



Commissioning Strategy for Extra Care Housing

**March 2010
Version 9**

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1. Introduction

1.1 Overview

The extra care housing programme being developed for Devon is intended to help older people achieve greater independence and well being, by giving them more choice over housing and care options. Furthermore, extra care housing will help divert older people from moving into residential care and will allow the county to reinvest resources in preventative services.

1.2 Extra care housing

Extra care housing enables older people to live in their own apartments in a designated development for older people, with 24 hour care and support services on site.

The key features that modern extra care housing should include are as follows:

- Accessible specially designed housing that enables independent living for older people including those with physical or learning disabilities;
- The inclusion of telecare to enable people to live safely in their own apartments and to monitor those who have dementia or other mental health problems;
- The provision of communal facilities to allow community activities to be organised and to provide other services (e.g. a café/restaurant, assisted bathing);
- Flexible 24 hour care delivered by an on site care team;
- The development of a mixed community including those with different levels of ability and the provision of apartments with different tenures and number of bedrooms;
- The development of sites that maximise economies of scale i.e. 50 plus units.

The dependency mix of residents varies with all schemes aiming to achieve a balance between high, medium and low needs, and some providing accommodation and care for a proportion of people with dementia.

Extra care housing is not intended to be a substitute for sheltered housing or flexible community support services for older people. Instead, extra care housing is intended to complement other types of provision for older people, particularly for those who are unable to continue living in their own homes but wish to live in an independent setting with care and support staff on site.

1.3 Close Care Housing

For those living in more rural communities, where the community and population could not sustain the need for a 50 bed extra care scheme, Devon is proposing to commission clusters of 'close care' apartments in close proximity to existing Residential Care Homes. Close care involves the provision of accommodation specifically designed for older people on, or nearby, a Residential Care Home site. The capacity of the Home would be enhanced to provide the care and support services necessary to meet the assessed needs of those living in the apartments.

This model does present some challenges as there will need to be land available in close proximity to Residential Care Homes and Homes will need to be in locations where close care is most required; which is likely to be in or near smaller market towns. One possibility would be to explore whether the Homes have any surplus land that could be used for the development of close care.

There may be some opportunities for extra care housing to provide additional care to older people living nearby in designated housing for the elderly.

1.4 What are the benefits of extra care housing and close care?

The perceived benefits of extra care housing and close care are as follows:

- providing affordable housing, care and support to older people.
- giving older people greater choice and control over housing and care options;
- enabling people to maintain their independence in their own self contained accommodation;
- promoting well being;
- reductions of admissions to residential care homes;
- reductions of admissions to hospital;
- reduced cost to adult social care budgets

2. The Strategic Context

2.1 Introduction

Demography means that an increasing number of people are living longer, but with more complex conditions such as dementia and chronic illnesses. By 2022 20% of the English population will be over 65. This trend is even more marked in Devon where the population is ageing at a faster rate than that for England.

There have been strategic responses to these demographic changes at national, regional and local levels. Extra care housing for older people is recognised as an important element in preventing older people from moving into residential care and increasing choice and independence.

2.2 The Changing Aspirations of Older People

The aspirations of older people are changing. There is research evidence to indicate that up to four fifths of older people would prefer to stay in their own home for as long as possible. The vast majority of older people are able to remain living in their own homes, with many supported by carers.

There are, however, older people who would like to move house and live in accommodation that is better located, more accessible and easier to maintain. One of the main issues is the lack of housing options, with sheltered housing or residential care being the only choices available.

There are a number of themes related to the changing aspirations of older people and these are:

- Most older people want to retain independence and control;
- The accommodation provided matters and most older people want accommodation that feels like ordinary housing, provides security and is reasonably spacious (with many preferring two bedrooms);
- Older people who are owner occupiers are often reluctant to move into rented sheltered accommodation or residential care because they do not want to erode their capital;
- Older people are more economically active and if they are paying for services they want flexibility, quality and choice.

2.3 The National Context

The Government has published a number of strategies that take account of the changing aspirations of older people for housing, care and support. These strategies aim to promote independence and well being in later life.

Life Times Homes, Life Times Neighbourhoods, the National Strategy for Housing in an Ageing Society was published in February 2008 and aims to increase the housing options available to older people. The strategy recognises that most housing and communities are not designed to meet people's changing needs as they grow older and that older people's housing options are too often limited to care homes or sheltered housing. One challenge the strategy identifies is getting the right range of

good quality specialised housing (in particular extra care housing) to expand choice and meet projected future demand. Another is ensuring that there are improvements to the quality of all forms of specialised housing. The strategy outlines a new positive vision for specialised housing as somewhere older people will aspire to live in later life.

There are a number of new approaches that have arisen out of *Our Health, Our Care Our Say* (DOH 2006) which set out the importance of shifting resources into prevention, joint health and social care commissioning, tackling health inequalities and providing care nearer home. *Putting People First* (DOH 2007) sets out the Government's commitment to independent living for all adults. Increasingly there is a greater emphasis on providing personalised services to meet the needs of individuals, including the use of Individual Budgets.

Extra care housing is central to the aims of independent living, prevention, well being and choice. Extra care housing can provide personalised care and support services that can be tailored to the needs of individuals, with additional care being provided as and when it is required.

2.4 The Regional Context

The recent report '*Putting Older People First in the South West – a regional market assessment*' highlights that one of the key features of the South West is that it has an ageing population and that both men and women have the longest life expectancy in England. The projected population aged 65 and over in the South West is expected to increase by 44% during the period 2008 to 2025. The proportionate increase in the number of people aged 85 and over is even higher with an increase of 57%.

The report provides a comprehensive overview of the regional housing market for older people. It found that there are wide variations across the region in the level of provision of extra care housing, as well as variations in the amount for rent and sale. The report recognised that there is a need for more extra care housing and recommended that local housing and social care authorities should establish the level of need for this type of housing in each area and the appropriate balance between rent and sale.

