

MEETING:	STRATEGIC MONITORING COMMITTEE
DATE:	19 OCTOBER 2009
TITLE OF REPORT:	EVALUATION OF THE EXTRA CARE FACILITY KNOWN AS THE ROSE GARDENS, LEDBURY ROAD, HEREFORD
PORTFOLIO AREA:	ENVIRONMENT & STRATEGIC HOUSING AND SOCIAL CARE ADULTS

CLASSIFICATION: Open

Wards Affected

Tupsley

Purpose

To provide details of the financial position in relation to the first extra care provision within Hereford City following its completion and occupation during the financial year 2008/9.

Recommendation(s)

THAT the report be noted, subject to any comments the Committee wishes to make.

Key Points Summary

- The Rose Gardens Extra Care scheme was commissioned for development as part of Herefordshire Council's strategic approach to investing in services for older people.
- The completed scheme comprises 91 units of accommodation with a range of complementary services and facilities and was delivered in partnership with Extra Care Charitable Trust and Festival Housing Group. The scheme secured grant funding from the Department of Health to the value of £4.6m.
- The subsidy applied to the scheme enabled 75 of the developed flats to be available either at affordable rent or through shared ownership tenure options thereby creating a mixed community accessible to a wide community.
- The completed scheme provides a significant important alternative to residential care models and can be expected to deliver significant savings over time to Adult Social Care in terms of alternative care/residential care costs. Additional benefits can be expected in terms of reduced interventions from PCT funded services and the general well being of the scheme occupants.

Alternative Options

1. This report is for information only and therefore no alternative options are applicable.

Reasons for Report

2. In March 2008 in considering the Draft Corporate Plan and the priority of achieving value for money, concern was expressed about the Extra Care Housing Scheme at Rose Gardens Hereford and it was requested that a report be submitted on the Rose Garden Scheme reviewing its value for money and whether there were any lessons to be learned for future schemes.

Introduction and Background

3. The development of extra care housing was identified as a strategic priority within the council's housing investment strategy and was consistent with relevant housing, social care and health related strategies at a national level.
4. Housing needs analysis was undertaken to support the need for extra care housing provision in the county and the main findings included
 - Translating estimates of need into actual demand is notoriously difficult;
 - Age concern survey involved over 55's confirmed that over 94% wished to maintain a degree of independence;
 - Herefordshire's projected population growth over 2001/2011: 6% (national 4%);
 - Over 60's population growth in Herefordshire for the same period estimated to be 30% (double national projected rate of 15%)
5. The council selected Extra Care Charitable Trust (ECCT) an acknowledged expert in the provision of extra care housing, as a partner to deliver care and support within the scheme. In partnership with ECCT, Festival Housing Group, locally known as Elgar Housing Association, were selected to deliver the built environment and landlord functionality.
6. The completed scheme comprises 91 apartments (49 x 1 bed 42 x 2 beds) and provides a range of options from 19 part rent/part buy (shared ownership), 16 outright sale and 56 rental, with levels of care provision ranging from nil to levels 1-5. The mix not only reflected the acute need for affordable housing, whilst ensuring a balanced and sustainable community but also underpinned the financial viability of the scheme.
7. Despite only being operational for a short period of time the scheme has already received recognition by CSCI for the Domiciliary Care Services as a two star good service following a key inspection report in February 09.
8. The first resident satisfaction survey was completed on 12th March 2009 and received 80 responses representing 87% of the residents.

9. The results clearly re-affirm the quality of services/facilities and care provision with key findings as follows.

		%	Residents
○ Experience of living at the Rose Gardens	Excellent	51%	(35)
	Very Good	34%	(24)
	Satisfactory	12.9%	(9)
	Poor	1.4%	(1)
○ Rating of Apartment	Excellent	65.8%	(48)
	Very Good	21.9%	(16)
	Satisfactory	11%	(8)
	Poor	1.4%	(1)
○ Activities programme overall	Excellent	31.0%	(18)
	Very Good	46.6%	(27)
	Satisfactory	22.4%	(13)
	Poor	0%	(0)
○ Support package received	Excellent	30%	(6)
	Very Good	55%	(11)
	Satisfactory	15%	(3)
	Poor	0%	(0)

10. A full copy of the survey results is available on request from the Housing Needs and Development Manager.

Key Considerations

Development Costs for delivering Bricks and Mortar

11. The scheme was a partnership between Herefordshire Council, The Department of Health, Extra Care Charitable Trust and Elgar with partners committing funding towards the development costs as detailed below

	<u>Final Costs</u>
Department of Health	4,601,500
Herefordshire Council	2,500,000
Extra Care Charitable Trust	1,000,000
Elgar Housing Association	8,013,500
Total	<u>£16,115,000</u>

12. In addition, Strategic Housing was required to make an additional payment to purchase the land from the Council, in the sum of £1,005,000 from housing capital reserves. This enabled funding to be redirected towards other projects in support of the Council's strategic

objectives.

