Dadansoddi ar gyfer Polisi
YMCHWIL GYMDEITHASOL Y LLYWODRAETH
GSR
GOVERNMENT SOCIAL RESEARCH
Analysis for Policy

Llywodraeth Cymru
Welsh Government

SOCIAL RESEARCH NUMBER:
61/2017
PUBLICATION DATE:
05/10/2017

# Evaluation of Extra Care Housing in Wales

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

 Digital ISBN 978-1-78859-592-6

# Evaluation of Extra Care Housing in Wales

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Full Research Report: E. Batty, M Foden, S Green, L McCarthy, D Robinson & I Wilson. *Evaluation of Extra Care*. (2017). Cardiff: Welsh Government, GSR report number 61/2017.
Available at: http://gov.wales/statistics-and-research/evaluation-extra-care/?lang=en



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## Background

1.1 Population aging - involving a shift in population toward older ages - is a trend in Wales, as across the rest of the UK, Europe and the world. The increasing number of older people in society is likely to result in demand for an array of new and extended forms of provision capable of reflecting shifting lifestyles, as well as the health and social care needs associated with emerging health problems and rising disability rates in older age. The Strategy for Older People in Wales (2013-2023)[1] recognises that housing has a critical role to play in satisfying these diverse needs and champions a focus on ensuring that "*Older people have access to housing and services that supports their needs and promote independence*." Furthermore, the emphasis within the Social Services and Wellbeing (Wales) Act 2014 on the wellbeing of the individual and on prevention and early intervention, has resulted in renewed focus on the role that housing and housing-related support can play in promoting wellbeing, and, consequently, the importance of housing, social care and health services working together.

1.2 Extra care is an important element of efforts to diversify provision and increase choice for older people. Extra care housing is a broad concept rather than a specific housing type. It provides independent living in a home of your own, but with services on hand if they are required. The key attributes for extra care housing can be defined as: being housing rather than an institution; employing appropriate design, plus help and support to 'stay put' and live independently; and, perhaps, on-site intermediate care and rehabilitation services. These attributes can be provided in a range of building types and different tenures.

[1] http://gov.wales/docs/dhss/publications/130521olderpeoplestrategyen.pdf

1.3 The Welsh Government made dedicated funding available to support the growth of extra care provision between 2009 and 2011 via a bidding process. Subsequently, the development of extra care housing was subsumed into the wider Social Housing Grant (SHG) arrangements, local authorities being expected to use their SHG Main Programme funding to fund extra care schemes. Providers and/or developers have also sought other forms of public and private capital investment to support the development of extra care.

1.4 This report presents the findings to emerge from an evaluation of the extra care housing sector in Wales. It presents a comprehensive, independent assessment of the role played by the sector to help inform discussion about the role that extra care should play in delivering the strategic vision on housing for older people in Wales and to inform future investment decisions. The broad objectives of the evaluation were to:

- explore the strategies of local authorities for meeting the housing needs of older people and where extra care fits into this future
- calculate the cost-effectiveness of extra care in Wales in terms of building and development costs, as well as care costs
- investigate how extra care schemes are used by residents and the community

1.5 The approach to the evaluation centred on three key strands of activity: a literature review; survey work (including surveys of all local authorities, housing associations involved in the development and provision of extra care, and extra care scheme managers); analysis of secondary data sources; and fieldwork in six case study local authority areas.

**What is extra care?**

1.6 This study employed the following working definition of extra care:

- extra care housing offers an environment in which care and support is close at hand, but where an independent life style can be retained as far as possible

- it includes housing that offers self-contained accommodation for rent/equity share/outright sale together with communal facilities
- care and support services are available from a team based on site 24 hours a day
- residents have the option of purchasing services (including care and support) either directly from the extra care provider or from elsewhere should they wish
- 'care' refers to direct help that an older person receives from a registered carer. This might include help and assistance going to bed, getting out of bed, washing and dressing, and help with medical matters that do not require a trained medical professional.

**Extra Care in Wales**

1.7 The extra care sector has grown dramatically over the last 10 years and a scheme is now open or in development in every local authority area. SHG funding made available by the Welsh Government has been important in driving this growth. Three-quarters of all schemes have been developed since the Welsh Government published guidelines and made ring-fenced funding available to support the development of extra care schemes in 2006. The large majority of schemes built over the last 10 years received SHG investment.