There is a regional target that 10% of all new social rented housing should be either for people receiving specialist support services or specialist provision for older people. The report recognised that no single agency can deliver extra care housing in the volume that will be needed in future years and that extra care housing schemes can only be developed and maintained through a partnership of stakeholders, including planners, commissioners, providers and developers.

The Northern Peninsular Strategic Housing Market Assessment (SHMA), which includes the districts of North Devon and Torridge, has identified a substantial requirement for extra care housing, preferably in the areas where older people already live. The report warns that without this provision there is a risk of a 'log jam' in the turnover and supply of future family housing. The Exeter and Torbay SHMA, which includes the City of Exeter and the districts of East Devon, Mid Devon and Teignbridge, did not specifically identify a requirement for extra care housing. Instead

this SHMA found that a small proportion of older people, whose homes were not meeting their housing needs due to a health problem, had a requirement to move to another home – about 700 households across the sub region. The Plymouth SHMA, which includes South Hams and West Devon, did not specifically identify the need for extra care housing although the districts’ own housing strategies do.

2.5 The Local Strategic Context

Following a fundamental review of social care services in Devon, and a Best Value Review of Frail Elderly Accommodation, Devon County Council has embarked upon a modernisation programme to transform care services in Devon. Delivery of its vision for extra care housing in Devon is key element of this radical change programme.

There is considerable support from the district councils and the City of Exeter for an extra care housing programme. These housing authorities recognise that, with the increasing older population, there needs to be greater choice over housing options and an alternative to moving into residential care. These councils are also in a position to identify whether existing sheltered accommodation may be suitable for re-modelling and whether suitable sites are available for new build extra care housing schemes.

3. The Devon Model of Extra Care Housing

3.1 Vision for extra care housing

Devon's vision for extra care housing can be summarised as follows:

Devon intends to develop an extra care housing programme to promote the health and well being of older people who wish to live independently and to provide an alternative to residential care. The aim is to increase housing and care options for older people, including providing person centred care and support and accommodation for rent and sale. The county recognises that many older people live in isolated rural areas and a model of close care will be developed whereby designated housing for older people will be located near to existing residential care homes.

3.2 Devon's Model of Extra Care Housing

All extra care housing schemes in Devon will provide independent living apartments for older people, with 24 hour care and support provided by an on-site team, and with a range of communal facilities available to support both residents and the wider community. Extra care housing schemes will offer a range of both in-reach and out-reach services.

- **Extra care schemes**

Devon considers the optimum size for an extra care housing scheme to be 50 apartments in order to achieve economies of scale without detracting from the quality of life enjoyed by residents and to avoid schemes feeling 'institutional' in nature. Schemes can either be newly purpose built, or can be remodelled from existing sheltered housing schemes where feasible and viable.

Extra care housing schemes should provide a mix of one and two bed apartments; the exact number will be negotiated for each scheme but ideally Devon would like to see at least 50% of each. In addition, Devon wishes to see a mix of tenure in each scheme to reflect the fact that around 75% of older people in Devon own their own homes; again the proportion will be negotiated for each scheme to reflect market conditions.

Those apartments that are for sale will only be available to older people who require on site care and support services, as will any resale of the apartments. The model will involve the apartments being available in perpetuity for older people who need extra care housing.

- **Dependency mix**

All people moving into extra care housing must have an assessed need for care and support, as well as a housing need. However, it is important to maintain a balanced level of need within each scheme. In Devon, allocations into extra care housing will be made on the basis of 50% of residents having high care and support needs (over 10 hours per week), 30% of residents have medium care and support needs (between 5 –

10 hours per week) and 20% having lower care and support needs (up to 5 hours per week).

- **Assessment and allocations**

Assessments will be made by Adult & Community Services (Care Direct Plus and/or Complex Care Teams) and allocations of apartments will be made by a multi-agency panel comprising a Joint Health & Social Care Cluster Manager, a District Housing Authority representative, the Care & Support Provider and the Landlord.

- **Location**

Extra care schemes must be located near good transport links and close to a wide range of community amenities and healthcare facilities.

3.3 General Principles of Extra Care in Devon

There are a number of overarching principles that should apply to extra care housing which are:

- To offer an alternative to residential care and sheltered housing;
- To create a resource for the wider community;
- To ensure staff can provide care and support discreetly;
- Variations in core design specifications, service charges, and services on offer should be kept to an absolute minimum between tenants and leaseholders in each scheme.
- Service charges need to be affordable so that individuals can afford to remain in extra care housing as a home for life

The general principles for the design of extra care housing in Devon are as follows:

| | |
|---------------------------------------|--|
| Apartments | Fully accessible self contained units of accommodation (best practice suggests 51m ² for 1 bed and 68m ² for 2 bed) that offers a ‘home for life’. |
| Accessibility | To provide an ‘enabling’, fully accessible environment that includes designing for mobility impairment, sensory impairment (visual and hearing), cognitive impairment and people with learning disabilities. |
| Non- institutional | To be domestic in style and avoid creating an institutional feel, both in terms of the built environment and also fixture and fittings used. |
| Welcoming and easy to navigate | The entrance should be clear and welcoming; with the building layout easy to understand, clearly signed, and private/public spaces obvious. |
| Communal space | To provide flexible communal space that can be used on a multi-functional basis. |
| Staff facilities | Should ensure that staff have the necessary functional facilities, such as changing area, rest room, sleep in facility, office space etc. |

