing with two groups of older people at the Age Well centre in Amlwch and one group in Llangefni (consisting of members of the Over-50s Group's steering group). Each of these three groups had between 6 and 12 participants;
- Analysing the 212 responses to the council's 'Have your say' questionnaire which went out to people in the Amlwch catchment area. The sample represented a good mix in terms of age groups, gender, tenure and those who had lived in Anglesey all or most of their lives, compared to those who had moved into the area to retire. A 'Have your say' market testing questionnaire is currently underway for Llangefni.
- Undertaking discussions with local RSL partners of the Council in relation to the proposed model/s of ECH and testing the feasibility of developing in Amlwch and Llangefni.

5.1. Demand for ECH: Older People's Views

94% of the survey respondents felt that their current home was suitable for them now but only half were confident that it would remain so in future. The size of the garden and house were the most common explanations for this (with 42 and 34 people mentioning these respectively); the cost of maintaining/ heating the property came next (with 21 people mentioning both); the inaccessibility of the property or its isolated location were mentioned by a smaller but still significant group of people (18 and 11 respectively). This suggests that options to 'downsize' to smaller, more manageable, accessible and conveniently located properties should prove attractive to significant numbers of people. Demonstrating or guaranteeing that heating and maintenance costs would be lower in extra care housing than in a typical 3-bed home could be also be a persuading factor for some.

5.1.1. Attitudes to residential care and ECH as an alternative to it

All the people we spoke to were very clear – they did not want to live in a residential care home. Most people understood the difference between residential care, in which "a person just has their room with lots of people sitting on chairs in a large communal room", versus ECH where you have your own space and privacy. Most people we spoke to put a very high value on maintaining their independence, for example through being able to cook, clean and look after themselves, and being able to come and go as they pleased, with space to entertain and pursue their hobbies. Many of the older people we spoke to had a good level of knowledge and understanding about ECH and how it works. However, some felt there would always need to be some more intensive care settings for those who had advanced dementia and/or needed nursing care.

5% of survey respondents said they were already living in a care home and there were four positive comments specifically relating to the service received at Brwynog. The majority of people said they would prefer to remain in their own home (or move to a smaller/ more accessible house) and receive support at home if they developed care needs. Of the other options, moving to sheltered housing was slightly more popular than extra care housing in Amlwch and moving in with family. Moving to residential care, followed by moving to extra care housing in another area were least popular. However, as the members of the Llangefni focus group pointed out, "people need to know what extra care housing is to be able to express an opinion about it".

Interestingly, when we asked people how important some of the individual features of extra care housing would be to them if they were to consider moving, the results were clear. 93% said that 'living independently (i.e. having your own front door, kitchen, lounge, etc) even if you needed support from others' would be 'very important'; the remaining 7% said it would be 'quite important'. This and the third most popular factor '(being able to live with a partner and/or have friends or family to stay overnight') are probably the two main differences between housing and residential care models. The second most important factor would be 'knowing that care and support are on-site and help can quickly be called day or night' – this is the key distinction between sheltered and extra care models.

However, some of those we spoke to raised questions and concerns about how ECH would fit in with and impact on the rest of the social care system. Would this reverse the council's current policy of trying to support you in your own home as far as possible? Was this part of or different from the council's plans around 'community hubs' and what would the implications of this be for the popular and vital Age Well services? Would ECH just be for people with dementia? We encountered some mistrust of the council: clarity and transparency will be vital moving forwards and people may be more willing to work with a housing association.

5.1.2. Affordability

Those we spoke to were concerned about whether they would be able to afford all the additional service charges and potential costs of care on top of the basic rent/ initial cost of buying a leasehold unit. They felt there was a lot of uncertainty in relation to the long term affordability of ECH, though most agreed that really clear information about exactly what ECH would cost should help them to make decisions about this.

In the survey, more people reported being concerned about the affordability of *care* in future than the affordability of fuel/ heating or the general cost of living. 57% expected to have to pay towards the cost of care and were not confident they would be able to afford this comfortably.

5.1.3. Tenure

The survey responses in relation to tenure were interesting. 70% of all respondents said they were owner occupiers and the vast majority of them wanted the option to move to somewhere that they owned or part-owned if they needed to move. 66% of owner occupiers said this was 'very important' and 21% said it was 'quite important'. This does not necessarily mean that these people would all consider buying a unit in an extra care scheme but it does emphasise the importance of offering this option if around half of older people are not to be immediately put off by the fact that this tenure option is not available.

