

Reeve Court Retirement Village: Block Contracting Care in Bands, & Individual Budgets

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Key Partners

Extra Care Charitable Trust (The Trust or ECCT) : Manages most aspects of the village, including the care and housing-related support

Arena Housing Group (Arena) : Owns the land and provides the housing management through a subsidiary, Arena Options

St Helen's Council (St Helen's) : Commissions care and housing-related support

St Helen's Primary Care Trust : Contributes an agreed amount for the nursing care of those in band 5

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Brief Description

This case study looks at the use of bands and block contracts to commission care in housing-with-care schemes. St Helen's commissions care from the Extra Care Charitable Trust in the form of a block contract divided into five bands, defined by level and complexity of need. Whilst the number of people in each band changes from time to time, the annual amount paid to the Trust remains the same. This case study:

- describes the model
- explores its advantages and disadvantages
- considers whether it provides value for money to stakeholders
- explores some of the implications of individual budgets for this approach

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INTRODUCTION

This assessment of the commissioning approach used by St Helen's Council was undertaken as part of a much bigger piece of work – an evaluation of the retirement village which also looked at: health and well-being outcomes and what contributed to these; the way in which care is delivered; how housing-related support is commissioned and delivered; the range and levels of need which can be met at the village; community mix in terms of age and abilities, and the extent to which it contributes to, or detracts from community well-being; wider value-for-money questions; effectiveness of partnership working and other front-line operations¹.

None of these additional topics will be covered in this case study. It is however essential to set discussion of the commissioning approach in the following context:

Evidence from movements between bands suggests that there is greater improvement in levels of independence than might be expected purely by chance, or from a traditional domiciliary care service. A sense of improved well-being and satisfaction with having moved to the village was supported by interviews with “support”² residents.

The care and support is delivered by a dedicated, on-site “support” team, and appears to be delivered in a holistic, responsive and person-centred way so that the individual feels in control. In providing services to residents, distinctions are not made between care, housing-related support, and general support and encouragement.

“The care is better here although I need less of it [than in residential care]. They never let you down.” (Support Resident)

It appears that whilst the culture of care is an important contributor to a sense of well-being, a whole range of other factors are also important – services and facilities, activities and opportunities for involvement. It is the Extra Care Charitable Trust's holistic ethos, and the synergy of all these elements combining in different ways for different people, that maximise the sense of well-being for many residents.

“It does improve people's health and well-being. The opportunity it presents for continued activity – physical, mental and social, and the way it enables you to get levels of care you wouldn't get in your own home – on tap at the pull of a cord...well-being nurse, maintenance of properties...put it together in a pot and it has the desired effect.” (Resident)

COMMISSIONING ARRANGEMENTS FOR “SUPPORT”³

Objectives

The “Partnership Agreement for the Provision of Personal Care” between St Helen's Council and the Extra Care Charitable Trust sets out the following objectives:

- To maximise the service user's capacity for independence and self-care

¹ The full evaluation is not available outside the three commissioning organisations, but an extract covering well-being, care commissioning, need levels and community mix, will be available on the Housing LIN website

² Those residents who form part of St Helen's block contract

³ “Support” in quotation marks generally means the care and support provided by the on-site Support Team under St Helen's block contract .

- To minimise the physical, psychological, emotional, social and environmental causes of dependence
- To improve and maintain the service user's quality of life and capacity for self-fulfilment
- To assist with personal and domiciliary care tasks as necessary
- To support service users' involvement in their social networks and local community
- To maximise the service user's capacity for self-determination and control over their own life
- To promote positive attitudes to old age

St Helen's specification requires amongst others "a range of preventative services to preserve health and well-being", "flexible, responsive services" enabling "service users to exercise control over timing and type of assistance as far as practicable", and various services to improve and maintain quality of life. These include a "wide range of daytime activities" and support to make use of facilities outside the scheme, to maintain family and social networks, to develop new social contacts, to help one another and to contribute to the life of the scheme – whilst respecting the service user's right to choose.

The Commissioning Model

- St Helen's has a block contract with ECCT to provide care for 65 service users at a given cost, with the facility to spot purchase care for an additional 5 people.
- The block is divided into 5 bands, band 1 catering for those with the lowest care needs and band 5 including an element of nursing care.
- The cost per person in each band is pre-determined, with band 1 costing the least and band 5 the most.
- There is an agreed number of people in each band.
- Even if a service user changes from one band to another, St Helen's continues to pay the Trust the agreed total for the block – although the contract allows for adjustments to be made.
- When spare capacity within the block arises, if the actual distribution is out of kilter with the block, an attempt is made to fill it with someone who will shift actual distribution back towards the block distribution, not another person in the same band.
- Capacity may be filled by someone new moving in to the village or by someone already resident at the village who needs care.
- There is considerable flexibility within bands, so movement between bands only occurs if needs have changed significantly.
- Separate from ASSD annual reviews, The Trust reviews service users at given intervals or if circumstances change, and contacts care managers if a band level needs changing.
- Virtually all residents needing care get it at present through the Social Services block contract.
- At St Helen's, moderate, substantial and critical FACS thresholds apply.
- It is a partnership model of commissioning, based upon mutual trust.

The following analysis is based mainly upon information and interviews from a range of staff from St Helen's council and the ECCT, and knowledge of the wider housing with care world.

What are the advantages and disadvantages of this model to Social Services and the Trust?