3.4 Specific Requirements

There are a number of specific requirements that Devon would wish to see incorporated into an extra care housing scheme:

| | |
|--|--|
| Flexible multi functional rooms | Support wider community use, as well as resident use; through the inclusion of a number of flexible use rooms (ideally adjoining with removable walls to enable larger spaces to be created) capable of supporting uses such as: <ul style="list-style-type: none"> • Hairdressing • Foot care / other clinics • Therapies / treatments / consultations (ideally with adjoining en-suite facilities) • Community mentoring services / social groups • Hobbies / activities / clubs etc. • Memory Café etc. |
| Kitchen facilities | Provide kitchen facilities to enable freshly cooked meals to be provided. Kitchens to be self- sufficient and open / marketed for wider community use. |
| Restaurant/Café | Provide a restaurant / café area for both residents and the public to use. |
| Laundry | Enable residents to undertake their own laundry in their flats should they wish. In addition, a small communal laundry facility to be available for residents. |
| Privacy | Ensure ‘progressive privacy’ principles are adhered to, ensuring communal facilities are away from residents flats and ensuring that staff and the public do not need to walk through residents corridors to reach their destination. Also, keep the use of restrictive internal locking systems to a minimum. |
| Refuse | If possible, to offer refuse / recycling collection points on each floor for residents use. |
| Assistive technology | Make best use of assistive technology in managing the scheme and delivering care and support services to residents. Costs must be commensurate to the risks identified. |
| TV infrastructure | Provides a communal infrastructure to deliver cable/satellite digital TV to each flat and key communal areas (explore option of a concessionary TV licensing scheme), and broadband in each flat and key communal/staff areas. |

There are a number of specific requirements in relation to meeting specific needs and these are:

| | |
|-----------------|--|
| Dementia | Support to people with early onset / moderate levels of dementia from day one and support to severe dementia |
|-----------------|--|

| | |
|--|---|
| | suffers as their needs increase in the longer term. |
| Day care and intermediate or respite care | Devon may also wish to commission day activities, respite care and intermediate care within an extra care scheme, but this would be determined on a site by site basis. |

Some older people with learning difficulties may wish to move into an extra care housing development. Others may be already be living in a specialist accommodation based scheme for people with learning difficulties, or in supported living scheme, and may wish to remain living in these types services. The key issue will be to give older people with learning difficulties greater choice over their housing options.

3.5 Operational Principles

Devon County Council and its partners wish to see extra care housing schemes operating in a manner which:

- Promotes independence, healthy, active ageing, and overall general and emotional wellbeing.
- Promotes social inclusion for residents and the local community; ensuring that older people are not left socially isolated and lonely behind their own flat door. This should be through the development of close links with the local health and social care sector, voluntary sector and private/business sector to promote the use of the extra care scheme's facilities and services, to develop a full range/programme of activities/therapies/treatments/services that could be provided to residents and the local community within the scheme.
- Empowers residents to have a strong and active say in how they wish to see their scheme operating and working – including making informed decisions around provision of new services and associated costs/service charges etc.
- Provides an environment that enables the scheme to provide outreach services to the wider community should this be required.

3.6 Sales and re-sales of Apartments

The development of the extra care housing strategy has involved a review of the models used for sales and re-sales of apartments within extra care housing developments. The review found that all providers restrict sales and re-sales of extra care apartments by age. The review identified four models which can be summarised as follows:

- **Restricted Sales**
A restricted sale involves the sale being restricted on the basis of age and the need for care services. These criteria also apply on the resale of an apartment.

- ***Unrestricted sales***
This approach involves sales only being restricted by age and not by care needs. With housing association units local authorities are first approached to nominate an individual before the apartment is placed on the market with an estate agent.
- ***Semi-restricted sales***
This approach has been adopted to sales and re-sales of leasehold units as a pragmatic response to the downturn in the market. This approach involves key criteria being applied, such as being over the age of 60 and having a local connection, but with a much more flexible approach to care needs.
- ***Re-purchasing***
This arrangement involves the property owner buying back the apartment from the leaseholder at the same price that the leaseholder bought the apartment in the first place, irrespective of whether the property market has increased or decreased in value. It provides the leaseholder with greater certainty so that they can plan ahead, as well as protects their capital.

Devon County Council's extra care housing programme will need to adopt a consistent model for the sale and resale of leasehold apartments, which will need to be incorporated into the more detailed commissioning arrangements with a partnership or consortium.

3.7 Care and Support Arrangements

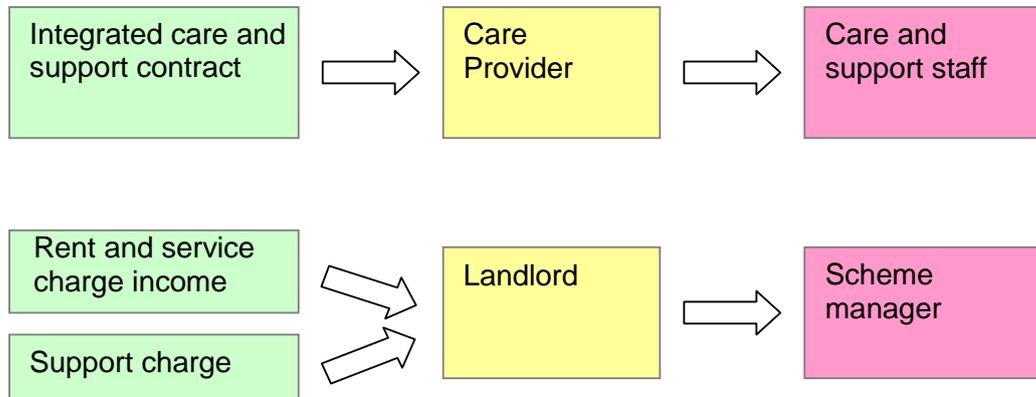
Devon County Council will commission an integrated care and support service to operate 24/7, delivered by an on-site based team. This staff team will provide personal care services, as well as housing support services, aimed at helping residents to maintain independent living; this means the service provider will need to be registered as a domiciliary care provider.

Devon will contract for care and support services in extra care housing under a flexible contractual arrangement, which will be funded through an integrated care and support budget. The needs of each individual will be assessed by Care Direct Plus, or a Complex Care Team, with care plans defining the level of care and support required based on the assessment. The contract with the care and support provider will need to take account of the personalisation agenda and the current contractual arrangements for extra care housing will need to be reviewed and revised.