In our conversations with local older people, some people said they might consider buying a leasehold property in an ECH development if it was sufficiently attractive and affordable; however they were also aware of some of the issues around sinking funds, exit fees and one-off maintenance charges and said they would need clear information from a provider they felt they could trust.

The nature of the housing market is also an issue – house prices, particularly in Amlwch were reported to be relatively low and it can take a long time to sell properties, both here and sometimes in Llangefni. Some felt this might be a barrier to buying an apartment in ECH. Some people would be interested in any 'scheme' a housing association or the Council could develop to help people to sell. Most people agreed with the idea of a mixed tenure model – i.e. one which contains options for people in different financial circumstances and with different tenure preferences.

5.1.4. Components of a good ECH scheme

When survey respondents were asked to rate the importance of 8 different aspects of a place they might consider moving to in future, considerations about location were ranked fourth and fifth, with access to shops, health, leisure, etc., followed by access to public transport. In our conversations with older people in Amlwch and Llangefni, people felt that a good (ideally fairly flat) location with a pleasant outlook, close to amenities and public transport would be very important if an ECH scheme were to be attractive. People understood that additional shared facilities pushed up charges and might not be feasible in a smaller scheme; they recognised the need to strike a balance between affordability, scheme size and creating something luxurious.

If all or most of the features that mattered most to people were available, 65% would consider living in Amlwch, 9% in Llangefni, 18% said 'anywhere on Anglesey' and 17% gave alternative locations on the island (there was no clear pattern here). Some ticked more than one of these options; however 19% said they would not consider moving.

In our conversations, people stressed the importance of excellent management and careful allocations if a balanced and harmonious community of people across a range of age groups, with a range of support needs (including dementia) and possibly including social tenants and leaseholders is to be achieved. Some expressed concerns about who might move in next door and whether entry criteria might end up being relaxed (as in some sheltered schemes)

if there were problems with demand in future. Clarity about eligibility (in terms of age, local connection, and care needs) and whether pets are allowed will be important.

5.1.5. Next steps

There was a general sense that the council needed to do 'lots of research' to get all of this right. Specifically, people felt that there was a need for further 'market research' with local people and that existing groups of older people should be involved in the developing plans. People were keen to hear more about the different types of models and have the opportunity to understand them and feedback their views.

5.2. Developing ECH: Registered Social Landlords

Meetings were held individually with three local housing association (RSL) partners:

- Pennaf Housing;
- North Wales Housing Association;
- Grŵp Cynefin.

Discussions were held in relation to:

- Evidence of need for ECH in Amlwch, Llangefni and other locations in Anglesey;
- Models of ECH;
- Financial considerations including tenure mix;
- Commissioning considerations;
- Sites and locations.

The outcomes of these meetings is summarised in table 5.1 (below).

Table 5.1 Summary of outcome of RSL meetings

	Pennaf Housing	**North Wales Housing Association**	**Grŵp Cynefin**
Evidence of need for ECH in Amlwch, Llangefni and other locations in Anglesey	Accepted need for ECH in Anglesey in a 'south of the island' location and Llangefni. Did not accept evidence of need for ECH in Amlwch	Accepted need for ECH in Anglesey in a 'south of the island' location and Llangefni. Did not accept evidence of need for ECH in Amlwch	Accepted need for ECH in Anglesey in a 'south of the island' location and Llangefni. Did not accept evidence of need for ECH in Amlwch
Models of ECH	At existing schemes they are landlord and support provider at some schemes (depending on local authority commissioning arrangements). Care providers are either the local authority or a local authority appointed provider	At existing schemes they are landlord and support provider at some schemes (depending on local authority commissioning arrangements). Care providers are either the local authority or a local authority appointed provider	At existing schemes they are landlord and support provider at some schemes (depending on local authority commissioning arrangements). Care providers are either the local authority or a local authority appointed provider
Financial considerations including tenure mix	All existing scheme are for rent. Have no track record of sales within ECH schemes.	All existing scheme are for rent. Have tried to a limited extent to encourage sales and shared equity sales but not successfully to date.	All existing scheme are for rent. Have no track record of sales within ECH schemes.
Commissioning considerations	Interested in either being landlord and support provider or just landlords. No interest in becoming a domiciliary care provider.	Interested in either being landlord and support provider or just landlords. May consider becoming a domiciliary care provider in the future.	Interested in either being landlord and support provider or just landlords. Actively considering becoming a domiciliary care provider in the

