



STRATEGIC INNOVATION & PEER LEARNING
In housing, health, care and support

TOOLKIT

EXTRA CARE

THE FINANCIAL BENEFITS



March 2011

Toolkit

Housing Support Unit

Financially Modelling the benefits of extra care

Overview:

Being able to model the financial effects of diverting people away from residential and traditional domiciliary care is important for local authorities developing strategies to tackle budget pressures whilst providing quality services.

This model has been developed as a working tool with user inputs that authorities can update with their own financial data and diversion rates in order to inform local decision making. It is an evolving model which is continually being further developed.

The model can project cashable savings arising from people moving from a more expensive service into extra care as well as cost avoidance which occurs when people enter extra care as opposed to a more expensive setting such as residential or nursing care. The model does not “net off” the difference in the cheaper cost service and the more expensive service at present nor does it differentiate between costs and age bands of people whether entering or already within the system.

The validity/accuracy of the modelling does, as always, depend upon the accuracy and availability of the input data.

The Example shown is for Wiltshire Council. The costs and assumptions should not be taken as typical or possible for any authority.

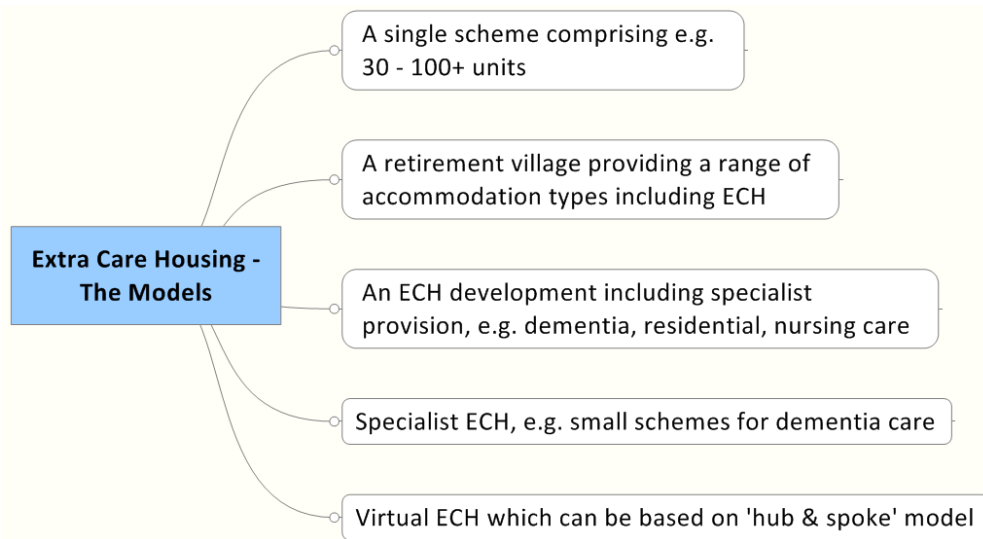
Acknowledgements: The HSU would like to thank all those who contributed to the development of this model, particularly Wiltshire Council.

1. Background to the model

This model has been produced by the Housing Support Unit (HSU) which was established in 2009 to bring together commissioners and providers across housing and adult social care in the South West of England to determine how best the region could meet the demographic challenges surrounding accommodation for older people. In early 2010 the 'Use of Resources' project sponsored by ADASS and the Department of Health (DH) South West was set up and comprised three work stream topics, i.e.: Reablement, Customer Focus and, Accommodation. Subsequently it was agreed that the work of the HSU and the 'Use of Resources' accommodation work stream should be integrated and his factsheet has been prepared to support this, given that Extra Care Housing (ECH) is acknowledged as a key component in diverting people from accessing higher forms of accommodation based care provision.