1.8 The vast majority (95 per cent) of extra care schemes have been developed by social landlords and are providing housing for rent. However, many of their residents were previously owner occupiers. Across the 47 extra care schemes in Wales there are an estimated 2,065 dwelling units, an average of 44 units per scheme. Individual schemes range in size from 10 to 105 units, but the majority (31 schemes) have between 35 and 54 units. All units have either one or two bedrooms.

1.9 The 34 schemes responding to an online survey reported a total of 1,589 residents, an average of 47 residents per scheme, or 1.09 residents per dwelling. Scaling this up to all 47 schemes suggests that there are an estimated 2,265 people currently living in extra care in Wales. Extra care

schemes are providing accommodation for older people of different ages and with varying care and support needs, although survey findings point to a concentration of people from older age groups within the resident population of extra care; two-thirds of residents were 75 years old and over. Almost two-thirds of all extra care residents were women. Scheme managers reported that 54 per cent of residents had support needs, such as the need for practical assistance with cleaning, tidying or shopping. Half of residents were reported to have care needs, such as help with bathing or getting in or out of bed. One in five residents (19 per cent) were reported to have no support or care needs.

1.10 Scheme-level average rents for the year 2016/17 were found to vary considerably from £68.65 to £197.72 per week, but rent levels in two-thirds (30) of schemes fall between £100 and £150 per week. Average weekly rents in one-bed units range from £68.65 to £191.13, and in two-bed units from £74.74 to £204.47. Scheme-level average service charges varied from £35 to £153 for one-bedroom properties (£88 on average across schemes) and from £35 to £209 for two-bedroom properties (£96 on average). Services charges were reported to cover: heating and lighting the communal areas; window cleaning; gardening; equipment maintenance; and alarm facilities. In the vast majority of schemes, the charge also covered the cleaning of communal areas, the cost of the scheme manager, communal water charges and equipment replacement.

1.11 The large majority of schemes reported offering personal care on site and the cooking and preparation of meals. A small minority reported offering nursing and health care on site. Just under half of schemes reported providing facilities designed to support older people with specific needs. All schemes provide a communal lounge and many provide a laundry, hairdressing room, guest suite and communal dining area.

**Demand for extra care**

1.12 The majority of local authorities, housing associations and extra care scheme managers agreed that demand for extra care outstrips supply. However, analysis of demand tends to have been limited to the evaluation of waiting lists, which provide an unreliable measure of demand. Little is currently known about demand for extra care for shared or full ownership. Various reviews of extra care have been undertaken by local authorities and housing associations, which provide useful insights. These reviews have rarely applied rigorous evaluation methodologies or sought to assess cost effectiveness or undertaken cost benefit analysis.

1.13 Further insight into demand for extra care is provided by data relating to the health and social care needs of older people, which suggests that extra care would be a relevant and appropriate housing option for a sizable number of the older person population, given the prevalence of long term health problems and disabilities and incidence of mobility and self-care issues. The geography of need evidenced by the incidence of long-term health and mobility problems does not appear consistent with the provision of extra care schemes across Wales.

1.14 Projections of demand generated by employing a range of different prevalence rates suggest that demand outstrips supply of extra care housing across Wales. This gap is likely to widen given that the population of older people is projected to increase dramatically in the future. Key points to highlight include

- Across Wales 3.3 units are supplied per 1,000 persons aged 65 years or older.
- The prevalence rate in the top five local authority areas was 6.8 units per 1,000 persons aged 65 years or over. If this rate is assumed to represent the required prevalence rate across Wales it is estimated there is demand for 4,224 units. This would mean that there is a current undersupply of 2,159 units.
- The prevalence rate across England was 4.4 units per 1,000 persons aged 65 years or over. If this rate is assumed to represent

the required prevalence rate across Wales there is currently demand for 2,749 units. This means there is a current undersupply of 684 units.

1.15 These projections are not intended to be instructive about how many new units of extra care housing need to be developed. A more productive approach is to view these projections as an estimate of demand for the particular combination of age appropriate accommodation and support and care provided by extra care housing. This demand can be met through various forms of (general needs and specialist) provision, not necessarily all through the extra care sector. The approach taken will depend upon strategic decisions made by local and national government about how to accommodate the population of older people.

