

16 April 2018**Agenda Item: 7****REPORT OF THE SERVICE DIRECTOR, MID NOTTINGHAMSHIRE****NOTTINGHAMSHIRE COUNTY COUNCIL'S STRATEGY FOR HOUSING WITH
CARE 2018 – 2025****Purpose of the Report**

1. This report provides information about the work of the Extra Care Member Reference Group and seeks approval:
 - in principle, of the 'Housing with Care' Strategy, attached as **Appendix A**, and recommends it to Policy Committee for formal approval
 - to consult with stakeholders on the detail of a delivery plan for the strategy
 - to undertake initial soft market testing and use that information to develop partnerships and/or follow due process to contract with potential partners to develop the required 'housing with care' places, with detailed proposals for schemes brought to Adult Social Care and Public Health (ASC&PH) Committee for approval.

Information**Strategic Context**

2. 'Your Nottinghamshire, Your Future', the Council's Plan for 2017-2021, sets out its strong commitment to ensuring older adults are able to live as independently as possible in the community. The UK has an ageing population and projections by the Office for National Statistics (ONS) indicate that over the 10 years between 2015 and 2025 there will be an additional 32,000 older people living in Nottinghamshire. If just 2% (640) of the additional 32,000 older adults projected by 2025 developed complex needs and became eligible for support from social care then the projected increased additional annual residential care costs for Nottinghamshire based on current proportions of people going into residential care will be £17,904,640 per annum (based on current average weekly cost of an older adults' care home of £538 per week).
3. The housing needs of older people are closely linked to meeting social care needs. The Care Act 2014 places a duty on local authorities to co-operate with partners to ensure that care and support is delivered in an integrated way and recognises that housing is a health and social care related service as it plays a vital role in supporting people to maintain good health, independence and improve quality of life. In particular, the Council has a duty under the Care Act to promote wellbeing, with the concept of 'independent living' a core part of the wellbeing principle. In terms of prevention, the Act states that housing must be considered as part of an assessment process that may prevent, reduce or delay adults'

social care needs – and that care and support should be delivered in an integrated way, in cooperation with partner bodies, including housing.

4. Wherever possible, the Council aims for people to be supported to live independently in their own homes and avoid the need for any unnecessary moves. There comes a point, however, when people's social care needs increase to the point that they cannot be supported at home by regular visits from domiciliary care and a lifeline with a response service. There needs are such that for example, they need care staff to maybe check in on them regularly or be able to respond rapidly to a lifeline call.

'Housing with Care' for Older Adults

5. For anyone with long-term social care needs which cannot be met with a combination of personal care and assistive technology in their current home, and who are eligible for social care support, the Council will commission 'housing with care' to avoid the need for people to move unnecessarily into residential care. 'Housing with care' are schemes that offer older people the privacy of their own self-contained home and security of tenancy or ownership rights, within a community setting which provides readily accessible personal care support.
6. 'Housing with care' is an intentionally broad term which is used by the Council to cover a variety of different types of older adults housing which benefits from readily available care. Whilst 'housing with care' and 'extra care' are sometimes used interchangeably elsewhere in the country, in Nottinghamshire the Council has chosen to intentionally use the broader term 'housing with care' to reflect the range of possible schemes and models that can deliver the objectives of this strategy. Included in the objectives is the desire to encourage mixed tenure schemes and facilitate the creation of 'housing with care' units that people can fully or partly buy from directly from developers, so that there will be a range of options for all citizens who need this service, as well as more retirement housing options.
7. 'Housing with care' is accepted nationally to provide older people with a real alternative to residential care. The cost benefits and improved outcomes of such housing have been demonstrated in a growing number of national research studies and reports. The Council currently has 11 operational Extra Care schemes, providing a total of 175 units. In 2010, the Council's 'Living at Home Programme' supported the development of seven of these schemes (as partners with district and borough councils or with registered housing providers) as part of its financial savings projects. Four of these schemes have already opened, with the remaining three schemes set to open in Spring 2018 and Spring 2019. These three new schemes will increase the Council's overall total number of units to 242.
8. The Council's Extra Care Service provides residents who are eligible for social care with planned and rapid response 24/7 care and support. This is funded by the Council which purchases the care and support services from independent sector homecare providers who are registered with the Care Quality Commission (CQC). Each scheme has one specific homecare provider and staff team assigned to it.