13. The bid for grant funding from the DoH, was accessed under the financial regulations of the then Housing Corporation to ensure that it represented value for money. The awarded grant of £4.6m received as a result of Herefordshire's successful bid to the DoH was the highest grant award announced within the first round of funding programmes.
14. In return for its investment of £3,505,000 the Council now has nomination rights to 50 extra care units at an average cost to the Council of £70,100 per unit. The units are located centrally in Hereford on land that was previously under-utilised and a capital receipt of £1,005,000 has been freed up. The investment of £3,505,000 has levered in an additional £13,615,000.
15. Nineteen flats have been sold under shared ownership arrangements at average market price of £130,700 and a further sixteen have been sold outright. These units also provide extra care facilities to the elderly and frail in an independent, stimulating environment.

Accommodation Costs

16. The tenure split of the 91 units developed at the scheme is as follows.

Rented	56
Shared Ownership	19
Outright Sale	16

17. The ability to ensure that a high proportion of the units developed would be affordable was a significant consideration in the commissioning of the scheme. The levering in of large amounts of subsidy in the form of DoH grant and other private/public subsidy enabled the development of a high quality scheme which contains a range of tenure options, a number of which are at affordable levels.
18. Rented levels at the scheme are as follows

Charge	1 bed rental £ per week	2 bed rental £ per week
Rent	£79.13	£89.68
Service Charge	£46.75	£46.75
Amenity Charge	£40.75	£43.20
Total	£166.63	£179.63

19. For Housing Benefits purposes, the rent, excluding the amenity charge is considered affordable.
20. By comparison rent levels including service charge at Leadon Bank the extra care facility at Ledbury are £216 per week for a 1 bedded apartment and £270 per week for 2 bedded.
21. A detailed comparative breakdown of accommodation and costs together with comparative data for other schemes funded through the Department of Health 04/05 funding round is provided at Appendix 1.

22. Without the benefit of the subsidy from grant funding the rental element alone would have been in the region of

1 bed apartments £190 per week
 2 bed apartments £205 per week

23. The inclusion of outright sale units have enabled a more mixed community development but has also contributed towards the subsidy of the delivery of affordable units. Without outright sale the rent element alone would be

1 bed apartments £110 per week
 2 bed apartments £160 per week

24. Shared Ownership has also been incorporated to contribute towards a mixed and balanced community. Residents can purchase 50% or 75%.

Support and Care costs

25. A key driver for the development of extra care centres on promoting independent living with support and care responding to changing needs flexibly. Extra Care housing therefore provides a significant important alternative to residential care models and can be expected to deliver significant savings over time to Adult Social Care in terms of alternative care/residential care costs.

Care charges at the Rose Gardens are as follows:

Care Level	Charge to resident per week	Charge to Council per week per resident	Total care charge if self funding	Guaranteed places for Council nominated users
Level 1	£82.58	£0.00	£82.58	10
Level 2	£93.14	£96.75	£222.36	10
Level 3	£114.81	£96.75	£254.38	10
Level 4	£114.81	£150.66	£309.09	10
Level 5	£150.45	£323.10	£519.07	10

26. The charge to the resident is funded by the individual from his/her attendance allowance and severe disability premium. If the resident has sufficient resources he/she makes a contribution to the charge to the Council in line with a means tested formula. In most cases at the Rose Gardens the Council funds the full charge to the Council.

27. These rates compare with the Council's Care Home Price bands as follows:

Care Level	Rose Gardens charge to Council per week per resident	Residential Care Home per week per resident (approx)	Minimum contribution by resident ie pension/incapacity benefit	Contribution by Council/PCT	Potential savings per resident per week – to Council/PCT	Potential Savings per 10 residents per week
Level 1	£0.00	£372.70	£108.10	£264.60	£264.60	£2646.00
Level 2	£94.85	£386.40	£108.10	£278.30	£183.45	£1834.50
Level 3	£94.85	£386.40	£108.10	£278.30	£183.45	£1834.50
Level 4	£147.71	£520.00	£108.10	£411.90	£264.19	£2641.90
Level 5	£316.76	£530.00	£108.10	£421.90	£105.14	£1051.40
Potential savings per week						£10008.30

Occupation rates

28. The apartments are allocated in line with Festival's Allocation policy which is in accordance with the Herefordshire Council's nomination agreement and the heads of terms. The assessment of applicants, is the responsibility of a joint allocation panel comprising officers of the Council, Elgar and Extra Care Charitable Trust.

29. In summary,

- All applicants will be subject to an assessment
- Normally aged 60 or over (although discretion for 55 + can be given)
- Be in housing need and/or have a care need

30. In relation to

- The age profile of the scheme
- Number of person care/support packages available.

31. The initial allocation of the apartments has assisted 79 people from within the county and 12 who were living outside of the county, but had a local connection to Herefordshire. In

addition 4 people would have been residing in residential care. This released 29 housing association properties ranging from bedsits to 3 bed houses.