2. Introduction

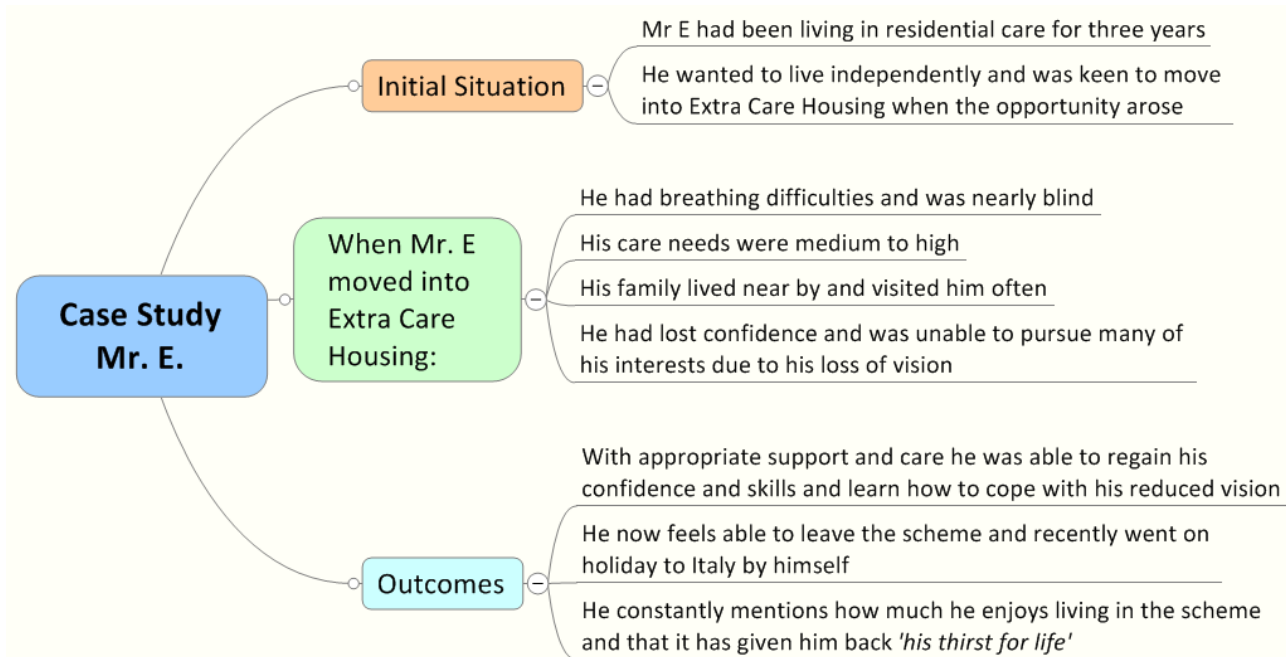
There are a range of developments which can be described as ECH which include:



Although the models vary the key ECH features have generally been accepted to be:

- A self contained and fully accessible home
- A property where the occupier has an assured tenancy or is a leaseholder
- Having 24 x 7 care and support services within the building
- The ability to provide an alternative residential care
- Having a range of facilities that can be used by all the residents within the building and possibly older people living in the nearby community.

It should also be emphasised that ECH not only represents alternative solution to residential care for people relocating from their own home; it can also offer advantages for existing residents of residential care moving out of the provision. There are already many examples of where the latter has proven to be successful and one of these is summarised below.



It is submitted that ECH can play an important part in the provision of a range of housing for older people irrespective of whether their new home is for rent, shared ownership or outright sale. In addition, ECH provision will also assist in the South West of England's agenda for reducing Local Authority care budgets by diverting funds from residential care provision while enabling people to maintain their independence for longer.

3. The Financial model

The model works by taking individual extra care schemes and provides a detailed projection and chart showing the impact of new clients for that scheme. Where more than one scheme is projected, the model provides a monthly and annual summary of the cost projections.

There are a number of user defined inputs to the model which are highlighted in yellow on the model (Site or Scheme TAB) and are :

Cell Ref	User Data Required
B 3,4,5	Scheme Details
D 13	Clients entering Scheme
D 15	Proportion of clients diverted from domiciliary care
D 16	Proportion of clients diverted from residential care
D 19	No clients already in scheme (if any)
D 31	Base Cost Dom' care
D 32	Base cost Night care
D 38	Average cost reduction for Dom' care in ECH setting
D 47	Average Dom' care hours per week
D 70	Average Dom' care hours per week in normal setting
D 72	Average hourly cost Dom' care
D 79	Average cost per client in residential care per week

4. Example model output

Screen prints from the model are shown below.