Advantages

- Use of bands offers a balance between a fixed price approach irrespective of the amount of care delivered at one end of the spectrum, and commissioning based on numbers of hours in care plans at the other extreme. The former provides certainty to commissioner and provider, with the fee paid for those needing less care subsidising those who need more, thereby probably being cost-effective overall, but is a blunt instrument which mimics residential care. On the other hand, commissioning based narrowly on hours can result in inflexible service provision and high levels of bureaucracy.
- The range within bands allows for a person-centred, flexible and responsive service without bureaucratic constraints. Bands facilitate the provision of a service which fulfils the specified service objectives. Service provision does not have to be expressed in outputs of hours and tasks, but in outcomes. In line with the specification, the support extends beyond narrowly defined personal care and can be delivered in an integrated way.
- The synergistic effect of care commissioned and delivered in this way, combined with other aspects of village life, appear to promote the health and well-being of "support" residents, arguably prolonging independence and fulfilling a preventative function⁴.
- The process for movement of service users between bands ensures that significant changes in need are officially recorded and endorsed by Social Services, and the distribution within the block can be addressed when vacancies arise. Smaller changes do not necessitate an ASSD review and change of care plan.
- The fact that the Trust is paid the same irrespective of whether someone needs more or less care provides an incentive to deliver the "support" in an independence-enhancing manner, enabling service users to move down bands.
- Having a fixed block provides certainty and stability to the Trust, enabling them to plan staffing levels based upon it.
- Both the fixed block and the fact that payments are not having to be varied in line with band levels provides certainty and stability for St Helen's Council. These also create savings for St Helen's in two respects: on administration involved in dealing with variations; and care management time in formally re-assessing every time a different care plan is needed. In the traditional domiciliary care model relatively small scale changes can trigger a requirement for re-assessments and subsequent care plan adjustments. These are time and resource-intensive.
- The relationship between the Trust and St Helen's is one of a trusting partnership rather than the old purchaser/provider split. It is characterised by give-and-take and has proved mutually beneficial. Whilst the number of people receiving "support" over the last year has hovered around 70 rather than 65, the Trust has absorbed this work within the agreed price for the block, rather than charging St Helen's an additional spot price, since there have been more people in the lower bands than the block specifies – a quid-pro-quo that is only likely to happen in this sort of partnership.

⁴ This is largely a matter of supposition. Health and well-being data lend support to this assertion but do not prove it.

- The fact that St Helen's includes those in moderate FACS levels and supports people in band 1 means that those with relatively low levels of need can receive a service which is likely to prolong⁵ independent functioning at that level rather than escalating towards greater dependency (and therefore costing the council more). It also means that when people do improve, a lower band exists that they can move to, so they will not be artificially included in a higher band.
- The fact that care is removed when it is no longer needed fosters independence rather than dependence and ensures care is targeted where it is needed.
- In many respects, this commissioning approach accords with the direction of travel of national social policy – partnerships and facilitating individually tailored, outcome-focused service provision. This topic will be returned to when discussing the issue of self-directed support and personal budgets.

Disadvantages

- Relative inflexibility of numbers in the block contract. The maximum number of people who can receive care from the Trust at any one time is 70 – although there have been 72 temporarily on the odd occasion. Since everyone within the village needing care must form part of the block, from Social Services' perspective this potentially impacts on the number of people with care needs who can move to the scheme from the wider community.
- Everybody has to come through St Helen's at present to access care from the Trust. If it is only for a small amount of care, and likely to be short-term, this is arguably a waste of assessment and care management resources, and potentially expensive to a full-cost payer.
- Value for money to individuals will be dealt with separately below under "Charging Arrangements", but value for money or not, it is a disadvantage that individuals cannot access care directly from the Trust without going through St Helen's. The facility to do so, rather than having to go to an outside provider or have a formal assessment, would be of great value to people who need only small amounts of care on a temporary basis.
- At face value it might be argued that a model in which the council is not reimbursed any savings made from band changes does not make financial sense. Since this risk (i.e. bands can go up as well as down) can go either way, and other savings and benefits accrue from this approach as described above, this is not accepted as a disadvantage of the model.
- There is some imprecision about what the cost of each band covers. This may be seen as the flip side of a service which is flexible, responsive, outcome-focused and seamless – one of the advantages of this model – so long as it can be demonstrated that the service delivers specified individual outcomes, meets St Helen's objectives, and provides value for money. A requirement for absolute precision in what is provided, when and to whom, can result in a rigid and fragmented service. However greater clarity and transparency will be needed, to a degree, with the advent of personal budgets (to be discussed later).
- The complexity of band definition means that an assessor needs to have quite a lot of skill and experience to match service-user to band. To achieve consistency or standardisation, assessments are best done by the same person. This does not make for transparency or ease of auditing.

⁵ This is largely a matter of supposition. Health and well-being data lend support to this assertion but do not prove it.

- Will the dependency profile within the 65, either within each band, or by people moving up bands, increase over a period of time to the point where overall staffing levels need to be increased? This is possible, though not necessarily a disadvantage of the model. This is a slightly different question from the community mix/balance one which applies to the whole community, not just the “support” group.

VALUE FOR MONEY TO ST HELEN’S COUNCIL

“Support” Service Levels

Documents describing the different band levels differ slightly from one another. The mobility and ADL scores and care hours recorded here are to give an idea of the differences between bands, and should not be seen as the defining criteria for band inclusion. Documents describe the type and intensity of input that an individual in a particular band may require.

