

## **Modernising the Provision of Care – The Case for Change**

### **1. Introduction**

This document has been developed to summarise the evidence we have considered before reaching the stage when we embark on a formal public consultation about the future of our in-house care services. Five main factors combined to provide the business case for reviewing our in-house care services, these were:

- The introduction of the Social Services and Wellbeing (Wales) Act, and the focus on enabling people to remain as independent as possible for as long as possible;
- A review of national research into the benefits of extra care housing over standard residential care;
- Local evidence around the falling demand for standard residential care and for day services in Denbighshire;
- Local evidence of demand for existing Extra Care Housing in Denbighshire, particularly in Ruthin; and
- The comparatively high cost of running care homes ourselves, compared to homes in the independent sector and compared to the cost of Extra Care.

### **2. The Social Services and Well-being (Wales) Act**

The Social Services and Well-being (Wales) Act (the “Act”) received Royal Assent and became law on 1 May 2014. It provides the legal framework for improving the well-being of people who need care and support, and carers who need support, and for transforming social services in Wales.

The Act highlights, and responds to, a number of challenges faced by public services in Wales. These include demographic changes, increased expectations from those who access care and support as well as continuing hard economic realities. The Act aims to address these issues and in doing so will give people greater freedom to decide how services are provided to support their needs, while offering consistent, high-quality services across the country.

The Act will transform the way social services are delivered, promoting people’s independence to give them stronger voice and control. Integration and simplification of the law will also provide greater consistency and clarity to:

- people who use social services;
- their carers;
- local authority staff and their partner organisations; and
- courts and the judiciary.

The Act promotes equality, and aims to improve the quality of services and enhance access to the information available to people. It also encourages a renewed focus on

Appendix C: Copy of the “Case for Change” document issued on 16<sup>th</sup> October 2015 prevention and early intervention. Further information about the Act can be found on the Welsh Government website [<https://www.denbighshire.gov.uk/consultations>].

### 3. National Research

National research tells us that models of housing and support which help people to remain independent are increasingly favoured by older people. A YouGov survey commissioned by the National Housing Federation in 2010 found people aged between 60 and 65 are increasingly concerned about having to move into a care home or imposing themselves on relatives if they could no longer cope with living on their own. However, the poll also asked people to rate different accommodation options if they could no longer live independently in their own home. The results were:

- 18% had a positive view of living in a care home;
- 10% thought moving in with their family would be a good idea;
- 80% were positive about downsizing to a smaller, more manageable home;
- **65% liked the idea of living in a self-contained home with support or care available if required.**

(Breaking the Mould - Re-visioning older people’s housing, National Housing Federation 2010)

Extra Care is becoming established as a popular model of specialist housing with care provision for older people. Developing extra care is a key plank of government policy in terms of its aims to promote choice, independence and wellbeing for older people. There are many different models of extra care in existence however, put simply, extra care offers housing with full legal rights associated with being a tenant, or homeowner, in combination with 24 hour on-site care that can be delivered flexibly according to a person’s changing needs. Local authorities are increasingly looking to extra care as a strategic response to replacing older models of residential care provision, and to address issues of low demand in older traditional forms of sheltered housing.

**Tenants in Denbighshire’s extra care housing schemes speak warmly of their experiences of living there, even though some acknowledged that they were at first reluctant to move in.**

Similarly, within research undertaken by the Joseph Rowntree Foundation on ‘*Social well-being for tenants in extra care housing (2007)*’, most participants reported a high level of satisfaction with their social wellbeing and overall quality of life. Having their own home and the independence that it provided seemed to be an important part of this, as was the overall extra care housing environment, the friends they made within it and the contact that they had with the wider community.

For many people, extra care is a viable and preferable alternative to residential care. Most people move in because of an assessed care need, i.e. they and/or their partner requires care at least once a day. **One of the main benefits of extra care housing is that it**

**enables couples to remain living together even when one partner has substantial care and support needs.**

*‘Establishing the Extra in Extra Care - Perspectives from three Extra Care Housing Providers’* (Dylan Kneale, The International Longevity Centre, September 2011) examined outcomes for extra care tenants, tracking the outcomes for residents who in some cases moved into extra care housing as long as 15 or more years ago. In this study, they focus upon outcomes related to health status, usage of health services and usage of institutional accommodation, and highlight the following key findings:

- *Extra care housing is a home for life – much fewer people living in Extra Care (8%) have to move into a care home compared to those living in their original home with domiciliary care (19%).*
- *Extra care is a healthy home for life – 25% of people in Extra Care experience a reduction in their level of care needs.*
- *Extra care housing is associated with a lower likelihood of admittance to hospital for an overnight stay compared to a matched sample living in the community.*
- *Extra care housing translates into fewer falls - a lower than expected number of falls was recorded in a small sample of extra care housing residents than in a matched comparison group living in the community.*
- *Extra care housing supports some of the oldest and frailest members of society with the average age of residents in the very late 70s and early 80s in this research. In addition, the number of people living with dementia, the aftermath of a stroke or Parkinson’s disease was higher in extra care residents than in the general population.*
- *The benefits of residence in extra care housing could translate into substantial cost savings, particularly in the long-term. In Denbighshire, the cost to the council of supporting someone in a standard residential care home in the independent sector is approximately £466 per week, which includes about 17 hours of staff time. In Extra Care Housing, 17 hours of staff time would cost approximately £276 per week, saving the public purse nearly £10,000 per person each year.*

More recently, Aston University's three year longitudinal study of The Extra Care Charitable Trust’s model of integrated housing, health, and social care ‘BETTER LIVES, HEALTH, FUTURE’ (June 2015) have very similar findings, agreeing that extra care housing makes a real difference to older people's lives - improving the quality of life for tenants whilst relieving pressure on the NHS and reducing costs for the public purse.

In addition, the financial benefits to individuals living in Extra Care compared to residential care are demonstrable as charges for domiciliary care are capped by Welsh Government at £60 per week. For home owners, while they may need to sell their home to buy an

Extra Care apartment, they still have that capital asset, whereas in care homes, this money would be used to pay their care fees.

#### **4. Demand for residential care and day services in Denbighshire**

The number of people supported by the council in residential care has been reducing year on year for some time now. We measure this in two ways.

- First, we count the number of adults supported by the Council to live in residential/nursing care on 31<sup>st</sup> March each year. **In 2015, this figure was 499 compared to 579 in 2012.**
- We also count the number of adults who were supported by the Council to live in residential/nursing care at any time during each financial year, which will obviously be a higher number than those living there on any particular day. **This figure has also reduced significantly in recent years; from 815 in 2011/12 to 697 in 2014/15, and we anticipate that this figure could fall to as low as 615 by 2016/17.**

There are currently about 1027 care home beds run by the independent sector in Denbighshire, and the council has an additional 79 beds in its three residential care homes. However, in 2010 there were about 1187 independent sector beds and 90 council beds. In 2008, there were 1199 independent sector beds and 127 council beds. In total, therefore, the number of residential beds in Denbighshire has reduced from around 1326 to around 1106 over the last 7 years.

All of this information demonstrates that the demand and need, at least for standard residential care in Denbighshire, continues to reduce each year, although we know that the demand for specialist (nursing/mental health) care homes continues to rise.

In relation to the provision of **respite care** to enable carers to have a break, there are successful examples in Denbighshire and Flintshire, as well as across England, of Extra Care facilities using one or two apartments to provide this service, suggesting that, again, standard residential care is not an essential requirement for this service.

The demand for day services in Denbighshire has also been falling steadily in recent years. During 2009/10, the number of adults receiving day services in Denbighshire was 611. Last year, during 2014/15, the number had fallen to 417. That is a reduction of 194 people, or 32%, in the past five years.

#### **Demand for existing Extra Care Housing in Denbighshire**

We currently have 3 extra care housing developments in Denbighshire:

- Gorwel Newydd in Rhyl, which opened in 2009 and comprises 59 apartments. There are currently 7 people on the waiting list and 5 applications awaiting assessment.

- Nant y Mor in Prestatyn, which opened in 2011 and comprises 59 apartments. There are currently 5 people on the waiting list and a further 4 due to be assessed imminently by the panel.
- Llys Awelon in Ruthin, which opened in 2011 and comprises 21 apartments. There are currently 35 people on the waiting list.

All 3 schemes were filled immediately after opening, and have operated a waiting list ever since. Feedback from tenants is unanimously positive, with particular appreciation expressed for:

- The feeling of safety and security engendered by knowing that staff are on site 24 hours a day
- The friendship and support provided by fellow tenants
- The daily lunches and social activities
- The choice to be able to retreat to one’s own space or to socialise
- The person centred approach and the flexibility in the care packages, able to accommodate periods of ill health

**Some residents who are currently living in residential care would have preferred to have found a place in extra care, and their needs could have been met there, but they moved into a residential home as no spaces were available in extra care schemes.**

Although numbers have fluctuated over time, there has been a particularly long waiting list for Llys Awelon in Ruthin for some time, which demonstrates a very high demand for additional extra care housing in the Ruthin area.