National Housing Benefit consultation – impact on 'housing with care'

9. The Department of Health undertook national consultation at the beginning of 2017 regarding the future funding of supported housing, including sheltered and Extra Care. As

announced by the Government in October 2017, Sheltered Housing and Extra Care will continue to be funded by the welfare system and a 'Sheltered Rent' will be introduced from April 2020. The rent will be a social rent designed to ensure greater oversight and value for money but which recognises the 'vital role that these schemes play in supporting older and vulnerable people' and will also acknowledge the higher cost of this type of housing compared to general needs. The rent level will include eligible service charges, which are higher in supported living/Extra Care due to additional services provided, for example communal areas. The formula for setting the rent level will be established in consultation with the sector. In terms of possible impact, housing developers will still be unsure what rent they will be able to charge going forward until the results of the new consultation are known. As this will also affect self-funders (as it is a rent cap not a benefit cap) it will impact more widely on any social housing development. This may affect levels of capital investment required to develop new schemes and ensure rent levels are kept within the proposed 'Sheltered Rent' level. It is therefore recommended that the Council are flexible regarding models to deliver new schemes, giving providers the opportunity to innovate and mitigate any impact of the outcome of the consultation.

10. The draft national statement of expectations, contained within the Government's new consultation paper around supported housing gives responsibility for co-ordinating the work to upper tier authorities. Requirements regarding sheltered housing and Extra Care are:
 - convene a housing plan to meet the needs of vulnerable people in their area both now and in the future and work collaboratively with lower tier authorities and other partners in their area. This will also cover the needs of older people, people with learning disabilities, mental health issues etc. and homeless people and other prevention type services.
 - although housing costs are separate from support costs, it is expected that local authorities will have an understanding of how support costs will be met for planned provision.
 - in summary the Government wants to see local planning and commissioning that: plan and facilitate new supply; provide support which keeps people independent; offers a real alternative to residential care; enables efficient use of stock; provides transparency in reporting against delivery; includes data on cross-border arrangements and people coming into the local authority area; and offers 'transparency on how the upper tier authority is encouraging delivery of supported housing'

Members Reference Group

11. The October 2017 meeting of the ASC&PH Committee approved the creation of an Extra Care Member Reference Group. The purpose of the group was to:
 - review the effectiveness of the previous strategies for Extra Care, including the business case for delivering savings through providing a cost effective alternative to residential care
 - consider examples of strategies and approaches elsewhere, including other counties
 - make recommendations for a future strategy for Extra Care.

12. The Member Reference Group met weekly during November and December and examined a wide range of detailed information as part of its extensive lines of enquiry. This included:
- all the reports to Full Council and ASC&PH Committee regarding decisions on Extra Care since 2008 onwards
 - consultation undertaken with citizens and service users on plans to date
 - a detailed breakdown of the financial business cases and partnership arrangements for each of the seven new schemes developed through the Living at Home Programme
 - scheme admission criteria, arrangements for finding new tenants for empty units and payment of rent during this time
 - Extra Care strategies, plans and models from other councils
 - Visits to a range of different types of Housing with Care schemes both in and out of county:
 - St Andrew's Court in Gedling, provided by Gedling Homes. This is was an existing scheme which was remodelled to provide 32 apartments for rent
 - Lark Hill Retirement Village in Nottingham City, provided by the Extra Care Charitable Trust, comprising 323 units of mixed tenure; for sale, shared ownership and rent
 - Oaklands Extra Care Village in Derbyshire.
13. As requested by the ASC&PH Committee, the Reference Group concluded its work by the end December 2017, in preparation for this report back to Committee. In summary the group concluded that 'housing with care':
- provides a good alternative to residential care, older people value it and it promotes independence and well-being
 - a key benefit is that it is possible for couples to stay together
 - the revised financial business case using current care costs, shows that it is still a more cost effective option than residential care by an average of £49 per person per week
 - the demand analysis shows that more schemes offering housing with care need to be provided, due to increasing numbers of older people and the associated rising costs. Nottinghamshire currently provides fewer units of Extra Care per 1,000 of the population aged over 65 than many other local authorities including Derbyshire and Leicestershire.
14. In terms of learning lessons from the development of new schemes to date, the Member Reference Group recognised that the Council's experience with private housing developers had mirrored national experience. The changeable economic climate has presented challenges for private investors developing Extra Care, due to the squeeze on possible profits by the higher build costs and need for affordable rents. There are however, different models, for example, combining sufficient mixed tenure units to sell and shared ownership that will increase the viability. The Member Reference Group also acknowledged that an individual scheme needs to typically have a minimum of 15 or more nomination units in order to provide the Council with a cost-effective alternative to residential care.