- Level 1 (Assistance)
 - Likely to have a mobility plus ADL score between 2 to 16 and up to five hours personal care per week
- Level 2 (Assistance and Reminders)
 - Mobility plus ADL score between 17 & 35 or personal care of 6 to 15 hours a week
- Level 3 (Personal Support and Assistance)
 - Mobility plus ADL score of 27 – 49 or 16 – 21 hours personal care
- Level 4 (High levels of personal care, support and assistance)
 - Mobility plus ADL level of over 35 or 22 hours to residential care levels of personal care
- Level 5 (High levels of personal care, support and assistance advised and led by domiciliary nurse)
 - Mobility plus ADL level of over 45 and 22 hours to residential/NH level of care and health needs requiring plan of care to be supervised by a domiciliary nurse

Introduction

In exploring whether the block contract provides value for money to St Helen’s it is essential to see this question in the context of the health and well-being benefits mentioned in the introduction to this case study.

Furthermore this cannot be an exact science. Every attempt has been made to reflect the position realistically but it cannot be guaranteed to be totally accurate:

- Comparisons are being made where one of the scenarios is hypothetical so estimates have to be made based on available data.
- Some data have not been available (e.g. costs of care packages prior to moving to the scheme, whether they met all the identified needs, whether circumstances changed to necessitate greater input and what the charges to service users were). To undertake this depth of analysis would have been too complex and time-consuming for a study of this scale.
- In addition one or two devices, which are not intended to be taken at face value, will be used to illustrate points; for example crudely calculated unit costs within bands. They are being used for illustrative purposes only and should not be taken out of context.

Cost based on actual numbers within bands

The HH1 form for the Department of Health recorded the actual number of care hours delivered to residents in Reeve Court during a week in November 2007. These figures were used to calculate the average number of care hours delivered to residents by band.

A calculation was undertaken of the position that would have applied the week that the HH1 form was completed, had St Helen's paid the Trust on the basis of actual band distribution rather than on the basis of the block contract.

This shows that during that particular week Social Services would have saved £498.94 in total, losing on some bands and gaining on others. This is just a snapshot of one week and will probably have looked different in the weeks when 70 people were being supported, for example. It is questionable whether this amount of saving would justify the administrative workload on both St Helen's and the Trust of adjusting payments.

It could be argued that such adjustments could be made on a quarterly, six-monthly or annual basis thereby reducing the administrative costs, but this is unlikely to reflect accurately the variations up and down bands without the task of re-calculating the costs every time there was a change. If an element of risk to either party is to be allowed, the current arrangement seems reasonable and provides valuable certainty for both St Helen's and the Trust which may be worth more than the relatively small amounts saved by either party.

The HH1 snapshot showed a discrepancy between the number of people in each band as defined by the block and the actual numbers. Some of this is due to people moving between bands. Other people move in to band 1 temporarily following a crisis such as a hospital admission and then revert to having no care. Because there is fluidity between bands, that particular snapshot may not be representative, and the council would need to look at the pattern over a period of time to assess whether the distribution between bands within the block accurately reflects demand.

Reeve Court compared to costs in the wider Community

A calculation was done taking the average hours of care per band from the HH1 form, and comparing the cost of "support" at Reeve Court with what it would be for domiciliary care in the wider community.

Based purely on domiciliary care and no expenditure by Social Services on any other services in the wider community, St Helen's is paying less at Reeve Court than they would in the wider community for the top three bands and more for the lower two. Taking the block as a whole St Helen's is £46K per annum better off.

Data was provided by St Helen's on the distribution of domiciliary care hours in the community. This was used to calculate an average number of hours within each band range. Using these figures, care at Reeve Court would have "saved" the council £70K for a year.

These are gross rather than net costs, but given that under the current non-residential charging policy individuals are less subsidised at Reeve Court than in the wider community, a net comparison is likely to demonstrate further financial benefits to the council.

St Helen's provided information on the take-up of meals on wheels and day care amongst a sample of 908 service users in the wider community between April and September, who also received domiciliary care. These proportions were applied to the Reeve Court block, and a cost to St Helen's calculated based on unit costs for those services (net of service user contribution since this is fixed and standard). A small number of people in the wider

community were receiving night support services (a provision not widely available), and this proportion too has been applied to the Reeve block and six month usage assumed. It is valid to include these costs when doing a comparison with Social Services expenditure in the wider community since a parallel service at Reeve Court is included in the price of the band. It was not possible to distribute these sums between bands but taking all bands together, the following picture emerges:

- This calculation shows that with the additional costs added in, rather than £46K more, St Helen's Social Services would have to pay £70K more to support the 65 people in the wider community.
- If one were to take the actual night-time care hours delivered in Reeve Court during the HH1 week, and apply the community unit cost to it, the difference would go up to £148.5K.

The Supporting People subsidy has not been included in these calculations since it has not proved possible to get an estimate of the cost and number of people in receipt of this service living in the wider community.

So what does all this tell us?

Taking the block as a whole, a simple comparison with likely domiciliary care costs indicates that St Helen's is getting value for money and indeed, is likely to be saving it.