The care and support provider will manage individual care and support needs as assessed by social services. Fluctuating or additional care needs, will be managed through on going contract and monitoring meetings.

Devon will require the Landlord to provide a 'Scheme Manager' service to provide business support to the scheme, housing management services, co-ordinate an activities programme for residents and the wider community, and act as a single point of contact for the community, actively making and maintaining links with a range of local partners. As this service is partly related to the management of the 'scheme' and partly related to enabling older people to maintain independence, it will be funded by a combination of rent and service charges and a small support charge element.

The care and support arrangements can be illustrated by the chart below



The care and support services will be commissioned separately from the development of the extra care housing scheme. It will be possible for a landlord to provide both the scheme manager service as well as the care and support services, where it wins the care and support tender.

As previously described, a model of close care will operate from a number of Residential Care Homes to provide care to older people living in designated housing nearby. These services will be commissioned quite separately from the extra care housing schemes.

4. Estimating the Need for Extra Care Housing

4.1 Introduction

It is essential to estimate the future need for extra care housing so that a programme can be developed that is based on what is needed in the right locations. In estimating the future need for extra care housing it is important to take account of the need for mixed tenures as well as mixed dependencies.

A model has been developed for estimating the need for extra care housing based on a CLG model for estimating the needs of vulnerable people in growth areas¹. This model identifies the population at risk, which is the population of older people that is most likely to require extra care housing. Not all those within the population at risk will end up needing extra care housing and the model therefore identifies the population in need, which is an estimate of the demand for extra care housing.

4.2 Demographic context

Devon has a population that is older when compared with most counties, with the number of people aged 85 and over growing fast. The population profile from the ONS 2007 mid year population estimates shows that:

- 21% of Devon's population is aged 65 and over;
- 3% of the population is aged 85 and over.

The population projections below relate to Devon County Council's administrative area population as a whole as well as the three Devon localities. The population in the DCC area as a whole for the very elderly aged 85 and over will increase by 10,000 during the period 2006 to 2021, representing a 45% increase.

| | 65-84 | | | 85+ | | |
|----------|---------|---------|----------|--------|--------|----------|
| | 2006 | 2021 | % Change | 2006 | 2021 | % Change |
| DCC | 133,510 | 185,450 | 39% | 22,130 | 32,120 | 45% |
| Northern | 28,060 | 40,730 | 45% | 4,160 | 6,350 | 53% |
| Southern | 48,100 | 69,300 | 44% | 7,840 | 11,690 | 49% |
| Eastern | 57,350 | 75,420 | 32% | 10,130 | 14,080 | 39% |

It is estimated that there are 12,054 people aged 65 and over in Devon with dementia². This figure is projected to increase to 16,036 in 2020, an increase of 33%. The largest percentage increases of people with dementia are likely to be across the northern and western areas of Devon, directly linked to where the population is ageing at the fastest rate.

The growth in the older population in Devon will have an impact on the need for extra care housing and as a result the model is able to project the increase in the numbers of extra care housing units that will be required over the next decade.

¹ The Impact on the Need for Supporting People Services arising from Population Growth in the Four Sustainable Community Growth Areas– CLG 2009 (to be published)

² Projecting Older People Population Information

4.3 Population at risk

The key factors linked to the requirement for extra housing care are age, limiting long term illness and the number of people living alone³. This data has been analysed for Devon to provide an indication of the population at risk and those who are most likely to require extra care housing.

The figures in the tables below show the population at risk in each district as those aged 75 and over who have a limiting long term illness and are living alone.

| Total population aged 75-84, with a limiting long term illness, living alone | 2008 | 2010 | 2015 | 2020 |
|---|-------------|-------------|-------------|-------------|
| East Devon | 2,230 | 2,223 | 2,371 | 2,753 |
| Exeter | 1,510 | 1,519 | 1,538 | 1,596 |
| Mid Devon | 1,030 | 1,054 | 1,192 | 1,439 |
| North Devon | 1,309 | 1,332 | 1,477 | 1,749 |
| South Hams | 1,203 | 1,244 | 1,316 | 1,539 |
| Teignbridge | 2,068 | 2,085 | 2,202 | 2,546 |
| Torrige | 910 | 950 | 1,138 | 1,420 |
| West Devon | 717 | 708 | 838 | 984 |

| Total population aged 85 and over, with a limiting long term illness, living alone | 2008 | 2010 | 2015 | 2020 |
|---|-------------|-------------|-------------|-------------|
| East Devon | 1,714 | 1,772 | 2,004 | 2,266 |
| Exeter | 954 | 1,020 | 1,185 | 1,316 |
| Mid Devon | 637 | 669 | 796 | 923 |
| North Devon | 836 | 898 | 1,022 | 1,176 |
| South Hams | 762 | 791 | 879 | 997 |
| Teignbridge | 1,255 | 1,339 | 1,506 | 1,729 |
| Torrige | 556 | 584 | 696 | 835 |
| West Devon | 390 | 416 | 468 | 572 |

4.4 The population in need

The population in need has been calculated on the basis of the number of older people who could potentially be diverted from moving into residential care, as well the number for whom intensive home care could be provided more efficiently in an extra care setting. In addition there is likely to be a need for extra care housing from other older people who may be in receipt of home care services or who are at risk in their current housing situation.

The target group who need extra care housing can be summarised as follows:

- People who would otherwise move into residential care with lower to moderate needs;
- Those who are in receipt of intensive home care and whose needs can be met more efficiently in an extra care housing setting;
- Older people with mild or moderate levels of dementia whose needs can be met in an extra care housing setting;

³ A framework for an Oxfordshire extra care housing strategy – Concept Management Solutions - 2008

- Those whose current housing and mental and physical needs create a level risk that can be managed effectively in an independent setting such as extra care housing;
- The provision of extra care housing to provide intermediate care in a community setting as an alternative to residential care.