	Pennaf Housing	**North Wales Housing Association**	**Grŵp Cynefin**
	Willing to consider a model of ECH that includes a 'community hub'. Pennaf are currently developing a scheme in Wrexham that will include a 'health hub' although final details to be confirmed.	Willing to consider a commissioning model where landlord also provides support/overnight support with domiciliary care made available clients via direct payments. Willing to consider a model of ECH that includes a 'community hub'	future including within ECH. Willing to consider a commissioing model where landlord also provides support/overnight support with domiciliary care made available clients via direct payments. Keen to include a 'community hub' as part of a model of ECH.
Sites and locations	Expressed interest in developing ECH in a 'south of the island' location but not Llangefni or Amlwch.	Expressed interest in developing ECH in a 'south of the island' location and Llangefni but not Amlwch. Aware of possible sites in Llangefni but do not assess as suitable.	Expressed interest in developing ECH in a 'south of the island' location and Llangefni but not Amlwch (however see below regarding potential Joint Venture Partnership).

In summary the RSL interests in developing ECH in Anglesey are:

- Pennaf – 'south of island' (location to be determined);
- NWHA – Llangefni and 'south of island' (location to be determined);
- Grŵp Cynefin - Llangefni and 'south of island' (location to be determined).

All the discussions with RSLs were very constructive and all consider Anglesey to be a suitable location for ECH development, however none of them are committed at that this stage to developing ECH in Amlwch.

Grŵp Cynefin may consider Amlwch (potentially) if it was part of what they term a 'joint venture partnership' with the Council. They see this as an alternative funding and business model (between them and the Council) where both parties put together a 'joint venture partnership', committing funding by both parties, and then seek private sector investment in, potentially, a number of ECH schemes.

Alternative options for consideration to achieve some form of ECH in Amlwch could include; in summary:

- Develop ECH at Llangefni and at a 'south of island' location first and then determine if a partner can be persuaded to develop at Amlwch;
- Consider using the 'joint venture partnership' model suggested by Grŵp Cynefin;
- Assess and cost the potential for using the existing Council sheltered scheme at Amlwch as ECH (but on a smaller scale than a new build ECH). This would require an assessment of the scheme/assets (as has happened at a sheltered scheme in Llangefni) to assess the feasibility, costs, and site suitability for some limited new building alongside the existing housing units.
- Identify and enter discussions with private sector developers to test their willingness to consider developing ECH in Amlwch;
- Testing the feasibility of offering the residential home, Brwynog, to potential ECH development partners as part of a larger development opportunity in Amlwch.

Whilst all of these may be potentially possible they do not provide an identifiable extra care delivery partner for Amlwch at this stage.

NWHA and Grŵp Cynefin are potential delivery partners for ECH in Llangefni.

NWHA, Pennaf and Grŵp Cynefin also consider the 'south of island' to be a potential location for an ECH scheme.

6. The Management Case

Summary

Key considerations in relation to commissioning ECH include:

- The requirement for ECH to provide a viable alternative to the use of residential care services;
- The need to deliver financial savings and efficiencies for the Council;
- To attract RSLs or other organisations to consider developing ECH in Anglesey;
- To avoid the commissioning 'model' adopted at Penucheldre.

An integrated 'core service', consisting of 24/7 on-site support and overnight care staffing, combined with personalised 'add-on' packages of domiciliary care as necessary should enable an ECH scheme to act as an effective (and generally cheaper) alternative to residential care.

The Council will work within the appropriate procurement guidelines to ensure that best value is achieved and due process is followed.

This section sets out the commissioning and procurement considerations and options to develop ECH in Amlwch and Llangefni.

6.1. Commissioning framework: Housing, accommodation and related support for older people

The IoACC report *Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support* sets out a commissioning framework as a 'model' for how the council will commission, provide and influence services in order to achieve its priorities and meet the needs it has identified amongst the older persons population. From the assessment of need and the expectations amongst older people and those who will become older people by 2033, (as set out in *Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support*) it is clear there is a requirement for a wider and more attractive range of housing, care and support options to those that exist currently.