**Developing extra care**

1.16 A key motivation amongst local authorities for encouraging the development of extra care in their area was to respond to the challenges of an ageing population and to help meet the housing needs of older people by increasing choice, improving housing quality and maintaining independence. The potential for extra care housing to deliver savings for health and social care was also identified as an important motivating factor by half of all local authorities and more than half of housing associations.

1.17 Nine out of 22 local authorities reported that they are not developing or encouraging the development of extra care schemes. This is a notable given that available evidence points to a major gap between supply and demand. One reason for this appears to be the challenges local authorities and housing associations developing and operating new schemes. Key amongst these was funding problems (capital and revenue). Ten local authorities reported that development work would commence or new extra care schemes will open in their area in the next two years.

1.18 The provision of general needs housing was most commonly identified as priority for local authorities when asked about increasing provision to meet the needs of older people in their area. In addition, few housing associations viewed the provision of specialist housing for older people as a priority. However, a majority (12 out of 22) of local authorities expect to see an increase in extra care provision in their area over the next five years. The vast majority of this new provision is expected to be for rent rather than shared ownership or owner occupation, reflecting an apparent lack of interest amongst private providers in developing extra care schemes in Wales. Access to public funding was recognised as critical to future development of new extra care schemes, but a majority of local authorities, housing associations and extra care scheme managers raised concerns about the availability of such funding in the future. While there was evidence that a small number of local authorities were exploring creative ways to supplement social housing grant with funds from other public sources (for example, the Viable and Vibrant Places programme), it was clear that the ring-fencing of social housing grant to support the development of extra care housing has been the most effective approach to driving growth in extra care provision. Without ring-fenced SHG, the evidence from the majority of case study local authorities was that further extra care development was unlikely.

**Providing extra care**

1.19 There was a general consensus across sectors (housing, social care and health) and providers that extra care is an important part of local efforts to respond to the challenges of an ageing population and to increase the choice, improve the living conditions and maintain the independence of older people. The growth of the extra care sector was reported to have supported efforts to reduce the number of older people living in residential care, deliver savings for health and social care, support delivery of the Social Services and Wellbeing Act, and provide an alternative to sheltered housing, which was sometimes reported to be in need of refurbishment or in the process of being decommissioned. There was evidence from across all six case studies that a shared interest in extra care had served to support the development of

productive partnerships between housing and social care. In most case study areas, it was reported that Health Authorities were less engaged in partnership working. Some schemes were well integrated into the local community, with members of the wider community using facilities in the scheme and scheme residents utilising services and facilities in the wider area.

1.20 Housing strategy officers reported that communal spaces increased the costs of development, and observed that the space used would have been better employed as dwelling units. In contrast, residents, scheme managers and onsite care managers reported that communal areas and on-site services (in particular, on-site restaurants) were an important element of the extra care housing model and were well used. Two factors emerged as important in determining the use of communal spaces and on-site services. First, the availability of staff to organise and promote activities. In some schemes, reductions in staffing were reported to have limited the capacity of staff to organise activities. Second, the presence of residents prepared to organise community activities.

1.21 The vast majority of extra care managers (88 per cent) reported taking steps to maintain a balance of different needs amongst the residents of their scheme. Asked to explain their approach to maintaining this balance, a common approach was reported to involve trying to maintain an equal balance of residents with low, medium and high care needs. A number of respondents explained that the aim was to match the care needs of residents against staffing resources and the number of care hours available. This balance was maintained through the allocation process, with care needs of current and prospective residents being assessed by social services.

1.22 Some concerns were raised about the future of revenue funding, challenges covering operational costs and, consequently, the viability of the extra care model. Uncertainties about the LHA cap were highlighted as a key concern, prompting questions about the future affordability of extra care housing for residents. Some local authorities and housing

associations were re-scoping the range of services and level of care and support provided in extra care schemes (whilst trying to maintain the essential features of extra care), as well as exploring alternative (lower cost) forms of provision to meet the housing and support needs of older people, including age designated housing with floating care and support and enhanced 'staying put' provision.

**Resident experiences of extra care**

1.23 Resident experiences of living in extra care were very positive. Residents valued the independence that extra care afforded, but welcomed the safety and security of living within a scheme. Reassurance was provided by having care and support available as and when required. High levels of satisfaction were reported with the accommodation, positive comments being forthcoming about design standards and accessibility, which made it easier for people to go about their daily lives. Communal facilities were reported to provide opportunities for social interaction that were valued by many residents. The general consensus was that extra care was affordable housing option, although there was some confusion about what services were covered by the service charge. Many residents compared extra care favourably to sheltered housing and residential care.