Although it is not possible to precisely calculate the need for extra care housing, this commissioning strategy has developed an indicative of rate of 65 units per 1,000 people aged 75 and over, who are living alone and have a limiting long term illness. This rate has been based on the evidence of the numbers of older people with low to moderate needs who can be diverted from residential care, as well as those whose needs could be more effectively met by extra care housing or close care.

Extra care housing may also be appropriate for couples, older people in younger age bands, and people with lower care needs who are predicted to develop long term limiting illnesses.

4.5 The net need for extra care housing

The net need for extra care housing takes account of the estimated need for this type of provision and its current supply. This data has been analysed at a market town/city level to identify those towns in which extra care housing is likely to be most viable and where there is an unmet need.

The table below shows the population at risk in each of the markets towns/city and their hinterland, together with the existing supply of extra care housing and the indicative net need.

| Devon Towns (including their hinterland) | People aged 75 to 84 alone with a LLTI* | People aged 85 and over alone with a LLTI* | Locality | Existing supply of ECH units | Net indicative ECH units needed |
|--|---|--|-----------------|------------------------------|---------------------------------|
| Axminster | 209 | 128 | Eastern | | |
| Exmouth | 772 | 559 | Eastern | | 100 |
| Honiton | 237 | 149 | Eastern | | |
| Ottery St Mary | 151 | 120 | Eastern | | |
| Seaton | 279 | 204 | Eastern | | 50 |
| Sidmouth | 346 | 284 | Eastern | | 50 |
| Exeter | 1655 | 936 | Eastern | | 150 |
| Crediton | 231 | 150 | Eastern | | |
| Cullompton | 262 | 171 | Eastern | | 50 |
| Tiverton | 471 | 268 | Eastern | | 50 |
| Dartmouth | 169 | 115 | Southern | | |
| Ivybridge | 354 | 173 | Southern | 56 | 0 |
| Kingsbridge | 296 | 213 | Southern | | 50 |
| Totnes | 361 | 214 | Southern | | 50 |
| Ashburton & Buckfastleigh | 130 | 63 | Southern | | |
| Dawlish | 323 | 166 | Southern | | 50 |
| Newton Abbot | 972 | 487 | Southern | | 100 |
| Moretonhampstead | 67 | 46 | Southern | | |
| Teignmouth | 424 | 242 | Southern | | 50 |

| | | | | | |
|-------------------------------|---------------|--------------|-----------------|------------|------------|
| Okehampton | 270 | 148 | Southern | 50** | 0 |
| Tavistock | 380 | 220 | Southern | | 50 |
| Bideford & Northam | 577 | 323 | Northern | | 50 |
| Great Torrington | 106 | 64 | Northern | | |
| Holsworthy | 114 | 61 | Northern | | |
| Barnstaple | 550 | 324 | Northern | 45 | 50 |
| Braunton | 206 | 129 | Northern | | |
| Lynton & Lymouth | 25 | 11 | Northern | | |
| Ifracombe | 242 | 150 | Northern | | 50 |
| South Molton | 161 | 105 | Northern | | |
| Total Devon | 10,206 | 6,152 | | 151 | 950 |

*Source 2001 census

**from October 2009

Based on 2008 population estimates a total 1,101 extra care housing units are likely to be required to meet the needs in the county. The number of close care units required has been calculated separately (see 4.5).

The table above shows 'hot spots' (shaded in black) which could potentially sustain more than one extra care scheme and secondary areas (shaded in grey) where a single extra care scheme could be viable, with an indication of the number of units required for each area (based on extra care housing schemes comprising 50 units each).

To gain a better understanding of the future need for extra care housing it is possible calculate these needs as a proportion of the projected population aged 75 and over with a limiting long term illness and living alone. The table below shows the projected need for extra care housing over the next 10 years:

| | 2008 | 2010 | 2015 | 2020 |
|--|-------------|-------------|-------------|-------------|
| Population aged 75 and over alone with LLTI (Devon) | 18,085 | 18,611 | 20,605 | 23,966 |
| Extra care housing units needed (including existing units) | 1,101 | 1,131 | 1,252 | 1,457 |
| Need based on rate of 65 units per 1000 aged 75 and over alone with LLTI (Devon) | 1,175 | 1,209 | 1,339 | 1,557 |

The projected need for extra care housing will be predominantly focused on the same market towns as those identified in the table above, which may result in more than one extra care housing scheme in some of these towns. In addition close care units will need to be developed in clusters in other towns.

The Regional Spatial Strategy for the South West will result in two new communities being established at Sherford in the South Hams and Cranbrook in East Devon. The extra care housing programme will need to take account of the needs of these communities and currently there are proposals for 100 extra care housing units at Sherford and 50 at Cranbrook.

4.6 The need for close care

The development of an extra care housing scheme may not be sustainable in areas with a dispersed population. A close care service could be located within existing

Residential Care Homes that could provide care to older people living nearby, in housing specifically developed for older people. The need for this type of accommodation is estimated to be approximately 167 units as shown in the table below, clustered as groups of apartments.

| Devon Towns (including their hinterland) | People aged 75 to 84 alone with a LLTI* | People aged 85 and over alone with a LLTI* | Locality | Close care requirements based on 65 per 1,000 with LLTI |
|--|---|--|----------|---|
| Axminster | 209 | 128 | Eastern | 22 |
| Honiton | 237 | 149 | Eastern | 25 |
| Ottery St Mary | 151 | 120 | Eastern | 18 |
| Crediton | 231 | 150 | Eastern | 25 |
| Dartmouth | 169 | 115 | Southern | 18 |
| Ashburton & Buckfastleigh | 130 | 63 | Southern | 13 |
| Moretonhampstead | 67 | 46 | Southern | 7 |
| Great Torrington | 106 | 64 | Northern | 11 |
| Holsworthy | 114 | 61 | Northern | 11 |
| South Molton | 161 | 105 | Northern | 17 |
| Total Devon | 1,575 | 1,001 | | 167 |

