



Extra Care Housing: Top Tips for Commissioners

After spending five years commissioning new extra care housing, Staffordshire has gone from 7 to 20 schemes, with more on the way. This viewpoint reflects on what worked and offers a useful top ten tips for commissioning extra care housing at scale.

The Care Act introduces new duties on local authorities to facilitate a vibrant, diverse and sustainable market for high quality care and support in their area, for the benefit of their whole local population, regardless of how the services are funded. Extra care housing can play a major role, but only if you recognise that commissioning is more about attracting funding and developer partners and less about contracts and procuring services.

With Social Care Capital Grant now forming part of the Better Care Fund, it also creates an opportunity to include extra care housing in wider strategic plans and contribute much more visibly towards the metrics around keeping people out of hospital and residential care.

Written for the Housing Learning and Improvement Network by **Paul Smith**, formerly extra care housing commissioner, Staffordshire County Council,

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Top ten tips for commissioning extra care housing at scale:

1. *Set out how much you need*

There are several methodologies to choose from, but they all come out with similar results. So it doesn't really matter which one you choose as long as you do choose one and publish the results. Having a published needs analysis gives the market confidence that you support new development and allows you to start planning how to meet that need. The Housing LIN/EAC SHOP@ tool is a great place to start and will give you a requirement per district with a couple of clicks. After that you need to think about how that breaks down geographically and societally.

Geographical Information Systems (GIS) are a great way to plot demographic data and identify areas with the most need. It's similar to the way some supermarkets use GIS to identify potential new sites.

Extra care housing models are growing increasingly diverse, particularly in regard to the cost of living. For Social Care authorities it's important to recognise what proportion of the overall total would be affordable for people who are likely to be financially supported. This is the cohort of people for whom it makes sense to directly commission new schemes.

2. *Make sure the identified need is built into Local Plans*

Out of all the challenges involved in commissioning extra care housing, the most fundamental is finding suitable sites. The public sector probably will have surplus land, but not always in the best locations, so it's important to work with local authority planners to ensure that sites are allocated within local plans.

There's national planning guidance that should support planning for an ageing population within Local Plans, but that's only half of the battle. Often, large developers will submit planning applications with extra care replaced with residential care, stuck in a remote corner or demoted to the last phase – which can mean that a scheme is no longer viable and is substituted for general needs housing.

3. *Check the viability of potential sites*

When you've found a potential site it's important to carry out an early desktop study, focussing on three key elements: location, feasibility, and viability.

Location is crucial to the success of a scheme. With simple mapping tools you can assess the proximity to local amenities, the local topology and any unlikable features such as pylons or phone masts. It's also possible to overlay things like tenure patterns and people currently receiving domiciliary care to inform your decision.

Testing feasibility can be done by engaging a developer via a procurement framework. For instance, I engaged a major construction company to carry out feasibility studies free of charge via the SCAPE framework. The arrangement did not guarantee any work, but allowed me to discuss new schemes with an experienced developer based on outline designs.

With an outline design, you can estimate the cost of development. Add in the cost of the land, potential rents, unit sale prices, interest rates and inflation and you can work out whether it will be viable.

4. Build the business case

The next step is to build the business case – tweaking the variables to get to a ‘goldilocks’ scheme that’s just right.

If as a local authority you’re investing land and/or capital you will need to show that you’re going to get a reasonable return on that investment. There are various reports that demonstrate savings in residential care and domiciliary care costs from investing in extra care housing. As a rule of thumb, I used a notional 5 year payback period based on the number of nominations.

5. Commissioning Model

Generally local authorities like to be in control of anything they commission. With an extra care housing scheme, the local authority is likely to be contributing less than 10% of the development costs and take on minimal risk. Consequently they should take a proportional approach to commissioning.

I would advocate a turn-key solution where the main partner will be responsible for development, housing management and on-site care and support. In my experience, this creates efficiencies and delivers a more joined up service for residents. Conversely, many providers will only invest in schemes where they have full control of service delivery, so any attempt to commission separately will severely limit the market.