ECH needs to be part of a whole system of provision both of care and housing services. The future development of housing and appropriate support and care services are mutually dependent: housing based alternatives to registered care need to support an ageing and increasingly frail population and promote a culture of independent living.

There is also a need to ensure that developments regarding Extra Care Housing have a strategic fit with the use of the Council's Sheltered Housing in helping to meet a range of housing, care and support needs, (an assessment of the role of the Council's Sheltered Housing is outside the scope of this business case).

Table 6.1 (below) sets out a suggested framework for understanding the 'menu' of different housing, accommodation and related support options.

It is proposed that this 'menu' is used as a framework for future commissioning of housing, accommodation and related support services for older people. This is not intended to be exhaustive: it is about having a *range* of housing and accommodation options available.

This framework responds to the following trends and expectations

- Most older people will live in their own homes in the community with domiciliary care packages as required;
- Some older people will live in ECH including those with care cares who would otherwise have needed to move to registered residential care;
- The use of registered residential care is declining as older people are supported in their own homes. This trend will increase as ECH is developed;
- Registered nursing care and dementia care homes will provide an option for those older people who have levels of care and nursing related needs that cannot be met in people's own homes or in ECH.

Table 6.1 Commissioning Framework: Housing, accommodation and related support services for older people

Types of care/support	**Types of housing/accommodation**				
	Mainstream housing	**Designated older people's housing.** **Sheltered housing (for rent)** **Retirement housing (for sale)**	**Extra care housing (including upgraded sheltered housing) Assisted living (private sector extra care)**	**Housing based provision for dementia (part of extra care housing)**	**Registered nursing care and complex needs/ dementia care**
Telecare	Tiered Telecare packages available		Telecare and on-site response	Telecare and on-site response	N/a
Domiciliary care (including 24/7 care)	Care in a person's own home based on need		On-site 24/7 care	On-site 24/7 care	On-site 24/7 care
Support/housing related support	Support in a person's own home based on need		On site support	On site support	N/a
Respite provision	In community or available at extra care housing/registered care schemes		Potentially based on site	Potentially based on site	Potentially based on site
Community hub model			Potential base for community hub		

Based on Anglesey Older People Needs Assessment 2013-2033. Housing, Accommodation and Related Support

6.2. Commissioning arrangements for ECH: Commissioning options

Local authorities have adopted a variety of commissioning approaches and 'models' for commissioing ECH. These have tended to be led by the funding 'streams' that pay for the elements of ECH (e.g. Supporting People funding for 'housing related support' and Adult Social Services for care funding) rather than being based on an explicit commissioning framework and the desire to commission a service that is 'seamless' from a residents perspective.

Table 6.2 below summarises the principal commissioning options.

Table 6.2. ECH Commissioning Options

Option	Commissioning 'model'	Commentary
1	♦ Housing provision – RSL ♦ 'Housing related support' provision – RSL or another provider ♦ Care provision including overnight care staff – separate care provider (independent sector or local authority) On-site or off-site	♦ Distinct and separate providers for different elements of the service ♦ Separation of housing from support and care ♦ Care has tended to be procured separately using 'block' contracts. ♦ Less flexible for residents in terms of using Direct Payments to purchase care ♦ Local authority tends to be 'locked' into less flexible cost model associated with 'block' contracts ♦ Block contracts for care offer care providers certainty and financial security ♦ Housing provider has no control over the care provider in their ECH scheme (although they may have had role in appointment with the LA) ♦ Potential for a less seamless service for residents. ♦ Local authority has separate contracts for support and care.
2	♦ Housing provision – RSL ♦ 'Housing related support' provision – RSL ♦ Care provision including overnight care staff – separate care provider (independent sector or local authority). On site.	♦ Separation of housing and support from care provision ♦ Care has tended to be procured separately using 'block' contracts. ♦ Less flexible for residents in terms of using Direct Payments to purchase care ♦ Local authority tends to be 'locked' into less flexible cost model associated with 'block' contracts ♦ Block contracts for care offer care providers certainty and financial security ♦ Housing provider has no control; over the care provider in their ECH scheme (although they may have had role in appointment with the LA) ♦ Potential for a more seamless service for residents. ♦ Local authority has separate contracts for support and care
3	♦ Housing provision – RSL ♦ Core 'service' including support (wider definition than 'housing related support) and overnight care staff provision – RSL or care	♦ Housing provider is both landlord and responsible for ensuring the provision of the 24/7 'core service' in an ECH scheme – support and overnight staff provision. ♦ Support is more flexible than definitions based on 'housing related support' ♦ Boundaries between support staff and staff providing the overnight service are removed ♦ Residents who need care can opt to receive a Direct Payment to purchase their care from on-site