*2001 census data

The supply of close care units is dependent on the provision of residential care homes in these areas. An exercise has been undertaken to map all those residential care homes that had been registered with CSCI in Devon. The mapping shows the configuration of residential care homes in these areas.

| Devon Towns (including their hinterland) | Number of OP residential care or nursing homes | Number of bedspaces | Locality |
|--|--|---------------------|----------|
| Axminster | 5 | 134 | Eastern |
| Honiton | 6 | 169 | Eastern |
| Ottery St Mary | 1 | 21 | Eastern |
| Crediton | 4 | 83 | Eastern |
| Dartmouth | 5 | 110 | Southern |
| Ashburton & Buckfastleigh | 2 | 56 | Southern |
| Moretonhampstead | 1 | 30 | Southern |
| Great Torrington | 2 | 56 | Northern |
| Holsworthy | 3 | 109 | Northern |
| South Molton | 2 | 93 | Northern |
| Total Devon | 31 | 861 | |

There are three residential care homes managed by DCC included in the above table. The residential care homes are partly located in the above market towns as well as in smaller market towns/villages in their hinterlands.

5. Funding Arrangements

5.1 Introduction

Extra care housing not only enables older people to live in a more independent setting than residential care, but is also a more cost effective option for local authorities. Devon's strategy of increasingly using extra care housing instead of residential care will enable revenue savings to be made which can then be reinvested in supporting more of this type of provision.

This strategy does, however, depend on developing a sufficient number of extra care housing schemes so that older people can be diverted from residential care. Capital funding therefore needs to be identified for the extra care housing programme, through partnership working between the county council, local housing authorities, housing development partners, and the Homes and Communities Agency.

Finally, the balance between units for rent and units for sale will need to be defined. This balance will be influenced by the local market as well as by wider economic conditions. However, mixed tenures not only create balanced communities but also generate sales proceeds which can then be used to subsidise the development of the other units.

5.2 An analysis of the financial benefits

Extra care housing has the potential to deliver considerable financial benefits, both for the council as well as for service users. The main financial benefit for service users focuses on continued eligibility for a number of means tested benefits, which will give them greater choice and control in deciding how they want to be helped and the services they wish to access. The main financial benefit to the council derives from diverting older people away from residential care who wish to live in a more independent setting. In Devon the aim is to divert those with low to moderate assessed needs from residential care placements to extra care housing.

The table below provides an illustration of the income and expenditure for an older person with a high level of dependency (20 hours per week) who is on pension credit and moves into an extra housing scheme

| Expenditure | £ per week | Income |
|-------------------------|-------------------|---|
| Rent | 75 | Housing benefit |
| Housing Service charges | 34 | Housing benefit |
| Council tax | 21 | Council tax benefit |
| Care and support | 280 | Attendance Allowances and Local Authority care contribution |
| Food & living expenses | 90 | Pension |
| Total | 500 | |

The table provides a simple analysis to show the net cost to the council. This works out at £213 per week taking into account income from Attendance Allowance and could be lower where other benefits are taken into account. This can be compared

with the cost of a residential care placement which is between £391 p.w. for the independent sector and £759 p.w. for in house services (Ageing Well in Devon Feb/March 2009). In addition individuals living in extra care housing are left with considerably more disposable income.

The cost of care and support in an extra care housing scheme could save the council approximately £251 p.w. on the costs of a residential care place in the independent sector, assuming an average input of 10 hours per week (not taking AA into account⁴). This means that for every residential care placement purchased the council could potentially purchase two extra care placements.

Those residents eligible for means tested benefits will be able to claim:

- Housing benefit for rents and service charges
- Council tax benefit
- Costs of care and support

Those ineligible for means tested benefits:

- Will be responsible for their rent, service charge and council tax
- Will be subject to the authority's charging policy for care and support services

Individuals who are asset rich and income poor could invest their capital by purchasing a leasehold flat in an extra care scheme. This approach would protect their asset and as a result they would not have any rent to pay. They would still need to pay a service charge.

It is important to point out that a large proportion of older people are partially or fully responsible for meeting their charges under the county's Fairer Charging policy. Therefore when estimating the savings to the council, as a result of diverting older people from using residential care, it is important to take this factor into account.

5.3 Capital Funding

The capital costs of an extra care scheme will need to take into account the costs of acquiring a site as well as the development costs of the scheme. There may be low cost or free land where existing residential care or sheltered housing sites are utilised. The development costs of an extra care housing scheme with 50 apartments are in the region of £5m to £6m, including fees and other on costs, and this could increase to £7m to £8m where land is acquired.

To ensure that extra care housing schemes are affordable for those that move into them, it will be necessary to obtain public funding. The main sources of capital funding for extra care housing are as follows:

- **Homes and Communities Agency**
The Homes and Communities Agency provides capital funding to registered housing associations. There is a regional target that 10% of new social rented housing should be either for people receiving specialist support services or

⁴ The use of Attendance Allowance for extra care housing has mainly been pioneered by one provider. The DOH has evaluated the financial benefits of this scheme as part of an overall evaluation DOH capital funded programme of extra care housing.

specialist provision (SWRDA). To receive capital grant funding the organisation carrying out the development must be registered with the HCA – this can be an RSL, or a private company or an organisation that has been accredited by the HCA.

- **Department of Health**

The DoH has made £60 million available during 2006-08 to develop new extra care housing units. There is a further £80m grant programme over 2009-10. All the funding available from the DOH has been allocated.

- **Local Authorities**

The Local Authorities in Devon will need to work together to establish a joint capital programme to support the delivery of extra care housing and to attract the Homes and Communities Agency funding.

- **Section 106 Agreements**

Section 106 planning agreements can deliver land and/or funding as an affordable housing contribution. Potentially extra care housing schemes can be incorporated into a new development as the affordable housing element.