The following should be borne in mind:

- These figures were based on a total of 65 people. The annual amount paid by St Helen's to the Trust actually met the needs of 68 – 70 most of the last year.
- One is not comparing like-with-like and it could be argued that residents of Reeve Court get more for the council's money than they would in the wider community. The council is specifically paying for:
 - A person-centred personal care / "support" service that can be much more flexible and responsive
 - Availability of planned and emergency care at night

In addition there are added value benefits from other aspects of living at Reeve Court. It is not unreasonable to say that Social Services is contributing to the cost of some of these, for example activities and volunteering opportunities, since they are included in the service specification, while some are funded from other sources. Benefits include:

- A sense of safety and security deriving both from the 24/7 care and support and the security features of the building
- Access to a wide range of activities and opportunities for "citizenship"
- An integrated support service that can be provided as and when it is needed
- Access to a range of services which ASSD does not pay for but which benefit the resident, for example the well-being service, Enriched Opportunities Programme
- Access to a range of facilities which ASSD does not pay for but which have the potential to improve well-being and provide the back-drop to social interaction e.g. bar, coffee lounge, restaurant and gym
- Purpose-built wheelchair accessible properties which ASSD does not pay for but which have the potential to enhance quality of life

It is interesting to note that in interviews with residents in receipt of “support”, they did not single out the care service as being responsible for their sense of, and improvements in, well-being. Generally it was a combination of all of the above to varying degrees.

Not only is the council getting more for its money. The section on health and well-being suggests that the outcomes of living at Reeve Court for “support” residents are generally positive, with evidence of improvements in levels of functioning and greater independence amongst some. Whilst Reeve Court may not be ideal for every resident receiving “support”, for many Reeve Court seems a very positive environment for optimising choice, self-determination and a sense of well-being. So arguably the council is getting better value for money too.

One Social Services interviewee suggested that the council gets added value from the contract with the Trust, because living at Reeve Court, “people stay well for longer”, so delaying the need for more intensive and expensive services, and in this sense fulfilling a preventative function. Without a large scale, long-term study with a comparator group, this assertion is difficult to prove, but it may well be the case.

Thus, taking the block as a whole, St Helen’s Social Services does appear to be getting good value for its investment.

Value for money of separate bands

What is less certain, is whether all bands represent equal value for money.

Taking bands 1 and 2, and the average number of care hours in each from the HH1 Form – 5.3 and 12.8 respectively – the council would have paid around £27K less per annum if the external independent sector unit costs had applied.

What would the hourly unit costs in Reeve Court be if one did a very crude calculation based on care hours? These were calculated using the hours from the HH1 form, the wider community profile average mentioned on page 8 (para. 8), and the notional number of hours at the top and bottom of each band.

Such calculations ignore completely the fact that people in the wider community may be receiving other services at extra expense to the council, and that the band cost covers additional services in Reeve Court. However it is probably true to say that people in bands 1 and 2 make less use of some of the extra services specifically covered by the payment than those in the higher bands. Evidence during the snapshot week showed that only residents in bands 4 and 5 received planned care at night although residents in the lower three bands did receive unplanned visits at night, so benefitting from the availability of emergency care at night.

On the other hand, people in the lower bands have probably gained as much in terms of the added value and wider benefits outlined on page 8 as those in the top three bands.

Looking at Band 1, whilst the unit cost for those at the top of the band may be argued to provide value for money to the council, for those at the bottom of the band this would be hard to argue. In reality there are not likely to be many people in receipt of such low levels of “support”. Across the band or the block as a whole it may be acceptable to the council to have the occasional low level service user, particularly because extra people have been slotted in at the total block price.

Within level 2, the band payment for people at the top of the band unarguably represents value for money, but evidence for someone at the bottom of the band is less compelling.

In the other three bands the notional unit cost comes out at less than the wider community domiciliary care unit cost, with added value delivered for the price.

What these crude calculations demonstrate is that broadly speaking, the unit costs go down as band levels go up, when one might argue that if anything, the unit cost should be slightly higher in the upper bands. It seems likely that the lower two bands subsidise the top bands. In a range of Extra Care commissioning models, it is the mix of need levels that make the cost of the care provision value-for-money overall. Spread across all residents, the collective expenditure is cost-effective. This approach contributes to enabling a balanced, vibrant community for the greater good.

While this makes sense from Social Services perspective – indeed may even be financially advantageous – and also ensures that the provider’s costs are covered, there are a number of reasons why it would be preferable for each band to be more financially self-sufficient, and to relate as clearly and transparently as possible to the costs of services being provided within that band:

- The cost to self-funders within St Helen’s charging policy
- The advent of personal budgets

Individuals are not averages, and self-funders will be concerned with what they individually get for their money, not the collective value to Social Services.

Before going on to discuss these issues, a comparison will be made with care home costs on the basis that these may be alternative settings for some residents in bands 4 and 5, and have a bearing on the value-for-money aspects of individual bands to St Helen’s.

Reeve Court “support” costs compared to care home costs

This is not the place to discuss the extent to which bands 4 & 5 are equivalent to residential and nursing homes respectively. There is little doubt that if Reeve Court were not available, at least some of the people in bands 4 and 5 would be in residential or nursing homes.

Calculations show that the gross cost to Social Services for bands 4 and 5 in Reeve Court is less than the cost for the same number of people in residential homes (band 4) and nursing homes (band 5), the difference being approximately £64K for band 4 and £11K for band 5. These figures do not take into account that were these people to be in residential or nursing homes, the proceeds from the sale of their property (if they owned one) would contribute to Social Services care charges, whereas in Reeve Court capital bound up in the property is not available to Social Services.

Even where people don’t have capital assets, the council is guaranteed a minimum income of £98.60 per week towards care home charges through the benefit system. Comparing the net cost to Social Services, the department pays around £12.5K p.a. less for the 10 residents in band 4 than they would pay in residential care, but £66K p.a. more for the 15 people in band 5 than if they were in nursing homes at the indicative price.