Option	Commissioning 'model'	Commentary
	partner ♦ Care provision – Care provider either independent sector or RSL managed. On-site.	care provider (or another care provider) or instruct the Council to purchase it on their behalf ♦ Domiciliary care model within ECH mirrors model for domiciliary care in the community ♦ On site care provider may be the RSL or another care provider ♦ Local authority has contract with the RSL for the delivery of the ECH service and the outcomes to be achieved. ♦ Local authority does not have block contracts for care provision ♦ Local authority has certainty about its level of funding for 'core service' but only funds care that is needed (rather than through a 'block contract) ♦ RSL has the responsibility for ensuring the delivery of a 'seamless' service to residents.

This is not intended to be exhaustive: it is possible to vary these housing, care and support options.

Key considerations in relation to commissioning ECH include:

- The requirement for ECH to provide a viable alternative to the use of residential care services;
- The need to deliver financial savings and efficiencies for the Council;
- To attract RSLs or other organisations to consider developing ECH in Anglesey;
- To avoid the commissioning 'model' adopted at Penucheldre.

Although it could be possible to employ each of the three commissioning options in the table above to seek to be consistent with these considerations, Option 3 is likely to provide the most consistent 'fit' with these considerations.

Avoiding the use of block contract for domiciliary care within ECH is a key mechanism for managing the care costs within an ECH scheme as the Council effectively controls both the assessment process that determines eligible need and the cost of care: the Council only funds care that is delivered based on residents' assessed eligible needs. There is also scope to further manage these costs by strict oversight of all domiciliary care packages within an ECH scheme by a social worker/s. It is assumed that the Council will not be a provider of domiciliary care within ECH schemes.

The integrated 'core service' model of 24/7 support and overnight staff provision ensures that an ECH scheme has in place the core building block to be an effective alternative to using residential care with packages of domiciliary care that can be individualised and are flexible to meet individuals' specific needs (within the constraint of being at a lower cost compared with a placement in residential care).

An advantage for the Council is that it places the responsibility on a RSL to manage and deliver the ECH service with the potential to also be the care provider or to appoint an on-site care provider with the Council. The advantage for a RSL is that they have control over what happens in their ECH scheme rather than having a care provider externally appointed by the Council.

The funding for such an integrated 'core service' would typically be from a mix of Adult Social Services and Supporting People funding but with the intention of having a jointly commissioned service model. It avoids separate commissioning of 'housing related support' and care being based on 'artificial' funding stream distinctions with the aim of providing a 'seamless' service experience for residents.

6.3. ECH: Specification

The specification for ECH is intended to guide what extra care housing should be like as an attractive proposition to older and disabled people. This should guide new build development, however a pragmatic approach will need to be taken to upgrading existing sheltered housing schemes in terms of how 'close' an upgraded scheme can get to these features. The table at Annexe 2 summarises the suggested 'essential' and 'desirable'

components of extra care housing for both new build and upgrading/redevelopment of sheltered housing.

For economic reasons the usual minimum size of a financially viable development is about 50-60 properties. However given the small size of most settlements in Anglesey and the need to be flexible to site constraints and what RSLs are able to develop smaller schemes will need to be developed.

6.4. Procurement Considerations

There are a number of approaches that the Council can adopt to procure ECH:

(A) A formal procurement exercise to select appropriate providers (such as but not limited to housing organisations) that the Council will work with to deliver the required ECH;

(B) Where there is Social Housing Grant involved, work with an 'approved list' of a RSLs that the Council can work with to deliver the required ECH including the provision of the 'core service' model set out in section 6.2. (above);

(C) Work with any provider that can demonstrate the ability to deliver against a specification for the required ECH;

(D) Procure domiciliary care within ECH schemes separately from the 'selection' of RSLs/housing providers to deliver ECH schemes.