In addition to capital funding from public sources it will be essential to obtain funding from private lenders. Although private lending has become much more restricted, as a result of the economic downturn, housing associations are still able to successfully obtain funding for new social housing developments. Furthermore, there is evidence to show that there are increased opportunities for the inclusion of extra care housing within some private sector developments.

The Devon model is based on mixed tenure, although the mix has not been prescribed. Outright sales of a proportion of units will reduce the level of public subsidy required for each scheme.

5.4 Other Capital Resources

There are a number of other capital resources that could potentially be made available. These resources include re-modelling existing sheltered housing as extra care housing and using existing local authority sites, or sites owned by other public bodies such as the NHS/DPT, for new build developments. These opportunities need to be aligned with the locations identified for extra care housing within this strategy.

The use of an existing sheltered housing scheme for extra care housing will need to be carefully evaluated; a significant proportion of existing residents will need to be high care and the building will need to be suitable. Remodelling existing sheltered housing may also require capital funding to reconfigure the building to meet the requirements of Devon's model. Where an existing sheltered housing scheme is unpopular or outdated, and a decision has been taken to decommission the scheme, it may be appropriate to consider demolition as an option and use the site to develop a purpose built extra care housing scheme.

5.5 Revenue funding for extra care housing

The revenue funding for extra care housing will come from a number of different sources and will depend on whether an individual is eligible for the relevant benefits. The sources of revenue funding are as follows:

- **Rental income**

An affordable rent will need to be charged for an extra care housing scheme to enable people on low incomes to access this type of housing. Full or part housing benefit can be claimed by those who are eligible. The rental income will cover property costs and part pay for a scheme manager to carry out housing management functions. Those who purchase their apartments outright will not have to pay rent but will pay a service charge that includes maintenance costs.

- **Communal service charges**

Each resident will have to pay a service charge related to communal facilities such as cleaning, heat and light, gardening etc. Full or part housing benefit can be claimed by those who are eligible.

The scheme manager's costs will be apportioned between the rent and service charge and a charge for carrying out support functions. The payment of the service charge for the scheme manager will be a condition of occupying the apartments. Those residents who are eligible can claim housing benefit, together with an element of Supporting People funding, to cover the costs of the scheme manager.

- **Care and support services**

Each resident will be responsible for paying a care and support charge to cover the costs of the care and support staff on site. There will be a charge for each resident based on an assessed need for care and support, with charges increasing for individuals where they require additional care input following a reassessment.

The care and support charges will be means tested and many residents will have their charges paid by the local authority through the contract with the provider, with others being self funding. Although the funding of the care and support element will be apportioned between the Supporting People budget and the Adult Community Services budget, there will be a single integrated care and support charge.

The arrangement with service users may involve using Attendance Allowance to offset the care and support charge, where the council is responsible for paying these charges. Attendance Allowance is not a means tested benefit and as a consequence cannot be treated as income for means testing – however there can be a contract between a resident and the provider whereby AA is treated as a 'well being service charge'.

6. Delivering the Commissioning Strategy for Extra Care Housing

6.1 Introduction

Delivering the commissioning strategy for extra care housing will be challenging because of the level of capital and revenue funding required for each scheme. It will therefore be essential to establish a delivery structure that can draw together a number of partners to maximise capital funding from both the public and private sectors, as well as develop a process for the reinvestment of revenue funding in extra care housing.

6.2 Delivering the programme

The process for delivering extra care housing will need to take account of Devon's model. Essentially there will need to be two main strands to the delivery of extra care housing:

- The delivery of the capital schemes
- The delivery of the care and support services

There will need to be a specific tendering process for the capital programme which will involve the delivery of extra care housing through a partnership arrangement or a consortium. The delivery of the care and support services may need to be tendered as individual schemes come into management, or as 'lots' for a group of schemes – another approach is to adopt a framework agreement where preferred providers are 'called off' as the schemes come into management.

6.3 Delivery vehicle for the capital programme

It is unlikely that one organisation can deliver the extra care housing programme in the volumes required by this commissioning strategy. The development of extra care housing will need to involve a number of partners that can draw in resources from a number of sources.

The selection of partners will involve a tender process whereby partners can be selected on the basis of their track record, ability to deliver, access to capital finance and costs relating to management and maintenance. It is envisaged that Devon could potentially work with a number of partners and even a consortium of partners.

In addition to tendering for preferred partners there will also be a need to negotiate arrangements with existing providers for the redevelopment of sheltered housing sites or the remodelling of sheltered housing schemes into extra care housing, where appropriate.

A set of arrangements will need to be established to manage and deliver the partnership. A possible model could involve the following:

- Extra Care Project Board – comprising officers from the County, Districts and PCT to deal with the procurement strategy and monitoring of implementation against targets. This group will report on progress to the Devon Strategic Housing Group and to members.

- Extra Care Project Group – comprising officers from the County, Districts and development partners to deal with all the technical issues such as capital contributions, site identification, design and service specifications,

A programme manager for the extra care housing programme will need to be based within the county and will report to the governance structure and be responsible for driving the programmes including co-ordinating the partners, supporting bids to the Homes and Communities Agency and overseeing the commissioning programme.

6.4 Phasing of the extra care housing programme

The extra care housing programme will need to be phased so that it can effectively divert older people from requiring residential care. This means that the phasing of the extra care housing programme will need to maximise its impact within each locality. Data for 2007-2008 shows the following quarterly admissions to independent sector residential care for people with low to moderate levels of need in by locality (i.e. in Band 1-3).

| Locality Quarterly Admissions | | |
|--------------------------------------|----------|----------|
| Eastern | Northern | Southern |
| 27 | 15 | 23 |

The needs analysis has estimated that in addition there are 26 admissions of people with low to moderate levels of need to in-house residential care each quarter. This means that each quarter there are approximately 92 people who could potentially fall within the target group for extra care housing.

On the basis that this group will comprise at least 50% of the residents of extra care housing, then no more than five extra care housing schemes should be handed over each year. This approach will allow the programme to be managed effectively to meet the needs of the target group across each of the localities in Devon, while at the same time making a contribution to meeting the needs of those whose care could be delivered more efficiently in extra care housing.