1.24 Some concerns and areas for improvement were identified. These varied from scheme to scheme, but included concerns about the location of schemes and problems of accessibility, which could serve to limit access to services, amenities and opportunities for social interaction in the wider community. Some residents raised concerns about a lack of communal facilities. Concerns about the care and support provided centred on the rotation of staff and resultant difficulties developing a relationship with carers.

**The costs of extra care**

1.25 The total cost of developing 41 extra care schemes responding to the survey was just over £347,371,000 (in 2015 prices using GDP deflators). This implies the average cost (i.e. the cost efficiency) was £8,472,000. Of the total cost £18,562,000 (five per cent) was the cost

of land and £281,499,000 (81 per cent) was the cost of works; including three per cent which was the cost of abnormals (costs which are not part of routine development). Comparing the total cost of developing the 41 schemes against the number of units, the number of bed-spaces and the area provided reveals that: the cost per unit was £179,600; the cost per bed-space was £119,700; and the cost per metre square was £1,600. Social Housing Grant (SHG) funded 55 per cent of the total cost of developing the 41 extra care schemes. Private finance funded 41 per cent of the cost and other public funding contributed the remaining four per cent.

**Recommendations**

1.26 *Recommendation 1: Clarify the role specialist provision (including extra care) will play in meeting the housing needs of an ageing population.* Local authorities need to have a clear understanding of the housing needs of older people *and* of local provision of specialist housing and support in order to plan strategically and work co-operatively to ensure people have access to appropriate and affordable housing in older age.

1.27 *Recommendation 2: Public subsidy is vital to the future growth of the extra care sector.* Further growth of the sector is likely to be dependent upon public subsidy, given the apparent lack of interest amongst private providers in developing extra care schemes in many local authority areas and the concerns of housing associations about the viability of new developments. In response, the Welsh Government might consider ring-fencing a portion of Social Housing Grant (SHG) to support further growth of the sector. Regardless, local authorities will need to develop creative funding models that supplement SHG with funding from other housing, regeneration and renewal programmes.

1.28 *Recommendation 3: Manage uncertainty in revenue funding and promote creativity in provision.* Revenue funding is a key consideration when appraising the viability of new schemes and sustaining the operation of existing schemes. Funding streams have come under increasing pressure in recent years. This uncertainty is undermining confidence in the extra care model, impacting on the willingness of some

local authorities and housing associations to pursue new developments and prompting some schemes to re-scope the range of services provided.

1.29 *Recommendation 4: new developments should follow design good practice.* Problems are also apparent with the design of some schemes, particularly in relation to the location of some schemes. It is important that schemes provide ready access for residents to the local community and associated amenities such as shops, leisure facilities and medical services to help prevent residents becoming isolated. Siting schemes within the local community can also serve to facilitate use of on-site facilities and services by non-residents and allow the scheme to fulfil its potential as a community asset.

# 2 Background to the Study

## Introduction

2.1 Population aging - involving a shift in population toward older ages - is evident in Wales, as well as in the rest of the UK, Europe and across the world. For example, it is estimated that by 2037, one-third of the population of Wales will be 60 years or older, compared to just over one-quarter in 2012.[2] Many older people in Wales live alone (currently nearly half of people aged over 65 years old live alone), many are living with a long-term limiting illness and increasing numbers are living with dementia[3].

2.2 The increasing number of older people in society is likely to result in demand for an array of new and extended forms of provision capable of reflecting shifting lifestyles, as well as the health and social care needs associated with emerging health problems and rising disability rates in older age. The Strategy for Older People in Wales (2013-2023)[4] recognises that housing has a critical role to play in satisfying these diverse needs and champions a focus on ensuring that "*Older people have access to housing and services that supports their needs and promote independence*." Furthermore, the emphasis within the Social Services and Wellbeing (Wales) Act 2014 on the wellbeing of the individual and on prevention and early intervention, has resulted in renewed focus on the role that housing and housing-related support can play in promoting wellbeing, and, consequently, the importance of housing, social care and health services working together.