Here again, one needs to look at the whole picture, not just a simple cost comparison. The discussion of the benefits and added value explored in on page 9 in the context of comparisons with social care services in the wider community applies equally here. The points will not be made again.

What does bear spelling out is that people living in residential or nursing homes do not have a property with several rooms that they can call home. They do not have a tenancy or lease which affords security of tenure and certain rights such as deciding who can cross their

threshold. It is possible, but unlikely, that the range of activities and social stimulation in most care homes is comparable to that at Reeve Court. It is possible, but unlikely, that care to people in residential care is delivered in an independence enhancing way. Indeed, the lack of facilities militates against that: would someone in residential care be given the opportunity to make a cup of tea or a sandwich? Unlikely.

Another hugely significant benefit of Reeve Court over residential care is that it houses couples where only one may need "support". Carers can be supported in their caring role, and both the cared for and carer can participate in the wide range of activities and opportunities for involvement as far as they wish to.

Value for money to the council for people in band 5 compared to the nursing home alternative is therefore less obvious than compared to likely domiciliary care costs, but in the context of the extra gains at Reeve Court can be argued to be money well spent.

Realignment of costs with services within each band will alter the picture regarding the cost-effectiveness to St Helen's of the block as a whole, and each band. The outcome cannot be predicted.

What about value for money to the PCT?

The PCT contributes a weekly amount per person for the 15 people in level 5, to cover the cost of the nursing input. Unlike in a nursing home, this amount is paid in a lump sum to the Trust via Social Services, so one person can receive more intensive care and another less.

By definition, people are only in this band if their health needs are such that they require care led and supervised by a nurse. If the individual was in a nursing home instead, the PCT would contribute £101 per week. If on the other hand the individual was at home and required similar levels of nursing input, it would have to be provided by the district nurse. In terms of time spent travelling to-and-fro, band 5 offers economies of scale.

The PCT interviewee indicated that the PCT had recently looked at their contribution and had reached the conclusion that it did provide value for money to the PCT. What also emerged from interviews with staff and a number of residents who were, or had been, on level 5 was the excellent quality of the service.

Residents could not speak highly enough of the calibre of staff. One resident who had long-standing lesions on her legs when she came to Reeve Court attributed her recovery to the skill of the Reeve Court nurses. In the same way as care and general support is delivered in an integrated, seamless way, so too the nursing input. Similarly, the nursing provision is flexible and responsive at Reeve Court. Residents can ring the handset and someone will go back and see them. A resident who has a minor fall and needs a dressing doesn't have to wait until the district nurse arrives for the scheduled visit or call a doctor. It can be attended to promptly by an on-site nurse. There is continuity of care with the same three nurses who know what is going on with all residents in the band.

It is claimed that the number of hospital admissions for people in Band 5 is low, and often GPs do not have to come out but can give advice over the phone because they are talking to medically qualified staff. This claim, whilst difficult to quantify, seems probable.

So it seems reasonable to conclude that the PCT is getting value for money. As one of the interviewees said, "it's a win-win situation".

CHARGING ARRANGEMENTS – VALUE FOR MONEY TO SERVICE USERS

Introduction

There is considerable variation in the charging arrangements for the care element in Extra Care schemes across the country. They vary from a single fixed charge irrespective of the amount of care received at one end of the spectrum to total alignment with the domiciliary care charging policy, and tracking variations – usually an hourly charge following a fairer charging assessment – at the other. There are pros and cons to these different approaches which are beyond the scope of this evaluation.

The arrangements at St Helen's are as follows:

- St Helen's, not the Trust, charges for the "support"
- Service users undergo a Fairer Charging assessment
- The maximum they can be charged is the charge to St Helen's for the band which they are in
- This is different from the domiciliary care charging policy where the maximum charge is a proportion of the full cost
- The charge is adjusted if the service user changes bands

Advantages of this approach

It is not as blunt an instrument as a charge which is fixed irrespective of the level of care, but the arrangement at St Helen's still allows considerable variation in care provision before a re-assessment and revision of charge is triggered unlike the traditional domiciliary care approach.

It supports more flexible, responsive and person-centred service delivery.

It reflects the additional range of services and benefits within an extra care environment compared to services provided for individuals at home in the wider community.

The contract for "support" remains with St Helen's rather than with the housing provider's agent, underlining that care is not a condition of tenancy or lease.

The charge is based on a Fairer Charging assessment.

From the Trust's perspective, St Helen's rather than they have the administrative responsibility for this, and also the bad debt risk.

The value of the service user's house (if they own one) is not included in a Fairer Charging assessment, whereas it would be if s/he were in residential care.

Disadvantages

It is said that at present there are relatively few people at Reeve Court paying the full cost for their care. This may not always be the case: 50% of residents own or part-own their property, may require "support" in the future, and may have an income which puts them into the full-cost bracket.

Whilst it has been argued in this report that overall, the block contract delivers value for money to St Helen's, it may not always be the case that it delivers value for money – or be perceived to deliver value for money – to the individual full-cost payer, particularly in the lower bands, and band 1 in particular. For example someone requiring 2 or 3 hours of care a

week, and no planned care at night, could obtain that care at less than half the price by going to an external provider. Whilst St Helen's will be looking at the long-term benefits and savings derived from living in that environment, as well as the overall benefit to the entire group of service users, an individual is more likely to take the view that they gain those additional benefits (apart from planned night care) anyway, and shouldn't be expected to pay extra for them. These issues will be brought into much sharper focus when considered within the context of direct payments and personal budgets.

