

## Report to the Cabinet

Meeting to be held on Thursday, 13 September 2018

### Report of the Head of Service, Policy, Information and Commissioning (Start Well)

#### Part I

Electoral Division affected:  
(All Divisions);

### Chorley Council Extra Care Scheme - Care and Support Model

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#### Executive Summary

This report describes the preferred care and support model for the new Extra Care scheme in Chorley (Primrose Gardens), to which the county council has contributed £1 million of capital funding.

#### Recommendation

Cabinet is asked to approve the preferred model for the new Chorley Extra Care Scheme (Primrose Gardens) as set out within the report, including a core weekly charge of £17.50.

#### Background and Advice

Primrose Gardens Extra Care Scheme is being developed by Chorley Council. Lancashire County Council agreed to contribute £1 million towards the capital costs in September 2016. As the scheme is scheduled to open in April 2019, the service is due to be tendered around the end of September 2018.

Extra Care housing provides safe and secure self-contained accommodation for older adults who require varying levels of care and support, to enable them to live independently in a home environment.

The care and support delivered within an Extra Care housing setting includes:

- Onsite staff to provide background support and an emergency response service. This service benefits all tenants and is not allocated to any one individual.
- Planned care for tenants who have an eligible care need under the Care Act.

An Allocations Policy has been agreed with Chorley Council which gives priority to applicants who would require residential care if they are not able to access Extra Care and to other people with statutory care needs.

### **Key Challenges for the Delivery of Care and Support**

Extra Care offers a preventative service; consequently, people are encouraged to make a planned move into Extra Care when their ordinary housing is no longer suitable. However, we also want services to be able to respond to crisis, where alternative housing and support is required as a matter of urgency.

When developing a care and support model, there are two key challenges:

- How can the 24 hour staff presence be paid for when the scheme will have a mixture of people with and without eligible care needs and the profile of need will fluctuate?
- How can the service be made affordable and sustainable?

### **Care and Support Models**

There are a range of care and support models which are in place nationally. These include:

- Spot purchasing
- "Core" and "Add On" (also known as Background and Planned Care)
- Block contract for all care with opt out for individuals who want an alternative provider
- Block contract for all care with no opt out for individuals who want alternative provider

After consideration, the model known as "Core" and "Add On" (also known as Background and Planned Care) has been identified as the preferred model.

In relation to spot purchasing, there are concerns that 24 hour cover will not be in place as the level of care available will be dependent on the needs of individuals living in the scheme at that time. In respect of block contracts, there is the risk that either there could be insufficient cover or over provision, depending on the needs of the service users at any one time, and that there would be less choice for service users if an opt out was not possible.

The "Core" and "Add On" requires a core charge to be levied on all tenants, and is being proposed for the following reasons:

- Guarantee of a 24 hour service which will respond to emergencies and provide reassurance, irrespective of the needs of people living in the scheme at any one time.
- The model combines choice with the need to meet operational requirements:
  - Tenants must pay the core charge to the on-site provider

- Tenants can choose which provider delivers their planned care to meet their assessed needs. The majority of tenants usually choose the on-site provider to deliver their planned care, where the service being delivered is good quality
- All tenants contribute to the cost of staff presence, irrespective of whether they have eligible care needs.
- Tenants with eligible care needs can use their personal budget to pay for the core charge. Tenants with no eligible care needs will be required to pay the core charge from their own income.

Whilst this is considered to be the most appropriate option, there are concerns about affordability, which may impact on demand leading to potential financial risk to both the landlord and support provider. The following options seek to address these concerns:

### **Setting the Core Charge - Options Available**

The objective is to find the most appropriate approach to making the core charge affordable for the individual, whilst balancing the financial risk to the landlord, the care and support provider and the county council.

Owing to the presence of staff on site to deliver planned care, it is recognised that there are opportunities to consider the overlap in staffing between the planned care service and the background/emergency support service.