6. Procurement Framework

Deciding whether you have to carry out a formal procurement exercise can be difficult. The LGA have produced a very useful flowchart¹ to aid your discussions.

If you do need to procure, and will be procuring more than one scheme, then I would highly recommend setting up a framework agreement. This allows you to set-up a list of potential partners by testing their experience and capability.

Having a list of framework partners allows you to undertake detailed soft market testing for individual schemes which should enhance your business plan.

7. Mini-Competitions

Once you have an approved business case you can run a mini-competition between your framework partners. As you’ve already assessed their experience and capability, this part of the process can concentrate on the cost and quality of the proposed scheme.

I marked mini-competition based on 5 simple criteria

- Cost to the local authority (capital investment)
- Quality of the design (using the HCA’s HQI Calculator)
- Why is it a good place to live?
- How does it enhance the delivery of services?
- What extra social value does it deliver?

After setting up detailed and complicated procurement exercises in the past, I found this approach much more transparent and more likely to deliver the ‘correct’ result.

¹ www.bpf.org.uk/sites/default/files/resources/When-is-an-OJEU-or-other-competition-required-for-a-land-deal.pdf

8. *Don't rely on social workers for nominations*

On every scheme I've commissioned there have been tense meetings on the run into practical completion over the number of nominations secured. Never a problem finding people who don't need formal care, but finding 20-30 people with a care need who want to move at the same time is always a real challenge. However, it's a challenge that has to be met or else a 24/7 care and support service can quickly become unviable.

Because the local authority has identified a need and commissioned a scheme, it rarely follows that social workers will be able to identify sufficient nominations. I've heard social workers say that they're uncomfortable with discussing moves, but in many cases contact isn't frequent enough to develop that kind of conversation.

To fill the scheme quickly will mean that the developer / housing association will need to identify the majority of the nominees. Local Home Improvement Agencies can be a great source of leads, particularly where a formal referral arrangement is put in place.

9. *Maintain political support*

Local politicians love opening new extra care schemes! Make sure you get your dignitaries lined up and you'll be halfway to getting support to develop the next surplus site that becomes available for extra care.

10. *Persevere*

Even if you follow all of this advice then a new scheme will take at least 4 years from identification to completion, but some can take much longer. Village Green applications can appear from nowhere and add years to the process. In such cases, you need a pipeline of potential schemes to fall back on to keep your programme going.

Note

The views expressed in this paper are those of the author and not necessarily those of the Housing Learning and Improvement Network.

About the author

Paul Smith is now the Director of Foundations having previously managed two award winning home improvement agencies and commissioned extra care housing for Staffordshire County Council.

About Foundations

Foundations is the National Body for Home Improvement Agency (HIA) and handyman services – working with providers and commissioners across England to promote and enhance the work of HIAs, including the delivery of Disabled Facilities Grants.

www.foundations.uk.com



About the Housing LIN

The Housing LIN is the leading 'learning lab' for a growing network of housing, health and social care professionals in England and Wales involved in planning, commissioning, designing, funding, building and managing housing, care and support services for older people and vulnerable adults with long term conditions.

Previously responsible for managing the Department of Health's Extra Care Housing Fund, the Housing LIN is called upon by a wide range of statutory and other organisations to provide expert advice and support regarding the implementation of policy and good practice in the field of housing, care and support services.

Further information about the Housing LIN's comprehensive list of online resources on extra care housing and on how to participate in our shared learning and service improvement networking opportunities, including 'look and learn' site visits and network meetings in your region, visit: www.housinglin.org.uk

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Housing Learning & Improvement Network
c/o EAC, 3rd Floor,
89 Albert Embankment
London SE1 7TP

Tel: 020 7820 8077

Email: info@housinglin.org.uk

Web: www.housinglin.org.uk

Twitter: @HousingLIN