It is inevitable that in a system which uses bands, while the approach has significant advantages as already outlined, those at the top of a given band in terms of care hours will be likely to see it as better value for money than someone at the bottom of that band. It is probably fair to say that for an individual, the bottom of band 1 does not offer value for money. It may be significant to note however, that whilst the notional range of care hours in band 1 is up to 5 hours, the average in the HH1 week was 5.3 hours. At this level the case could just about be made to an individual that the charge represents value for money, but they may take some convincing. The same applies at the bottom of band 2 – whereas for bands 3,4 and 5 value for money to the individual appears clear.

SELF-DIRECTED SUPPORT – PERSONAL BUDGETS AND DIRECT PAYMENTS

Introduction

An analysis of all the implications of self-directed support is beyond the scope of this study. The focus here will be primarily upon its implications for commissioning round-the-clock care in extra care schemes – a service which is arguably a defining feature of extra care – and in particular for St Helen's and The Extra Care Charitable Trust in the context of Reeve Court and the current commissioning model.

“Self-directed support is the name given to the way of re-designing the social care system so that the people who get services can take much greater control over them.” (CSIP briefing February 2007) The term encompasses self-assessment, direct payments and individual or personal budgets⁶. In the context of commissioning care in an extra care setting, it is with the last two that we are primarily concerned. They are intended to bring together a number of funding streams – of particular relevance here, LA community care budgets, Supporting People Programme, and possibly ILF, integrated community equipment services, and Disabled Facilities Grants.

The distinction between direct payments and personal or individual budgets is that in the former, the individual is given the money to spend. In the latter, they are told how much is available to spend and can decide what services to buy, from whom, but don't have to take responsibility for book-keeping. The thinking behind these is that the individual takes on the role of commissioner and stays in control of the services they receive.

The decision has been taken to roll out personal budgets even before the pilot studies are complete, and a ring-fenced budget under “Putting People First” has been given to local authorities to implement them.

The following extracts from Section 3 “A Personalised Adult Social Care System” from “Putting People First: A Shared Vision and Commitment to the Transformation of Adult Social Care” concordat make clear the direction of travel and requirements on local authorities:

⁶ The term “personal budgets” tends to be used to apply to ASSD money while “individual budgets” may incorporate other funding streams such as Supporting People.

- “Person centred planning and self-directed support to become mainstream and define individually tailored support packages.
- “Personal budgets for everyone eligible for publicly funded social care support other than circumstances where people require emergency access to provision. Lord Darzi’s recent NHS next stage review report suggested that in the future personal budgets for people with long- term conditions could include NHS resources.
- “Agreed and shared outcomes which should ensure people, irrespective of illness or disability are supported to:
 - Live independently
 - Stay healthy and recover quickly from illness
 - Exercise maximum control over their own life
 - Participate as active and equal citizens, both economically and socially”
- “The overall aim would be to enable existing resources to be allocated and services delivered in ways that personalise responses to need, and give people choice over how their needs are met.” CSIP Briefing

The “universal” development of personal budgets is still in the formative stages, and it is not clear what precisely will be prescribed or expected, and how much flexibility will be allowed in the roll-out in localities. Therefore the following thoughts must be seen as just that. It would be unwise to make firm recommendations without having greater clarity on national and local implementation.

The Housing with Care Context and Reeve Court

One cannot argue with the aims and objectives of self-directed support, but personal budgets and direct payments are not the only route to achieving them and may not be the best way in every context.

The evaluation of Reeve court concluded that the current care commissioning and delivery arrangements at Reeve Court, combined with the availability of other services, facilities and opportunities, fulfil the objectives of self-directed support described above to a significant degree for most people. Depending on how it is implemented, the introduction of micro-commissioning at Reeve Court, as in other Extra Care settings, risks undermining these outcomes, rather than improving on them.

As an interviewee from St Helen’s Social Services put it, *“Personal budgets are about empowerment of the individual, not about a shift in budgets. We are in danger of destabilising the market”*

The current situation in most good, publicly subsidised Extra Care housing is that local Social Services Departments block contract the care – and often housing-related support – from a single provider on site. Generally speaking this offers specific benefits:

- The care and support provision can be delivered in a person-centred, flexible and responsive way.
- It enables 24/7 care and support provision to be justified and cost-effective, since the on-site provider delivers packages of care and responds to fluctuations in need and emergency calls day and night, minimising overlap or gaps.
- This enables people who may otherwise be in residential care to live independently in their own homes for longer.

- It provides safety, security and continuity because there are not numerous providers all sending different people in to deliver care.
- It enables a co-ordinated, holistic service to be delivered.
- It delivers economies of scale.
- People have the right to choose direct payments but may not be specifically encouraged to do so.
- Commissioners can commission the service in a block in the knowledge that most service users will choose it.
- Providers have the certainty necessary to recruit and train staff and build up a cohesive staff team.
- A range of activities are available for individuals to choose; they can participate in these or enjoy individual pursuits with the support of staff.