The future strategy for 'Housing with Care' in Nottinghamshire

15. The Member Reference Group developed a 'Housing with Care' Strategy which is attached as **Appendix A**. At the heart of the strategy is a Council commitment to increase the choice and support for older adults in Nottinghamshire whose social care needs are such that they can no longer be safely supported at home. The Council therefore needs to facilitate the development of additional units of housing with care for older adults. This will be an alternative to and reduce reliance on long term residential care. It is a cost effective option and will also deliver savings through cost avoidance. The content of the strategy has been informed by the research and considerations of the Member Reference Group and provides:
- a shared understanding of what is meant by 'housing with care' and the associated benefits of increasing local provision as part of the Council's range of services for older people
 - a needs assessment of the numbers of units of housing with care required and where. This was informed by the national 'Supported Housing for Older People' (SHOP) tool
 - confirmation of the financial business case for providing 'housing with care' as an alternative to residential care as well as high cost individual packages of homecare
 - an overview of the Council's strategic intentions and the role for 'housing with care' in helping the Council to meet its duties under the Care Act
 - a summary of what older people in Nottinghamshire think about 'housing with care'
 - a summary of the different approaches and models that will be considered for the development of 'housing with care' schemes
 - a draft map of where the need is for additional units for people with eligible social care needs.
16. The strategy proposes the following ambitions for the Council:
- the Council will work with housing authority partners and housing providers and developers to seek to achieve nomination rights to 1,015 new older adults 'housing with care' places for the Council by 2025.
 - in the medium term, the Council will set itself a target to double its older adults 'housing with care' nomination units from 242 places up to a total of 500 nomination units by 2021, ensuring equitable provision of schemes across the County linked to the demand analysis.
 - in order to deliver on these proposed nomination unit targets, the strategy sets out a number of possible future delivery options for the development of new 'housing with care' for Nottinghamshire's older people. As identified within the strategy, the Member Reference Group concluded that the Council should not restrict itself to a single model of delivery. Different schemes will need to be tailored to particular circumstances, local land use, demand and the different partners. Mixed tenure schemes that also facilitate additional units for people to buy or shared ownership will be encouraged in order to deliver services that can be used by a wide range of older people, as well as some younger adults where their needs can be met appropriately.

- the strategy lists the consistent principles and elements that the Council will seek from each scheme.
- the Council will consider use of its own land for developing new schemes on negotiated terms where a council-owned plot coincides with an area of demand.
- the Council will seek to work with partners to fully utilise available capital grants to develop 'housing with care' schemes. The Council will seek to minimise any requirement to borrow capital funds which it then has to pay back with interest over a fixed term utilising revenue funding.
- the Council will undertake a compliant procurement process as required in order to fairly identify potential schemes and housing partners.

Implementing the Housing with Care strategy

17. If approved, the next step will be to develop a delivery plan in consultation with key stakeholders, such as the district and borough councils, housing providers, health and local citizens. It is recommended that the role of the Member Reference Group is extended so that it continues to shape the plan to deliver the strategy. It is proposed that the group meets bi-monthly during 2018 to oversee the initial strategy development phase.
18. As outlined in the finance section of the attached strategy, the business case for 'housing with care' indicates savings can be made through providing options for housing with care, however, the costs of individual schemes differ. The Council will therefore consider the business case for each potential Extra Care opportunity on its own merits. As part of this, the Council will consider the need for capital contribution, which may be in a variety of forms e.g. lease of land to develop the scheme on. The Council will seek to minimise the need to borrow and pay interest on capital funds to develop schemes. Each new opportunity to develop a scheme will come with a business case to ASC&PH Committee for approval.

Other Options Considered

19. When deciding whether to create new housing with care, the Member Reference Group has considered a wide range of information to consider the benefits and challenges of doing so. When deciding where to create new housing with care accommodation, the location of existing schemes and local services, as well as demand/population demographics, are all taken into consideration by officers when making recommendations to Committee.