2.3 These developments are in tune with the changing nature of housing provision for older people, characterised by a shift in the past twenty years from 'pre-packaged' options, comprising a fairly standardised form of provision, to a more differentiated, diverse and user-centred suite of options for housing, care and support. More flexible regimes have come

[2] http://www.poverty.org.uk/w64/index.shtml
[3] Housing LIN Cymru (2015) Extra Care Housing in Wales: A State of the Nation Report. http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/HousingStrategyExamples/?parent=975&child=9904
[4] http://gov.wales/docs/dhss/publications/130521olderpeoplestrategyen.pdf

to the fore, in terms of the nature of provision, the level of aids and adaptations provided and the intensity of care for those with physical and mental health needs.

2.4 Extra care is an important element of efforts to diversify provision and increase choice for older people. Extra care housing is a broad concept rather than a specific housing type. It provides independent living in a home of your own, but with services on hand if they are required. The key attributes for extra care housing can be defined as: being housing rather than an institution; employing appropriate design, plus help and support to 'stay put' and live independently; and, perhaps, on-site intermediate care and rehabilitation services. These attributes can be provided in a range of building types and different tenures.

2.5 Growing interest in extra care housing for older people reflects a number of factors. First, there have been calls to explore new and alternative approaches to meeting the housing and care needs of an ageing population. For example, a review into the quality of care homes by the Older People's Commissioner for Wales spotlighted the need for other forms of care and support including housing with care, stating that "*the potential for further development of other models that combine housing and care, such as extra care, has not been fully explored."*[5] Second, questions have been asked about existing provision. For example, concerns have been raised about the appropriateness of traditional sheltered housing provision provided by local authorities and housing associations, in response to reports of the physical adequacy of sheltered housing stock (some sheltered housing has become obsolete and is now difficult to let) and to changes to warden services (for example, involving their replacement within non-resident wardens), which have also proved unpopular with residents of some sheltered schemes[6]. In response, some local authorities have decommissioned

[5] *Older People's Commissioner for Wales (2014) A Place to Call Home? A Review into the Quality of Life and Care of Older People living in care homes in Wales. Cardiff.*

[6] See, for example: Welsh Local Government Association et al. (2002) The Future of Sheltered Housing in Wales. Report to the Older People's Advisory Group; Hillcoat-Nallétamby, S. (2015) *Meeting the Housing Needs of an Ageing Population in Wales: Report of Recommendations*, Swansea: Centre for

sheltered housing schemes and some housing associations have explored remodelling programmes.

2.6 The Welsh Government has made funding available for extra care via a bidding process. In 2006, guidelines were published for the then £50 million, three year programme (2006-2009). In 2009, a further £7million for extra care housing was announced as part of a wider £40m capital programme. In 2011, the Welsh Government made a further £1million available to speed up development of extra care housing. Subsequently, the development of extra care housing has been subsumed into the wider Social Housing Grant arrangements, local authorities being expected to use their SHG Main Programme funding to fund extra care schemes. It has also been reported that providers and/or developers have also sought other forms of public and private capital investment, including the Welsh Infrastructure Investment Plan and Welsh Housing Bond[7].

2.7 This report presents the findings to emerge from an evaluation of the extra care housing sector in Wales. It presents a comprehensive, independent assessment of the role played by the sector to help inform discussion about the role that extra care should play in delivering the strategic vision on housing for older people in Wales and to inform future investment decisions. The vast majority of extra care housing is provided by social landlords, but this report also considers the role played by the private providers.

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Innovative Ageing, Swansea University; SSIA 2011) *Better support at lower cost: Improving efficiency and effectiveness in services for older people in Wales*. Cardiff: Social Services Improvement Agency.

[7] http://www.housinglin.org.uk/HousingRegions/Wales/Funding/?parent=9032&child=9053

**Aims, Objectives and Key Questions**

2.8 An evaluation of the extra care sector serving older people was commissioned by the Welsh Government in February 2016. The broad objectives of the evaluation were to

- Explore the strategies of local authorities for meeting the housing needs of older people and where extra care fits into this future.
- Calculate the cost-effectiveness of extra care in Wales in terms of building and development costs, as well as care costs.
- Investigate how extra care schemes are used by residents and the community.

2.9 The evaluation was framed by a long list of research questions posed by the Welsh Government. These can be grouped under three broad headings.