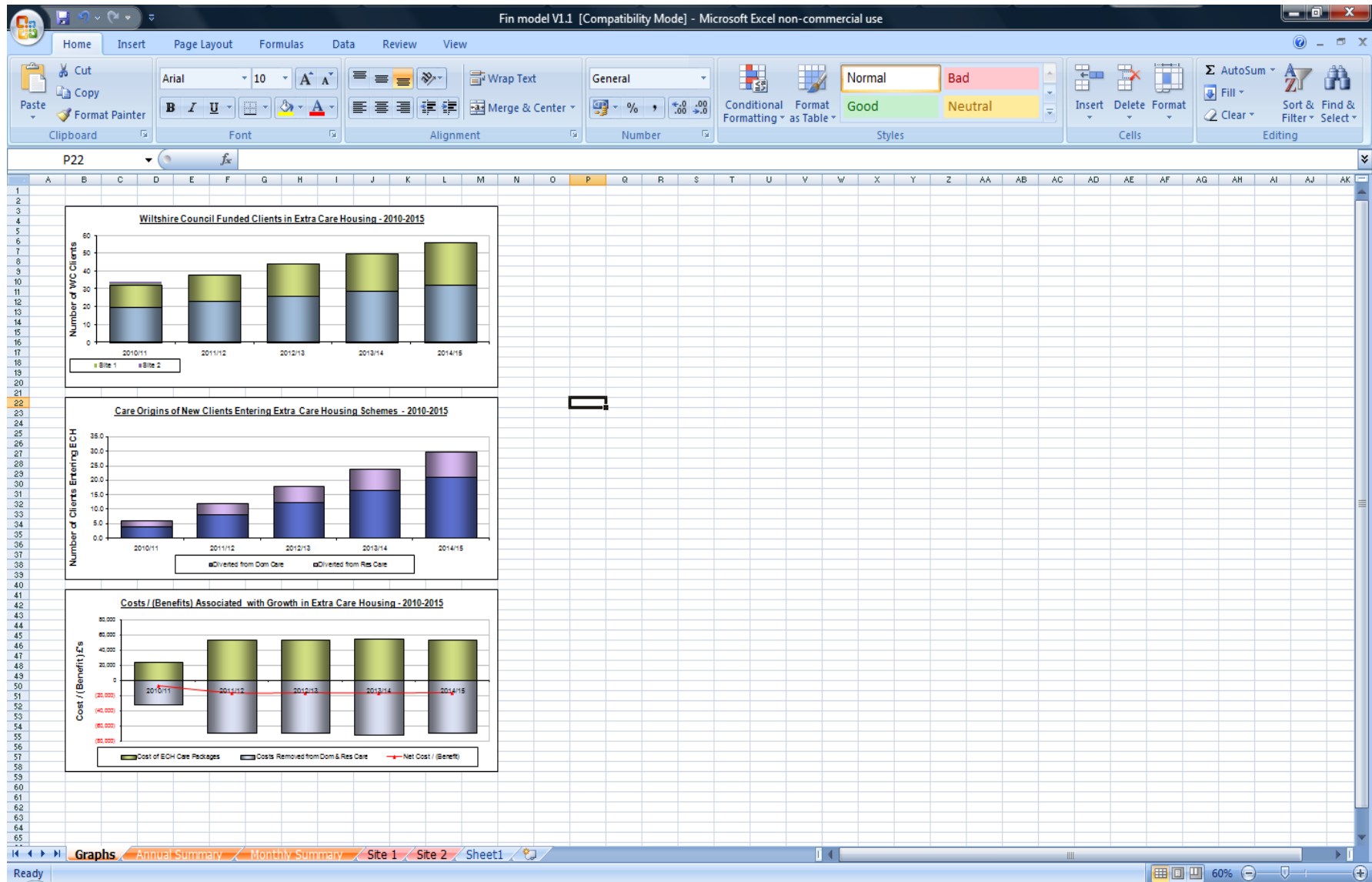
5. Implementation

For a copy of the model and to discuss implementation, please contact

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Fin model V1.1 [Compatibility Mode] - Microsoft Excel non-commercial use