These options are not exhaustive.

It has typically been considered 'good practice' to procure housing within ECH separately from care/support. Support is intrinsically linked with people being able to live successfully in their own homes. This support may vary from very low level to help manage a tenancy and the essentials of daily life to an intensive package of domiciliary care to help manage all aspects of life.

However as the 'model' of social care moves towards citizen-directed support with an individual able to choose (within specified boundaries) how to spend funding to meet their eligible care needs, then the choice that an older/disabled person is making is essentially whether to move to an ECH scheme or not with the ability to purchase care from an on-site provider if they wish (or to opt for a managed service with a care package funded by the Council).

6.5. Proposed approach

The Council will work within the appropriate procurement guidelines to ensure that best value is achieved and due process is followed.

In proceeding to develop ECH the Council will:

- Undertake a consultation process in both Amlwch and Llangefni;
- Complete an Equalities Impact Assessment for both areas.

7. Summary of Evidence

This business case brings together evidence to demonstrate that:

- There is sufficient need and demand for ECH in Amlwch and Llangefni, in terms of demographic trends and care needs;
- ECH promotes quality of life and positive outcomes for older people in terms of their physical health and safety, independence and social wellbeing;
- Older people who are currently living in their own homes in Amlwch and Llangefni are very keen to continue living independently (i.e. with their own front door and housing rights) should they need to move out of their current homes. Most are adamant that they do not want to live in residential care;
- There are a number of financial savings[4]:
    - It is more cost effective for the Council to provide care in an Extra Care Housing setting as opposed to in Residential Care. These savings are projected to be between £139,362 and £156,333 per annum in Amlwch, and between £152,922 and £170,193 per annum in Llangefni (figures are dependent on the model of care delivery).
    - Cost avoidance - there are further savings from not having to fund the cost of bringing the homes up to an acceptable standard. Over three years these figures are estimated as: Brwynog £257,946 and Plas Penlan £388,983.
    - There would also be additional capital receipt should the homes/sites be sold
- ECH is usually a more financially attractive option for older people compared with residential care; the maximum financial contribution for care within ECH is lower than that within residential care and, in addition, an older person living in ECH is entitled to the full range of welfare benefits so will usually have a higher net weekly income.
- Developing ECH in Amlwch and Llangefni is financially sustainable for the Council.
- It is not financially and strategically sustainable for the Council to commission ECH in Amlwch and Llangefni **and** to be a provider of residential care in these areas;
- Potential partners for the development of ECH in Llangefni have been identified; the Council is working to identify a partner or partners in Amlwch. This will involve looking at a range of ways in which ECH can be delivered in both areas.

[4] It should be noted that these figures are based on net revenue budgets for 2013/14 & need to be updated for 2014/15. They also exclude an allowance for depreciation and health. In addition there will be one-off costs – at the due point in time - of closure of any homes, including staff redundancy as well as the possible cost of alternative residential placements for some clients, this estimated as: Brwynog £228k and Plas Penlan £339k

Annexe 1. Financial Model: Assumptions

1. Some residents of ECH will be self funders, i.e. they will be funding the rent, service charges, other charges and care costs (up to a maximum of £55 per week for care) from their own resources. However the percentage of residents who are self funders will vary between extra care schemes based on location and allocation policies and practices.

2. The hourly rate for care that will apply in an ECH scheme is assumed to be £13.05 per hour. This rate will be fully inclusive of all costs. This is based on an hourly rate of £14.50 minus 10% to allow for there being no travel costs.

3. Care within an ECH scheme is provided within designated 'care bands'. These bands are intended to ensure that there is a balance of high, medium and low dependency needs in the scheme. The following care bands are assumed to apply:

    - Low is 0-7 hours of care per week;
    - Medium is 7-14 hours care per week;
    - High is 15+ hours care per week. It is assumed that some clients with high needs would be eligible for health funding as part of their weekly care packages.