*Extra care housing in Wales*

- Do all LA areas have Extra Care schemes? What are the motivations/barriers for pursuing Extra Care schemes?
- How many Extra Care schemes have each LA/RSL completed? How were they funded? Did this include grant funding?
- Have any LAs undertaken reviews or evaluations of their Extra Care schemes?
- How many are in development or planned for the next two years? How will they be funded? Will this include grant funding?
- What is the current level of demand for Extra Care schemes? How is demand measured? Has demand increased/decreased in the last five years? What are opinions on future levels of demand for Extra Care schemes (and why is this)?
- How does demand for Extra Care schemes compare to the demand for other older people's housing such as sheltered housing or residential care?

- Can supply meet demand now and in the future? Do local authorities have plans to increase supply of Extra Care schemes in the next five years?
- Of the various types of housing options for older people, which are priority options for LAs? What are their plans for housing an ageing population? Where does Extra Care fit?
- What are the key influences on the development of future provision?
- What impact do national issues, such as welfare reform have on the future direction of housing supply for older people?
- How are LAs taking into account the requirements set out in the Social Services and Wellbeing Act?

*Inside Extra Care*

- What do schemes across Wales look like? For each scheme collect information including profile of residents; accommodation and care; facilities; rents and charges; access; tenure; specialist provision.
- Are current Extra Care schemes fit for purpose? Do they operate as envisaged?
- What are the challenges for the future?
- What were the reasons for resident's choosing Extra Care schemes over other forms of older people's housing?
- How did residents hear about, apply for and access Extra Care?
- What are the strengths and weaknesses of the Extra Care scheme from the resident point of view?

*Costs and effectiveness of extra care*

- Analysis of data including development and delivery costs.
- exploration of views, opinions and any local evidence relating to cost effectiveness.

**The evaluation**

2.10 The approach to the evaluation centred on three key strands of activity: a literature review; survey work and analysis of secondary data sources; and fieldwork in six case study local authority areas.

*(i) Literature Review*

2.11 The review collated outputs assessed as relevant on the basis of subject matter and methodological rigour. The focus was on research evidence. The numerous position papers, fact sheets, policy statements and pamphlets promoting the virtues of extra care housing were noted but were not included within the review. It soon became apparent that relatively few studies have rigorously analysed the role, function and contribution of extra care housing in Wales. The review was therefore widened to consider evidence from across the UK that could provide learning relevant to the Welsh context. In particular, attention focused on collating research evidence that served to help:

- generate effective working definitions of extra care housing
- appreciate the role that can be played by extra care housing maximising the housing options for older people
- understand the form, scope and range of extra care provision
- consider the relationship between extra care and residential care
- consider mechanisms for providing extra care and evidence relating to the optimum form of developments
- appreciate current perspectives on the value for money of extra care housing.

2.12 A long list of relevant evidence was generated, which was screened prior to reviewing to establish robustness and the validity of findings. The insights drawn from this exercise are summarised in Chapter 3.

*(ii) Quantitative Analysis*

2.13 This strand of the evaluation focused on the collection, collation and analysis of primary and secondary quantitative data. It involved four key activities.

2.14 *Collation and analysis of secondary and administrative datasets* - secondary and administrative sources were analysed in order to generate an overview of extra care provision across Wales, within sub regions and at the local authority level. The datasets analysed included: the Elderly Accommodation Counsel (EAC) National Database of Housing and Care Homes; the Care and Social Services Inspectorate Wales (CSSIW) database; and the Welsh Government's StatsWales.

2.15 *Surveys of local authorities, registered social providers and extra care schemes* - a series of short web-based surveys were undertaken to address key evaluation questions beyond the coverage of available secondary and administrative data. This involved surveying

- Local authorities - exploring: strategy and plans for housing an ageing population; motivations and barriers to developing extra care schemes; future plans for development; measuring demand and perceptions about changing demand for older person housing; and factors affecting supply. An invitation to complete the survey was sent, by email, to a named housing strategy contact in each of the 22 local authorities. All 22 submitted a response, in some cases completed collaboratively with social care colleagues.
- Housing associations - paying particular attention to experiences of developing and managing extra care schemes, and covering many of the same topics as the survey of local authorities. Survey invitations were sent to Chief Executives and/or Directors of Development at 34 housing associations active in Wales; 29 completed the survey (85 per cent), eleven of which stated that they had developed at least one Extra Care Scheme.