## **5. Cost of running care homes**

The **average** cost per week for a residential care home placement in **Wales** was £497 in 2013/14 according to the Laing & Buisson Care of Older People, UK Market Report. The agreed rate that we pay to the independent sector to provide standard residential care in **Denbighshire** is £465.90. As can be seen in Table 1 (below), our in-house residential care homes cost significantly more to run. Even if the demand existed for all our in-house care homes to be full at all times, the cost would range from £479.09 to £595.48 per person per week. However, because the fixed costs remain constant, overall it also costs more per resident when there are vacancies in our homes. Based on current occupancy levels, the costs range from £532.32 to £737.26 per person per week.

Therefore the difference between the standard rate we pay to the independent sector for residential care (£465.90) and the amount it currently costs us to provide residential care in Awelon in Ruthin (£737.26) is £271.36 per person per week, or £14,111 per person per year. This is partly because there are economies of scale in larger residential homes or those who come under an umbrella organisation.

As stated previously, the cost of providing care and support in an Extra Care Housing environment at an equivalent level to care provided in a standard residential care home (i.e. an average of 17 hours per week) would be £276 per week. This is £461.26 per week, or £24,000 per year, cheaper than it currently costs us to support a person in Awelon in Ruthin.

Table 2 (below) shows how much it actually cost the council on average to support people within the three Extra Care Housing schemes last year. This ranged from £170.43 per person per week in Llys Awelon (Ruthin), to £65 per person per week in Nant Y Mor (Prestatyn). If we therefore compare the actual average cost of supporting someone in the Nant Y Mor Extra Care Housing scheme in Prestatyn (£65 per week) to the actual average cost of supporting someone in the Awelon residential care home in Ruthin (£737.26/week), then the difference is £672.26 per week, or approximately £35,000 per year.

**Table 1:**

2015/2016 financial year - based on outturn forecasts as at 08/09/2015

Unit cost for in-house provider services

Gross Unit Cost based on 2015/2016 financial year					Based on Full Occupancy		Based on 15/16 Occupancy as at 1st Sept	
Residential Home	Employee Costs	Premises Costs	Supplies and other services	GROSS TOTAL	Occupancy (Beds)	Gross Unit Cost Per Week	Occupancy (Beds)	Gross Unit Cost Per Week
	£	£	£	£		£		£
Awelon	673,059	79,855	52,172	805,086	26	595.48	21	737.26
Cysgod Y Gaer	547,186	87,968	35,855	671,009	23	561.04	21	614.48
Dolwen	616,570	83,537	47,267	747,374	30	479.09	27	532.32

**Table 2:**

Gross Unit Cost based on 2014/2015 financial year

ECH	Employee Costs	Premises Costs	Transport	Supplies and other services	Other	GROSS TOTAL	Occupancy	Gross Unit Cost Per Week
	£	£	£	£	£	£		£
Gorwel Newydd	290,397.58	52.00	477.44	11,487.70		302,414.72	66	88.12
Nant Y Mor	218,490.05	1,198.10	256.39	6,499.55		226,444.09	67	65.00
Llys Awelon	179,056.83	3,688.37	147.98	20,938.18		203,831.36	23	170.43

## 6. Conclusion

All of the information in this document has led the Council to form the view that standard residential care is an outdated method of meeting the care needs of frail elderly people and that, instead, the focus of provision should be as follows:

- where an individual’s needs can and can only be met by support from social services; and
- an individual cannot be cared for safely in their existing home; and
- the person does not need specialist nursing and/or mental health services

the offer from the Council will be the provision of domiciliary care services within an Extra Care Housing development.

This means that, over time, the number of existing standard residential care homes will continue to reduce and be replaced by modern Extra Care Schemes and more specialist nursing and/or mental health care homes.

Denbighshire has an ambitious plan for the development of additional Extra Care Schemes to meet this demand. In addition to the proposed developments on the sites of **Awelon in Ruthin** and **Cysgod y Gaer in Corwen**, the Council is in discussion with developers and Housing Associations about potential developments in **Denbigh, St Asaph** and **Llangollen**. There is a clear commitment in the Council’s Corporate Plan to achieve our ambitions, with agreement to provide capital funding where necessary.