4. 75% of the units at an ECH scheme are for people with care needs. Of these:

    - 60-70% of these units will be for clients who are either in residential care homes or could be 'diverted' from entering into a residential care home with an appropriate package of care at an ECH scheme. These clients are assumed to need on average 17.5 hours p/w of care (equivalent to average of 2.5 direct care hours per client per day) in an ECH scheme.
    - 30-40% of these units will be for clients receiving a domiciliary care package within their existing home in the community.

5. The funding for the 'core service' will be made up of contributions from the following sources of income available to the ECH provider:

    - Rent;
    - Service charges;
    - Charges levied for other services;
    - Funding from IoACC.

6. All the costs of an ECH scheme manager and up to 25% of other staff (support based staff) can be met potentially through rent and service charges.

7. The funding contribution from IoACC towards the cost of the core service, i.e. support staffing and overnight staffing, in an ECH scheme is based on:

    - The equivalent of 2 full time equivalent (FTE) support staff at an extra care scheme of 80 units; equivalent to approximately £60,000 per annum.[5]. The

[5] Based on Welsh Government Supporting People Guidance (£30,000 FTE support worker cost)

funding contribution payable by IoACC is based on a pro rata calculation for an ECH scheme based on the number of units of accommodation (compared with a scheme of 80 units) e.g. a 40 unit ECH scheme would receive £30,000, equivalent to £14.42 per unit per week). On the attached spreadsheet this is referred to as 'Annual cost of core service (support)'.

- Overnight staffing provision based on either a 'sleep-in' model or waking night model. On the attached spreadsheet this is referred to as 'Annual cost of core service (night care)'.

  Sleeping-in staffing model.
  This is based on a £70 per night rate for one member of staff on site for a 9 hour period overnight (e.g. from 10.30pm – 7.30am). This is equivalent to £25,480 per annum.

  Waking night staffing model.
  This is based on an hourly rate of £13.05 for one member of staff on site for a 9 hour period overnight (e.g. from 10.30pm – 7.30am). This is equivalent to £42,751 per annum.

8. The total annual funding contribution from IoACC towards the 'core service' in an ECH scheme is based on the assessed pro rata contribution towards the costs of providing support and the costs of overnight staff provision.

Annexe 2. Outline specification for ECH

Features of extra care housing	New build development: extra care housing		Upgrading of sheltered housing: extra care housing	
	Essential	Desirable	Essential	Desirable
Self-contained dwellings of a minimum of 50m2 for 1 bed apartment, 60m2 for 2 bed. They should include a kitchen and bath/shower room.	x			x
Design should reflect the restricted mobility, mental health and other needs of residents. Lifetime Home Standards are desirable.	x			x
Designs need to be dementia friendly. There needs to be provision for people with severe disabilities requiring full wheelchair accessibility specification and tracking for hoists. Some provision will need to be suitable for older people with learning disabilities.	x			x
Services should include an on-site care and support team available 24 hours a day. Adequate staff facilities commensurate with the scale are necessary.	x		x	
It is anticipated that most extra care schemes will provide a base for care and support staff to provide outreach services to the locality.	x		x	
Developments should have a range of communal facilities that go beyond those of traditional sheltered housing but are commensurate with size.	x		x	
Mixed tenure rather than mono-tenure developments are preferred.		x		x
Lettings and sales should be managed and aim to provide for a balance of levels of need. The mix will be set scheme by scheme.	x			x

Features of extra care housing	New build development: extra care housing		Upgrading of sheltered housing: extra care housing	
	Essential	Desirable	Essential	Desirable
As a minimum all schemes, as in normal sheltered housing, should have an alarm system and remote door entry. It is desirable that a range of environmental sensors and personal assistive technology is easily available on an individual basis. This helps ensure safety and security but also assists in the economic provision of some aspects of care.	x		x	
The provision of meals via some form of restaurant/café is typically an essential component however in smaller schemes, freshly cooked meals on site may be financially unrealistic.	x		x	
Communal facilities should generally be available to the wider community. In the case of a restaurant/cafe this helps aid viability.	x		x	
Arrangements between the care and housing provider will vary. It is suggested that this does not preclude the landlord also being the care and support provider where they win a care tender or where chosen by occupiers with direct payments or who are self-funders.		x		x
The culture of schemes should generally be such as to promote independence and healthy, active ageing and avoid creating unnecessary or premature ageing. Social and health activities are seen as an essential part of this ethos in extra care.	x		x	

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