- Extra care schemes - focusing on: the accommodation and services provided; demand and supply; the profile of residents; links to the local community; opportunities and challenges; and delivery costs. Survey invitations were sent to scheme managers at 43 of the 47 extra care schemes identified by EAC and Welsh Government data[8]; 35 schemes submitted a completed survey (81 per cent response rate, or 74 per cent of all schemes).

2.16 *Analysis of supply and demand for specialist older persons housing* to assess whether local provision is meeting the housing needs of older people and establish whether and how extra care fits into future provision. The approach adopted involved: generating local authority estimates based on the Housing LIN Shop@ model[9]; and drawing on additional data to sensitise these demand estimates to specifics of each local authority context.

2.17 *Calculating the cost efficiency of Extra Care*. This stage of the analysis sought to ascertain the development and running costs of Extra Care schemes in order to assess cost efficiency - the unit costs of providing Extra Care - as opposed to other forms of older persons housing provision. Analysis drew on data provided by the Welsh Government and extra care schemes.

*(iii) Case Study Analysis*

2.18 This strand of the evaluation focused on exploring the role played by extra care housing within local housing strategies, views and opinions about current and future provision, and the opinions and experiences of residents of extra care schemes. Attention focused on six local authority areas that served as case studies. Sampling sought to ensure coverage of diversity and difference in strategy, provision, practice and experience across Wales. Table 2.1 profiles the resulting case study areas.

[8] No direct contact details were available for the remaining four schemes
[9] as proposed in *More Choice Greater Voice* http://www.housinglin.org.uk/AboutHousingLIN/HowdoIusetheHousingLIN/KeyDocuments/?&msg=0&parent=1648&child=2545.

2.19 Within each case study, the evaluation team collated and reviewed relevant documentary evidence; interviewed up to 10 key stakeholders; and engaged with extra care residents. Key stakeholders varied between case studies but included: local authority officers in housing and social care; senior officers from housing association providing extra care; voluntary and community sector organisations supporting the housing options of local older people; Local Health Boards; Supporting People programme officers; and extra care housing management teams.

**Table 2.1: Overview of Case Study Local Authority Areas**

| | City | Mid Wales | Rural North | Valley | County | Town |
|---|---|---|---|---|---|---|
| **Type of Place** | | | | | | |
| Major towns / cities | **Yes** | No | No | **Yes** | No | **Yes** |
| Valleys | No | No | No | **Yes** | No | No |
| Rural | No | **Yes** | **Yes** | No | **Yes** | No |
| **Geographical Location** | | | | | | |
| North | No | No | **Yes** | No | No | **Yes** |
| Mid | No | **Yes** | No | No | No | No |
| South | **Yes** | No | No | **Yes** | **Yes** | No |
| **EC Provision** | | | | | | |
| Two or more EC schemes | **Yes** | No | **Yes** | No | **Yes** | No |
| Demand for EC *(source: LA survey)* | High | High | High | Medium | Low | High |
| **Housing Market Context** | | | | | | |
| Mean house price[1] | High | High | Average | Low | High | Average |
| % of older people owners[2] | Average | High | High | Low | High | Low |
| **Local Authority and Extra Care** | | | | | | |
| EC a strategic priority? *(source: LA survey)* | **Yes** | **Yes** | No | No | No | **Yes** |
| Plans for new EC schemes in next 2 years? | **Yes** | **Yes** | No | No | No | **Yes** |
| Discrete older people's housing strategy? | No | **Yes** | **Yes** | **Yes** | **Yes** | No |

[1] ONS House Price Statistics for Small Areas 2015: Wales mean = £164,887; 'High' = more than 5% above mean; 'Low' = more than 5% below mean
[2] Census 2011: Wales mean = 78%; 'High' = more than 1ppt above mean; 'Low' = more than 1ppt below mean

2.20 Focus groups were conducted with residents of extra care schemes in each case study to generate user perspectives on extra care housing. The focus was on sensitising insights from the existing evidence base to the Welsh context. In each case study, two current extra care housing schemes (if present) were identified. In total, 9 focus groups were conducted in 9 schemes, involving over 80 residents. The team therefore engaged with residents in almost 20 per cent of all extra care schemes in Wales.