If service users are encouraged to have a personal budget, and local authorities are fearful therefore of block contracting the care and support services, providers may be unwilling to take the risk of setting up an on-site “support” team. This could result in:

- The loss of availability of planned care at night. This would mean people who needed care at night would be precluded from moving to extra care or remaining in extra care once they needed this type of support, unless it was available to spot-purchase externally.
- The loss of on-site emergency cover round the clock.
OR
- A situation where it is possible only to deliver round the clock emergency cover of housing-related support tasks, not care.
OR
- Separation out of emergency cover and care packages which is likely to be less cost-effective and cohesive.
- Rigidity of care and support provision to an individual if the chosen provider is not on site to deliver care in a responsive way or respond to emergencies.
- Lack of co-ordination, to be replaced by a fragmented care and support service, with each individual having chosen their own provider but deriving none of the benefits from a provider on site who can dovetail the needs and wishes of different services users, vary provision from day to day, and ensure effective communication on site.
- Loss of economies of scale and potentially less, rather than more value for money.
- The scheme feeling less secure because of the potentially multiple providers coming in and out.
- An inability to provide the full range of services currently delivered, leading to a disruption of the service synergy which appears to be significant in promoting health, well-being and independent living.
- There may be no mechanism for organising or co-ordinating activities. Individuals risk becoming isolated if lots of personal budgets are not brought together to generate group activities in which individuals may wish to participate. It is not clear what mechanisms would be in place to facilitate this collaboration. It cannot be assumed that individual service users would have the wherewithal to do this.

Personal budgets only make sense if there is a range of quality provision to choose from. Block contracts or a grant from commissioners may still be needed to build capacity, creating incentives for providers to develop and maintain quality social care services.

The above description of possible results may be seen as the worst case scenario. It may not happen if:

- the on-site service can be shown to offer value for money, not just to Social Services but to the individual service user
- service users in Extra Care see the benefits of receiving support from the on-site provider
- they recognise some of the softer, less tangible benefits of the services and are willing to use the budget to pay for these
- the personal budget is calculated in such a way that it matches service costs within Extra Care for an individual
- Social Services are willing to invest in development of services.

This is where the arrangement at Reeve Court and other Extra Care schemes using a banding system face a particular challenge. This has already been outlined in the section discussing the charging arrangements and value for money to self-funders. Personal budgets in effect introduce many more self-funders. Whilst a banding system enables an outcome-focused, person-centred, responsive, flexible and integrated provision of support, the fact that it is more opaque, with the service not clearly defined and quantified, may be perceived as not providing value for money to a given individual.

A service user could in theory be offered a personal budget which would cover the cost of care and housing-related support at Reeve Court, and once there, could opt to purchase support from an outside provider. This is likely to apply particularly to someone needing care at the lower end of bands 1 and 2 who doesn't need planned care at night.

One or two people going off site for their care and support would not be problematic. Many doing so would be, for the reasons outlined on the previous page – in particular, fragmentation, loss of synergy and co-ordination, and ultimately undermining the viability of the “support” service both from the Trust's and Social Services perspective. The Trust's holistic approach to meeting service users' needs would be under threat along with the flexible, responsive service – both to those who had gone off site and to the remainder.

A possible approach would be for the Trust to charge one price per band for the whole package, or offer the alternative of selling individual components at a premium. However, a menu-based approach does not strike as compatible with the integrated, holistic service delivery which is the hallmark of the ECCT's ethos. Whilst preferable to extensive use of off-site providers, it would still destroy many of the features which are the strengths of the current provision; indeed those very aspects which produce the person-centred, self-directed outcomes currently enabled. Also, if the price for the individual components was pitched too high, people may go off site anyway.

Another alternative may be to say that the service user is exercising his or her choice by deciding to move to Reeve Court and an intrinsic element of that choice involves using ECCT's “support” services. While some local authorities and providers currently take this approach, it is inadvisable to do so as it could be seen in a court of law as a condition of lease or tenancy, and therefore “accommodation provided together with personal care” and liable to registration as a care home. Some might argue that the existence of a separate

contract with the on-site care provider would get round this problem, but this seems unlikely because living there is still being made conditional upon using the on-site provider.

So where to from here?

We need to assume that extra care will not be exempt from personal budget targets, but how vigorously St Helen's chooses to pursue them in extra care settings, and what they will mean in practice locally can make all the difference.

One might argue that in the best case scenario:

- St Helen's will maintain its block contract or give ECCT a lump sum to maintain the service.
- Individuals will be able to have a direct payment or personal budget, or simply opt to remain within the Social Services block.
- The method for calculating the value of a personal budget will allow for an individual's budget to equate to the appropriate Extra Care band. If St Helen's opts to jointly commission care and housing-related support, this should include the support charge. This means not paring off assumed "efficiency savings" or calculating it crudely on the basis of assumed care hours.
- The figure will reflect the additional outcomes met (e.g. improved safety and security; improved sense of well-being through opportunities for community involvement and social interaction) and/or the additional services provided (e.g. facilitating activities and volunteering, access to round the clock care and support etc).
- ECCT will ensure that the service they offer is more attractive than the alternatives.
- The Trust will ensure transparency in what each band offers and the price of bands will be more closely aligned to the cost and level of service provision within each.
- The implications of different choices will be made clear to all service users, including the individual and collective benefits of using the on-site provider.

An alternative may be that St Helen's and the Trust agree to share the risk for example by:

- St Helen's paying enough grant to cover costs for a core service; for example the costs for round-the-clock cover and management of the service
- Leaving individual packages of "support" to be bought from the Trust (or wherever) following an outcome-based assessment and determination of the personal budget.

It seems unlikely that this approach could accommodate bands, but the outcomes approach to commissioning should ensure holistic – but possibly less flexible – provision.

The relationship between the service pre-purchased by St Helen's and the component determined on an individual basis could be complicated to work out. Which elements of the package would be pre-paid as part of St Helen's block and which paid out of the individual budget? Round-the-clock care and support that simply responds to emergencies, with individual packages being separate, is unlikely to be very economical.

