

## Report to the Cabinet

Meeting to be held on Thursday, 7<sup>th</sup> November 2019

### Report of the Head of Service - Policy, Information and Commissioning (Live Well and Age Well)

#### Part I

Electoral Division affected:  
(All Divisions);

#### Extra Care Service Model and Core Charge

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#### Executive Summary

This report describes the proposed care and support model for new Extra Care schemes being developed in Lancashire, which is based on the model agreed by Cabinet in relation to the Chorley Extra Care Scheme (Primrose Gardens) in September 2018. The report also recommends authorising appropriate officers, in consultation with the Cabinet Member for Adult Services, to make any future decisions regarding the service model and core charge within Extra Care Schemes.

#### Recommendation

Cabinet is asked to:

- (i) Approve the preferred model as set out within the report, including a core weekly charge of £17.50 per apartment.
- (ii) Authorise the Executive Director of Adult Services and Health and Wellbeing and the Director of Finance, in consultation with the Cabinet Member for Adult Services:
  - (i) To agree core charges within new schemes.
  - (ii) To agree any changes to the core charge in existing schemes.
  - (iii) To agree the allocations policy where the policy is in line with the principles outlined in this report.
  - (iv) To undertake a review once the schemes have been operational for at least a year, and make any minor amendments to the "core and add on" service model.

## **Background and Advice**

Cabinet approved the care and support model and core charge to be implemented in the Chorley Extra Care Scheme in September 2018.

This report seeks approval to implement the model agreed for Chorley within new extra care schemes being developed in Lancashire, including two schemes which are due to open in Preston and Fleetwood in January 2020. In addition, it is proposed that the Executive Director of Adult Services and Health and Wellbeing and the Director of Finance be authorised to make decisions, in consultation with the Cabinet Member for Adult Services, regarding the care and support model and the core charge as outlined below.

- (i) To agree core charges within new schemes.
- (ii) To agree any changes to the core charge in existing schemes.
- (iii) To agree the allocations policy where the policy is in line with the principles outlined in this report.
- (iv) To undertake a review once the schemes have been operational for at least a year, and make any minor amendments to the "core and add on" service model.

## **Service Model**

Extra Care housing provides safe and secure self-contained accommodation for older adults and people with disabilities 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 who can respond to emergencies, provide emergency care at short notice, and co-ordinate wellbeing activities. This service benefits all tenants and is not allocated to any one individual.
- Planned care (individual care packages) for tenants who have an eligible care need under the Care Act.

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

Residents of Extra Care Schemes have a range of care and support needs. Consequently, when developing a care and support model, there are two key challenges:

- How can the 24 hour staff presence be funded when the scheme will be occupied by people with a mixture of needs and the profile of need will fluctuate?
- How can the service be made affordable and sustainable?

A range of Care and Support Models were outlined in the report on the Chorley Extra Care Scheme approved by Cabinet on 13 September 2018. "Core" and "Add On" (also known as Background and Planned Care) was identified as the preferred model.

The model seeks to balance the objective of maximising choice with the need to meet operational requirements:

- Tenants must accept and pay for the background care/emergency service delivered by 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 of a good quality.
- All tenants contribute to the cost of the 24 hour staff presence, irrespective of whether they have eligible care needs under the Care Act. 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 model, there are concerns about affordability, which may impact on demand leading to potential financial risk to both the landlord and support provider.

In relation to the allocations policy, the principles that we have sought to agree with landlords and care providers are that:

- High priority will be awarded to people who have an urgent need for re-housing and high care needs, who would otherwise move into a residential care setting. This includes people who are unable to return home following a period in hospital or rehabilitation.
- Medium priority will be awarded to people who have had a social care assessment that indicates that their current housing is no longer suitable and extra care accommodation would meet or reduce any ongoing statutory care needs, and would promote wellbeing as defined in the Care Act.
- Low priority will be awarded to people who have no statutory care needs who indicate that their current housing is no longer suitable and their independence and well-being would be promoted through living in an extra care scheme, thereby preventing or slowing down the need for care in the future.

The allocations policy and procedure will seek to facilitate the development of a balanced and sustainable community. Consequently, the profile of people living in the scheme will be monitored. Where there are concerns about the overall objectives of the scheme not being achieved, the Joint Allocations Panel will be responsible for reviewing the Policy.

### **Setting the Core Charge**

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 were previously considered within the report on the Chorley Extra Care Scheme which was approved by Cabinet on 13 September 2019. The model agreed is outlined below:

- It is proposed that a core weekly charge of £17.50 per apartment 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 the cost of providing staff for around 10 to 12 hours of the day, with the remaining hours being staffed by people delivering planned care. The funding from the core charge generally pays for the night time cover and a few additional hours. Consequently, this is a model which places a lot of risk with the provider.
- 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 within the tender price for their planned care rate, to cover some of the background/emergency support.
- Where the planned care rate has been increased to include contingency provision, the individual's ability to pay will be assessed through the charging policy.
- We have sought to identify a level of charge which is sustainable for the county council in the future, as it is difficult to significantly change the level of charges once people move in to the scheme.
- 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.
- As the overlap between planned and background care is an operational issue, the provider is best placed to assess the risk and implications.

Learning from recent tenders has shown that this model does not address the need to have staff on the scheme 24 hours per day from the date that the first person moves into the service; however, the provider will only receive funding for people once they have moved into the service. Consequently, this issue will be addressed on a scheme by scheme basis when Cabinet approval is being sought to procure the care and support service

## **Consultations**

N/A

## **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.

## **Financial**

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, apart potentially from start-up costs which will be identified in the relevant procurement report. 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