Home Insert Page Layout Formulas Data Review View

Clipboard Font Alignment Number Styles Cells Editing

R34

Costs / Benefits of Clients Transferring to Extra Care Housing - Budget 2010/11										
	Full Cost / (Benefit)					Incremental Cost / (Benefit)				
	2010/11	2011/12	2012/13	2013/14	2014/15	2010/11	2011/12	2012/13	2013/14	2014/15
Extra Care Clients by Unit (at Year End)										
Site 1	20	23	26	29	32	3	3	3	3	3
Site 2	12	15	18	21	24	3	3	3	3	3
	32	38	44	50	56	6	6	6	6	6
Base Cost of ECH Care Packages										
Site 1	240,000	240,000	240,000	240,000	240,000	0	0	0	0	0
Site 2	156,000	156,000	156,000	156,000	156,000	0	0	0	0	0
	396,000	396,000	396,000	396,000	396,000	0	0	0	0	0
Incremental Cost of ECH Care Packages										
Site 1	13,136	39,674	65,323	92,317	118,710	13,136	26,538	26,249	26,393	26,393
Site 2	10,391	37,505	64,453	92,317	118,710	10,391	26,514	26,348	27,864	26,393
	24,128	77,180	130,376	184,633	237,420	24,128	53,052	53,197	54,257	52,787
Cost Removed from Dom Care and Res Care										
Site 1	(17,284)	(52,202)	(86,739)	(121,466)	(156,193)	(17,284)	(34,917)	(34,537)	(34,727)	(34,727)
Site 2	(14,462)	(49,347)	(84,804)	(121,466)	(156,193)	(14,462)	(34,886)	(35,457)	(36,662)	(34,727)
	(31,746)	(101,549)	(171,543)	(242,931)	(312,386)	(31,746)	(69,803)	(69,993)	(71,389)	(69,454)
Incremental Net Cost / (Benefit)										
Site 1	(4,148)	(12,527)	(20,815)	(29,143)	(37,493)	(4,148)	(8,379)	(8,288)	(8,334)	(8,334)
Site 2	(3,470)	(11,842)	(20,351)	(29,143)	(37,493)	(3,470)	(8,312)	(8,509)	(8,798)	(8,394)
	(7,618)	(24,370)	(41,166)	(58,298)	(74,986)	(7,618)	(16,751)	(16,797)	(17,132)	(16,667)

Ready | Graphs | Annual Summary | Monthly Summary | Site 1 | Site 2 | Sheet1 | 60%

The screenshot shows a Microsoft Excel spreadsheet titled 'Fin model V1.1 [Compatibility Mode] - Microsoft Excel non-commercial use'. The ribbon includes Home, Insert, Page Layout, Formulas, Data, Review, and View. The spreadsheet contains the following data:

	C	D	E	F	G
Memo: Estimated Full Cost of Extra Care Housing					
Site 1	253,136	279,674	305,323	332,317	358,710
Site 2	166,391	193,505	220,453	248,317	274,710
	420,128	473,180	526,376	580,633	633,420
New Clients Diverted from Domiciliary Care (Cumm.)					
Site 1	2.1	4.2	6.3	8.4	10.5
Site 2	2.1	4.2	6.3	8.4	10.5
	4.2	8.4	12.6	16.8	21.0
New Clients Diverted from Residential Care (Cumm.)					
Site 1	0.9	1.8	2.7	3.6	4.5
Site 2	0.9	1.8	2.7	3.6	4.5
	1.8	3.6	5.4	7.2	9.0