A range of options have been considered:

- Option 1: Charge the full cost of delivering a 24 hour core service with dedicated staff – this would be in the region of over £40 per week which is not affordable for individuals on a lower income.
- Option 2: county council makes a contribution to the cost of the core service. There are a range of concerns with this option:
  - People who are able to afford the service would be subsidised by the county council.
  - There would be a long term revenue commitment from the county council to paying for people who do not have a statutory care need.
  - The county council would be setting the level of contribution which is better determined by the market who have the operational experience to understand the best approach to deploying staff.
- Option 2a: Similar to Option 2, but would also involve means testing to identify people on lower income resulting in an administrative burden which would not provide value for money, and there would be a lack of clarity for applicants and staff regarding the service offer.
- Option 3: set a reasonable core charge and allow providers, through a procurement exercise, to build a funding contingency into the planned care charge where they believe that there is a funding risk to the provision of a 24 hour background service.

Option 3 is the proposed model in respect of the Chorley Scheme:

- The provider is guaranteeing to be on site 24 hours per day, in order to provide a background care and emergency service.
- When chosen by the service user, the provider also delivers planned care to people with assessed eligible care needs, which is paid for through a spot contract.
- It is proposed that a core weekly charge of £17.50 is set and organisations submitting tenders are asked to provide an hourly rate for their planned care as part of their tender submission. The core charge will be subject to annual inflationary uplifts.
- The core charge only reflects 12 hours of the day as staff will already be on site for the remaining 12 hours delivering planned care.
- Where the Provider is concerned that they would not have enough staff on site to deliver the 24 hour cover, then they can include a contingency amount within the tender price for their planned care rate, to cover some of the background/emergency support.

When setting the core charge at £17.50, we have considered the following issues:

- Identifying a level of charge which is sustainable for the county council in the future, as it is difficult to increase charges once people move in to the scheme.
- Charges levied in other local authorities.
- The core charge of £17.50 breaks even in a service comprising of 75 units.
- In schemes of less than 75 units, we would expect a higher level of contingency within the planned hourly rate. This would include Chorley as it has 65 units.
- As long as landlords and care and support providers work with tenants regarding the process for raising any issues and appropriate use of the community alarm service, it is expected that there is a greater likelihood of emergencies occurring amongst people with higher care needs who will be receiving planned care.
- Affordability to pay an increased planned care hourly rate will be determined through the financial charging policy.
- As the overlap between planned and background care is an operational issue, the provider is best placed to assess the risk and implications.

It is proposed that this model will be used for the procurement of the care and support service. The request to commence the procurement exercise for the provision of Extra Care Services at Primrose Gardens is included within the Procurement report. The services which are being procured are the onsite staff to provide the core service (the background support and emergency response service) and the planned care for service users who have chosen to have their assessed care needs met by the on-site provider.

## **Consultations**

Senior Officers from Chorley Council are supportive of the proposals.

## **Implications:**

This item has the following implications, as indicated:

### **Procurement**

The care and support service will be commissioned in accordance with the procurement regulations and the council's own procurement rules.

### **Finance**

This model of support results in individuals maintaining their independence for a longer time period and should result in lower costs for the county council, as alternative provision such as residential care would be more costly.

The proposed model sets a core charge and will allow providers, through a procurement exercise, to build a funding contingency into the planned care charge where they believe that there is a funding risk to the provision of a 24 hour background service. The core charge is to be set at £17.50 and equates to approximately £60,000 per annum. This will be subject to inflationary uplifts and will be regularly reviewed once the scheme is in place.

Lancashire County Council is paying for a service to meet the statutory care needs of people accessing the service. There are no direct additional revenue funding contributions. However, if the market perceives that there is any funding risk to their ability to deliver a 24 hour service, they will submit tenders with a higher hourly rate which Lancashire County Council would fund.

The risk of an excessively high hourly rate is mitigated by:

- The procurement process – tenderers will be seeking to win the tender which will include an evaluation of the price.
- If the on-site provider identifies an excessively high rate, tenants with direct payments are likely to purchase their planned care from other lower cost providers.
- The initial term of the contract will be 2 years, which will limit the period in which any excessive hourly rates would be paid.

The risk of not allowing providers to build in a reasonable level of contingency which may lead to a marginally higher hourly rate is that providers may not tender for the service, which would result in a care provider not being in place for the opening of the service.

### **Equality and Diversity**

There will be no adverse impact on any groups of individuals sharing protected characteristics, as the new Extra Care Scheme provides a greater range of accommodation and support options for older people and people with disabilities.

Eligibility criteria and priorities have been established giving greater access to people with higher levels of care need, which reflects the original purpose of the service. In addition, older people and people with disabilities who do not have an eligible care need will need to fund the core service themselves.

### **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A