6.5 The extra care housing development programme

The delivery of the extra care housing programme will require substantial capital subsidy to make the schemes viable and to enable an affordable rent to be charged. The capital subsidy for the programme will need to involve a combination of nominal lands costs, Section 106 arrangements with developers and capital grants. The Homes and Communities Agency will need to play a substantial role in supporting the extra care housing programme with Social Housing Grant.

At this stage the total capital subsidy required for the programme cannot be precisely established, as there are a number of variables including the availability of land at nominal costs, the availability of sites, arrangements with developers, the remodelling of existing sheltered housing schemes etc. It is proposed that the programme should be developed in two tranches comprising:

- Tranche 1 – to meet the additional 950 extra care housing units required to meet current needs.
- Tranche 2 – to meet the additional 356 extra care housing units to take account of the growth in the older population between 2008 and 2020.

An outline extra care housing development programme is set out in Appendix 1. This programme allows an initial period for planning, site acquisition and tender, which then leads into the first phase of the development programme to deliver 950 units by the end of 2016. The second phase of the development programme will start in 2017 and complete by the end of 2020.

Devon County Council is seeking to secure resources of £133m for the first tranche of the development programme, not taking into account the possibilities discounted land. On the basis that 55% capital subsidy will be required for this programme, it is estimated that approximately £73m will required from public sources. If this requirement were to be jointly funded by the Homes and Communities Agency and the local authorities (on the basis of 40% HCA and 15% local authorities), then Devon would need to secure **£54m** from the HCA and **£20m** from the authorities (including the county), over a seven year period.

The HCA's South West Regional programme for the period 2008/2011 is estimated to be about £753m. This roughly translates into an investment of £75m for specialist housing over this period. This investment is both for specialist accommodation for older people, as well as other needs groups – the funding also needs to be applied to the thirteen housing market areas in the South West. Because of the downturn in the property market, and the resulting impact on the affordable housing programme, the HCA is open to discussions about programmes of new affordable activity (e.g. extra care housing).

6.6 Section 106 Agreements

As already mentioned Section 106 planning agreements will form an important cornerstone in the development and funding of extra care housing. Section 106 agreements apply to most larger sites and enable affordable housing to be delivered, potentially including extra care housing.

Planners face constant challenges to adapt their practices to changes in demography, aspirations and lifestyles. As a result planners need to develop and implement planning policies and development control practice which promote appropriate models and reflect changing demand. The increasing demand for extra care housing, as an alternative to residential care, is an important trend that needs to be addressed by planners

Although Section 106 agreements have not been used extensively to deliver extra care housing, there is now an increasing awareness amongst planners, housing officers and developers about the importance of this type of housing in addressing the needs of an ageing population. This strategy provides the policy context for the incorporation of extra care housing developments into the Local Development Framework and the use of Section 106 planning agreements to deliver these schemes on large sites.

6.7 Early wins

Establishing a number of early wins will help sustain continuing support for the extra care housing programme and provide confidence in its deliverability.

The following are potential early wins for the programme:

- Bringing Norah Bellot House (located in Barnstaple) into use as an extra care scheme – this may need to be an incremental process i.e. increasing the level of staff in line with the increased dependency of residents that move in (the development programme shows this scheme coming into management in 2010);
- Appointing partners as a result of a tendering process;
- Identification of potential DCC and District Council owned sites for extra care housing;
- Identification of potential NHS/DPT owned sites for extra care housing
- Carrying out feasibility studies on existing sheltered housing schemes/sites to assess their suitability for extra care housing;
- Obtaining positive support from the Homes and Communities Agency;
- Obtaining positive support for this commissioning strategy from the local housing authorities.

6.7 Delivery of the care and support services

The delivery programme for the extra care housing programme will involve managing a transition from resourcing more traditional care services to resourcing extra care housing an alternative option for older people. It has been suggested that targets may need to be established within each locality for the use of extra care housing to ensure that the transition to this type of provision takes place.

The provision of care and support services within extra care housing will need to be tendered separately from the tender for the development programme. As the handover of the extra care schemes will be phased over a seven year period there is a question about the type of procurement process that should be adopted. One approach could involve establishing a list of preferred care and support providers. This would involve providers submitting their rates against a model service specification. When the extra care schemes are handed over, the care and support services can be called off from the preferred providers by mini competition.

Appendix 1
Extra care housing development programme

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EXTRA CARE PROGRAMME | | | | | | | | | | | | | |
| Brought forward | 56 | 106 | 151 | 151 | 251 | 501 | 751 | 951 | 1,101 | 1,201 | 1,301 | 1,401 | 1,457 |
| New units | 50 | 45 | - | 100 | 250 | 250 | 200 | 150 | 100 | 100 | 100 | 56 | |
| Carried forward | 106 | 151 | 151 | 251 | 501 | 751 | 951 | 1,101 | 1,201 | 1,301 | 1,401 | 1,457 | 1,457 |
| Voids | | | | | | | | | | | | | |
| Occupied | 103 | 147 | 147 | 245 | 488 | 732 | 927 | 1,073 | 1,171 | 1,268 | 1,366 | 1,421 | 1,421 |
| EXTRA CARE RESIDENTS | | | | | | | | | | | | | |
| People in bands 1 -3 | 103 | 147 | 147 | 245 | 403 | 564 | 727 | 873 | 971 | 1,068 | 1,166 | 1,221 | 1,221 |
| People who previously needed intensive homecare | - | - | - | - | 54 | 105 | 136 | 136 | 136 | 136 | 136 | 136 | 136 |
| Others with lower care needs | - | - | - | - | 31 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| | 103 | 147 | 147 | 245 | 488 | 732 | 927 | 1,073 | 1,171 | 1,268 | 1,366 | 1,421 | 1,421 |

Appendix 2
Financial Projections