Fin model V1.1 [Compatibility Mode] - Microsoft Excel non-commercial use

Home Insert Page Layout Formulas Data Review View

Clipboard Font Alignment Number Styles Cells Editing

E29

	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	M	
Details																										
Beds in Unit			50																							
Units sold privately																										
Remainder																										
WC																										
WC Clients																										
Clients Entering Site IECH			0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	
Proportion of Clients from Dom Care			70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	
Proportion of Clients from Res Care			30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Bfwd			17	17	17	18	18	18	18	19	19	19	19	20	20	20	20	21	21	21	21	22	22	22	22	
Transferred from Dom Care			0	0	0.7	0	0	0	0.7	0	0	0	0.7	0	0	0	0.7	0	0	0	0.7	0	0	0	0.7	
Transferred from Res Care			0	0	0.3	0	0	0	0.3	0	0	0	0.3	0	0	0	0.3	0	0	0	0.3	0	0	0	0.3	
From Outside System			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cfwd			17	17	18	18	18	18	19	19	19	19	20	20	20	20	21	21	21	21	22	22	22	22	23	
Clients from Dom Care			0.0	0.0	0.7	0.7	0.7	0.7	1.4	1.4	1.4	1.4	2.1	2.1	2.1	2.1	2.8	2.8	2.8	2.8	3.5	3.5	3.5	3.5	4.2	
Clients from Res Care			0.0	0.0	0.3	0.3	0.3	0.3	0.6	0.6	0.6	0.6	0.9	0.9	0.9	0.9	1.2	1.2	1.2	1.2	1.5	1.5	1.5	1.5	1.8	
			0.0	0.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	6.0	
Costs of ECH Care Packages																										
Base Cost - Dom Care			15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	
Base Cost - Night Care			4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	4,312	
Total Base Cost			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Number of Clients Diverted from Dom Care			0.0	0.0	0.7	0.7	0.7	0.7	1.4	1.4	1.4	1.4	2.1	2.1	2.1	2.1	2.8	2.8	2.8	2.8	3.5	3.5	3.5	3.5	4.2	
Average Dom Care Hours Per Week			10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
Total Dom Care Hours Provided			0	0	30	31	31	30	62	60	62	62	84	93	90	93	120	124	124	120	155	150	155	155	174	
Average Cost Per Dom Care Hour (£'s)			13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	
Total Cost of Dom Care Hours Provided (£'s)			0	0	405	419	419	405	837	810	837	837	1,134	1,256	1,215	1,256	1,620	1,674	1,674	1,620	2,093	2,025	2,093	2,093	2,349	
Average Cost of Night Care Per Client Per Week (£'s)			13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	
Total Cost of Night Care Service (£'s)			0	0	40	42	42	40	84	81	84	84	113	125	121	125	162	167	167	162	209	202	209	209	234	
Total Cost of Dom Care Clients (£'s)			0	0	445	460	460	445	921	891	921	921	1,247	1,381	1,336	1,381	1,782	1,841	1,841	1,782	2,301	2,227	2,301	2,301	2,583	
Average Cost Per Client (£'s)			0	0	636	658	658	636	658	636	658	658	694	658	636	658	636	658	658	636	658	636	658	658	615	
Incremental Cost / (Saving) Per Client (£'s)			0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(8)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(6)	
Number of Clients Diverted from Res Care			0.0	0.0	0.3	0.3	0.3	0.3	0.6	0.6	0.6	0.6	0.9	0.9	0.9	0.9	1.2	1.2	1.2	1.2	1.5	1.5	1.5	1.5	1.8	
Average Dom Care Hours Per Week			15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	
Total Dom Care Hours Provided			0	0	19	20	20	19	40	39	40	40	54	60	58	60	77	80	80	77	100	96	100	100	112	
Average Cost Per Dom Care Hour (£'s)			13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	
Total Cost of Dom Care Hours Provided (£'s)			0	0	260	269	269	260	538	521	538	538	729	807	781	807	1,041	1,076	1,076	1,041	1,345	1,302	1,345	1,345	1,510	
Average Cost of Night Care Per Client Per Week (£'s)			13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48	
Total Cost of Night Care Service (£'s)			0	0	17	18	18	17	36	35	36	36	49	54	52	54	69	72	72	69	87	80	87	80	100	
Total Cost of Dom Care Clients (£'s)			0	0	278	287	287	278	574	555	574	574	778	861	833	861	1,111	1,148	1,148	1,111	1,435	1,388	1,435	1,435	1,611	
Average Cost Per Client (£'s)			0	0	926	956	956	926	956	926	956	956	864	956	926	956	926	956	956	926	956	926	956	956	895	

Ready