32. With regards to the age profile of the scheme, this currently indicates an allocation to properties as follows

Age	Proportion	Units	Rose Gardens
60 – 65	10%	(9)	11%
66 – 75	20%	(18)	26%
76 – 85	35%	(32)	39%
86 – 95	30%	(27)	20%
96+	5%	(5)	1%

A further 3% have been allocated to those aged 55-59 years.

33. The latest waiting list figures indicate there are 29 households awaiting properties for sale and 48 households awaiting rental property.

Affordability Issues

34. As the Rose Gardens are operated by a Registered Social Landlord, the full rent is deemed to be affordable and eligible for housing benefits, as well as a proportion of the service charge. Supporting People funding of £13.56 per unit per week communal allowance is also paid.
35. As far as care charges are concerned, the residents are able to claim attendance allowance and if their care is at level 2 or above, severe disability premium. This premium is not payable to people in residential care. The balance of the care costs are generally met by the Council.
36. The RSL as part of the extra care contract is responsible for the provisions of benefit advice to residents and potential residents. The objective is to optimise take up of benefits to ensure affordability.

Improving Health and Well-being

37. Since the opening of the Rose Gardens Extra Care Scheme the following number of residents have reduced their support needs.
- 8 residents have moved from requiring level 1 services to core (Level 0 support (equivalent of a sheltered housing warden service))
 - 2 residents have moved from level 2 to level 1
 - 1 resident has moved from level 3 to level 2
 - 1 resident has moved from level 4 to level 2
38. At this stage it is hard to quantify the improved health and well-being costs to the PCT resulting from the Extra Care Scheme and associated with interventions such as GP input, hospital admissions etc. However, Extra Care Charitable Trust advise that their annual well-being check suggests there has been a 4% improvement across the scheme

representing a significant figure for an ageing population.

39. In the longer term it should be envisaged that improvements will be quantifiable in terms of e.g. reduced mortality hospital stays, need for nursing care.

Lessons Learned

40. There will inevitably be technical issues associated with construction projects where lessons can be learned. In the case of the Rose Gardens Scheme, on site investigations after commencement of works identified an obsolete underground culvert that was not marked on drawings provided by utility companies. Whilst these occurrences cannot be ruled out, future development agreements on significant Capital housing projects part-funded by the Council should seek to minimise financial risk to the Council.
41. Overall, however, the learning points from the Rose Gardens project are largely positive. Broadly these include:-
 - That by working in partnership, Herefordshire Council was able to secure significant grant funding from the Department of Health and lever-in over £9m private sector funding towards the delivery of a strategic priority for the County.
 - That the concept of Extra Care living has attracted a great deal of interest and support from older people in Herefordshire as evidenced by the demand for places and public interest at consultation events associated with the project.
 - That people express high levels of satisfaction with the experience of living in a quality Extra Care environment.
42. At a fundamental level, it would appear that the Extra Care model should deliver significant savings to Adult Social Care in comparison to alternative residential care costs.
43. However, further work needs to be done to evaluate the comparability of Care Levels in Extra Care schemes completed in Herefordshire to equivalent Care Levels in Residential Care Home establishments. This will enable a better understanding of comparative savings to the local authority in informing future commissioning strategies around services to older people.

Community Impact

44. The scheme is located within a demographic area of predominately older persons, where the facilities/activities provided can be maximised by the local residents through membership to Friends of the Rose Gardens. There are currently 288 members of which only 4 reside outside the County.
45. The scheme is also reliant upon its 118 volunteers to contribute towards the operation of the scheme so it feels inclusive. These volunteers are residents, staff and non-residents.
46. The scheme has also attracted funding for the development of a pedestrian crossing, which is currently being delivered through the Council who have commissioned Amey to undertake the works. It is anticipated that the crossing will be installed by early autumn.
47. In addition, the development has seen the enhancement of the public open space with new seating and rose beds and also varying levels to address future potential flooding.

48. 29 RSL properties have been released by households taking up accommodation at the Rose Gardens. 4 applicants were moved from nursing homes. 58 residents moved from private accommodation. All 91 properties were allocated to households who were either resident within the County or who had a local connection to the County.

Financial Implications

49. None, this report is for information only.

Legal Implications

50. None, this report is for information only.

Risk Management

51. None, this report is for information only

Consultees

52. None, this report is for information only

Appendices

- Appendix 1 Department of Health Grant Funding 04/05 Support Service Levels and Definitions

Background Papers

- Reports to Cabinet 12 July 2007, 16 December 2004, 18 March 2004, 25 September 2003, – 10 July 2003, 19 June 2003, and September 2002
- Reports to Social Care and Housing Scrutiny Committee – 27 January 2004, 29 September 2003, 17 June 2003,
- Report to Social Care Committee – 15 June 2001
- Report to Extra ordinary meeting of the Council – 15 July 2001