Reason/s for Recommendation/s

20. Evidence shows that good 'housing with care' provides better outcomes for older people's health and wellbeing. The Council's original business case for Extra Care, as developed in 2013/14, showed Extra Care as on average £44 to £94 per week per person less expensive than a place in a residential care home. As set out in the attached strategy, evaluation by Finance in November 2017 shows that for the County as a whole, Extra Care is on average £49 to £91 per person per week less expensive than residential care. The figure varies due to the individual costs of each scheme.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.
22. The Council is a local authority with social care functions and the 'housing with care' strategy fits within those functions and powers. The Council is aware that it is not a housing authority and will need to continue to consider carefully the role that it plays in each housing with care scheme and how the funding is provided.

Data Protection and Information Governance

23. Extra Care contracts will include standard data protection and information governance clauses and requests for data and information sharing as part of the contract will be in line with these clauses.

Financial Implications

24. In addition to the recurrent savings of £187,616 already achieved from the four new schemes opened in 2015 and 2016, the three new Extra Care schemes currently in development will deliver combined annual savings of £199,056. These three Extra Care schemes will also facilitate Care and Support Centre savings for the Council of £1,642,000 (this relates to savings from the proposed closure of Woods Court and James Hince Court once the new Extra Care schemes open at Gladstone House and Abbey Grove).
25. The Council's original business case for Extra Care, as developed in 2013/14, showed Extra Care as being on average £44 to £94 per week per person less expensive than a place in a residential care home. The figure varies due to the individual costs of each scheme.
26. A revised evaluation by the Finance Department using 2017 costs of care concluded that this level of saving remains consistent. For the County as a whole, Extra Care is on average £49 to £91 per person per week less expensive than residential care. There is a difference between savings which relates to whether any capital investment was required from the Council, but is predominately due to the scheme size and therefore efficiencies accrued through the sharing of the costs of on-site care. All of the schemes currently operating are less expensive than residential care, with the exception of the two smallest schemes which comprise only 9 and 10 nomination units.
27. The Council's capital contribution for new schemes has varied. Additional costs are incurred when building Extra Care that cannot be covered by rents, such as the higher design specification required to ensure the accommodation is accessible for older people, the office space for on-site care staff, communal areas etc. Grants are accessed where possible to cover these additional costs and six of last seven schemes developed have been awarded a contribution from the Homes and Communities Grant by the Department

of Communities and Local Government (DCLG). In addition to this the Social Care Capital Grant has been used for the County Council's full contribution to three schemes, however, nationally, this funding has now been transferred into the Better Care Fund for use by the district councils for Disabled Facility Grants (DFGs) so it is no longer accessed to develop Extra Care.

28. The costs of borrowing capital vary with national economic conditions. An average cost of borrowing £1m paid back over 31 years at 2.75% would require an annual yearly interest of £27,000 over its term. The Council seeks opportunities to develop the schemes that do not require it to borrow money to put towards capital costs.
29. Based on the assumptions used in the business case, the development of an additional 242 units of Extra Care will be able to deliver recurrent annual savings of between £616,616, (including capital payments) and a maximum of £1,145,144 (if no capital repayment is required). Final figures will be known following confirmation of the individual details of each scheme.

Human Resources Implications

30. This report contains no factors impacting on human resources for the authority.

Implications for Service Users

31. This strategy has set out the Council's intentions regarding the wider development of Extra Care. Individual schemes will be identified and developed in consultation with district and borough councils, housing providers, health partners, local residents and other interested stakeholders.
32. As part of the implementation of the strategy, there will be a review of how the care elements of housing with care is costed per individual. Any assessment of service user contribution towards this cost will be determined as per the current Council policy. This review will include the cost of care in existing schemes to ensure it is equitable and in line with the existing policy.

RECOMMENDATION/S

That Committee approves:

- 1) in principle, the 'Housing with Care' Strategy, attached as **Appendix A**, and recommends it to Policy Committee for formal approval
- 2) consultation with stakeholders on the detail of a delivery plan for the strategy
- 3) initial soft market testing and the use of that information to develop partnerships and/or follow due process to contract with potential partners to develop the required 'housing with care' places, with detailed proposals for schemes brought to Adult Social Care and Public Health Committee for approval

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Constitutional Comments (SLB 12/03/2018)

33. Adult Social Care and Public Health Committee is the appropriate body to consider the content of this report.

Financial Comments (KS 19/01/2018)

34. The financial implications are contained within paragraphs 24 - 29 of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Member Working Group to Review and make recommendations on the Extra Care Strategy - report to Adult Social Care and Public Health Committee on 9th October 2017

Electoral Division(s) and Member(s) Affected

All.

ASCPH534 final