Another option worth exploring may be to assist those receiving "support" through personal budgets to form a purchasing consortium to block contract the "support" services from the Trust.

Whatever approach is taken, St Helen's and the Trust will need to work very closely together to achieve a satisfactory arrangement. Looking at the trusting, and mutually beneficial relationship St Helen's and the Trust have had up till now, this should be possible.

CONCLUSION AND RECOMMENDATIONS

What then are the implications of all of these issues for the way forward?

The overall commissioning approach based on partnership and trust accords with the direction of travel of national policy – partnership working and facilitating individually tailored, outcome-focused provision. Having a system of bands supports the benefits to all stakeholders.

But there are also some issues and challenges arising from the commissioning arrangements at Reeve Court. These include:

- The unavailability of care from the Trust without going through the council
- The questionable value for money to individual service users at the lower levels of bands 1 and 2
- The question of whether the number in each band should be altered to more closely match the actual need, assuming a block contract continues to be drawn up in the same way
- With the advent of personal budgets, the fact that
 - bands do not lend themselves to disaggregation into clear component parts
 - that the costs cover components individuals may not appreciate the value of, may not want, or may believe they will receive anyway
 - there is an absence of obvious alignment between the price of the bands and the services being provided
 - not all bands appear to be financially self-sufficient

In exploring any alterations to current arrangements there are a range of outcomes to be achieved, not all of which are complementary:

- Meeting the demand/need for care in St Helen's
- Meeting service users' aspirations
- Meeting the aspirations of the resident group as a whole
- Achieving a system which embraces "Putting People First", while avoiding potential negative impacts
- Delivering value for money to St Helen's
- Delivering value for money to self-funders and individual budget holders
- Ensuring financial viability for the Trust
- Achieving sufficient certainty to enable forward planning, stability and continuity
- Retaining the quality, integrity and flexibility of the service
- Minimising bureaucracy
- Achieving a mix of age and ability that supports a vibrant community and attracts fit and able people as well as those with "support" needs

- Building in a contingency for a day if/when the rate of decline of the resident population outstrips the supply of care within the block

This case study will not itemise the options explored for optimally achieving these outcomes. These can be seen in the evaluation report.

The following recommendations give a flavour of those which seemed most promising.

The Extra Care Charitable Trust should:

- Consider enabling individual residents to directly commission low levels of care for a temporary period.
- Look at the costs of bands in the interests of demonstrating value for money at an individual level, and more transparent alignment between cost and service level.
- Assuming bands are retained, develop literature with St Helen's which explains what residents will be getting for their personal budget at each level, and the benefits of using the in-house service.

St Helen's should:

- Aim to continue block contracting "support" from the Trust, if possible on a similar basis as at present using bands, maximising predictability and minimising bureaucracy, or, if that approach proves not possible, pay the Trust a grant to cover the cost of a core 24hour care service.
- Make it possible for people to get their "support" service at Reeve Court as part of the block contract, whether through direct allocation, as now, or via a personal budget – but never removing the option to switch to a direct payment or personal budget if they are dissatisfied with the service they receive.
- Develop methods of calculating personal budgets which are compatible with covering the cost of services in extra care.
- Develop literature explaining how individual budgets work and, for those considering extra care, the advantages of using their personal budget to purchase from the block.

The Extra Care Charitable Trust and St Helen's should:

- Instigate discussions immediately to review the existing contract in preparation for when the current contract expires in August 2009, paying particular attention to the challenges raised by personal budgets. They should look at:
 - Whether, in the context of personal budgets, a block contract and bands continue to be viable.
 - The cost of bands in relation to service levels and whether these should be re-worked to make each band financially self-sufficient and more closely aligned to service provision within each.
 - Whether bands 1 & 2 should be re-defined.
 - Whether the number of people in each band should be changed.
 - Whether renewal of the contract should be for a year or two only, or build in formal reviews which can alter the basis of commissioning if necessary.

CONCLUSIONS FOR PROVIDERS AND COMMISSIONERS

A block contract using bands can deliver a number of benefits to stakeholders including:

- Value for money to the commissioner for the group of residents as a whole
- Responsive and flexible care provision with minimal reviewing and care plan alterations

Allowing the contract to remain the same for a full year, irrespective of changes within bands, provides certainty to both parties, minimises bureaucracy and does not seem to favour one party over the other financially.

A partnership approach to commissioning based on trust appears to enable mutually beneficial outcomes, with partners sharing risks and benefits.

Combined with other elements of living at Reeve Court, this approach to commissioning delivers many of the “Putting People First” outcomes for residents receiving care; choice, control, person-centred and holistic service provision.

For self-funders and individual budget-holders, it is important to ensure that there is clear alignment between the cost of each band and the services they cover, while at the same time not defining bands in purely quantifiable input terms. There is a balance to be struck between transparency and allowing for softer, holistic provision.

The compatibility with individual budgets of an approach using bands is not totally clear and depends partly on how rigidly micro-commissioning is introduced.

Micro-commissioning poses the risk of service fragmentation, and loss of the benefits of a holistic, synergistic service. Due care and thought are needed to avoid these unintended consequences.

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- Case Study no.20: **BME Older People's Joint Service Initiative - Analysis and Evaluation of Current Strategies (Sheffield)**
- Case Study no.21: **Estimating Future Requirements for Extra Care Housing (Swindon)**
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The Housing LIN welcomes contributions on a range of issues pertinent to Extra Care housing. If there is a subject that you feel should be addressed, please contact us.

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