**Outline of the Report**

2.21 The report is organised into six empirical chapters

- Chapter 3 places the evaluation in context by exploring the existing evidence base in order to: generate a working definition of extra care; outline funding models for the development and delivery of extra care; and spotlight lessons learnt about providing and living in extra care housing.
- Chapter 4 provides an overview of extra care housing in Wales. It draws on data generated through a survey of extra care schemes completed by three-quarters of all schemes in Wales and secondary and administrative data. It profiles extra care residents, the accommodation they live in and services they receive.
- Chapter 5 explores demand for extra care across Wales. It explores projections of current and future demand generated through the application of the HousingLin Shop@ model and reviews local perspectives on demand collected through the surveys of local authorities, housing associations and extra care scheme managers.
- Chapter 6 explores local authority and housing association experiences of and attitudes toward the development of extra care. It draws attention to motivations and challenges encountered developing extra care, outlines plans for the future and explores whether these plans are rooted in the role extra care can play in meeting the housing and care needs of older people.

- Chapter 7 focuses on the provision of extra care housing. It explores issues of operation and delivery, drawing on insights from the surveys of local authorities, housing associations and extra scheme managers, as well as insights from fieldwork in the six case studies.
- Chapter 8 focuses on life in extra care from the resident perspective. It draws on insights generated through nine focus groups with more than 80 residents of nine schemes across the six case studies. The chapter presents rich qualitative material that reveals the views and opinions of residents about their accommodation, the facilities available and the services provided.
- Chapter 9 focuses on the development and operating costs of extra care schemes and analyses the cost efficiency of extra care housing.
- Chapter 10 draws on administrative and secondary data to analyse the (development and running) costs and effectiveness of extra care housing.

2.22 The final chapters summarise the key conclusions to be drawn from the research regarding extra care in Wales and present a series of recommendations.

# 3 What is Extra Care?

## Introduction

3.1 This chapter places the evaluation within context by exploring the existing evidence base in order to: generate an effective working definition of extra care housing; understand capital and revenue funding regimes; and scope existing knowledge and understanding about the form, nature and experience of providing and living in extra care housing.

3.2 The evidence collected was screened on the basis of the robustness of the research methods employed. At this point, standard practice would have been to focus attention on the more robust evaluations. However, the review revealed a relative dearth of scientifically robust impact evaluations of extra care housing and very little evidence relating to the particulars of provision in Wales. It is therefore difficult to draw clear conclusions about what works in providing extra care housing and the associated impacts for residents and wider society. However, it is possible to draw some general insights that are useful in framing the analysis that follows. These headlines are summarised below. A list of key sources is provided in Appendix 2.

## Defining Extra Care

3.3 There is no standard definition or model of delivery for extra care. Extra care housing can vary in design, tenure and service. However, there is now general agreement about the guiding principles of extra care provision, which focus on promoting independence, enablement and choice.

3.4 In 2006, the Welsh Government published guidelines for extra care that defined the key elements as including:

- living at home, not in a home
- having one's own front door
- the provision of culturally sensitive services delivered within a familiar locality

- flexible care delivery based on individual need – that can increase or decrease according to circumstances
- the opportunity to maintain or improve independent living skills
- the provision of accessible buildings with smart technology that makes independent living possible for people with physical or cognitive disabilities including dementia. Accessible buildings means accessible to lifetime standards to accommodate changing needs where an individual may require a hoist or wheelchair without requiring major adaptations or change of address.
- building a real community including mixed tenures and mixed abilities.
- the inclusion of facilities and services, which are also used to support people living in the local community.

3.5 A number of research papers and reports have elaborated on this definition by pointing to a series of defining characteristics of extra care housing. Based on Laing and Buisson's (2010) *Extra-Care Housing UK Market Report*, key features can be identified as including:

- it is primarily for older people
- the accommodation is (almost always) self-contained
- personal care can be delivered flexibly, usually by staff based on the premises
- support staff are available on the premises 24 hours a day
- domestic care is available
- communal facilities and services are available
- meals are usually available, and charged for when taken
- it aims to be a 'home for life', and to allow people to age in place
- it is owner-occupied or offers security of tenure if rented

3.6 Evans and Vallelly (2007b:8) added a layer to these definitions, noting that "at a conceptual level, extra care is primarily housing, meaning that it should not look or feel in any way institutional". Hanson *et al* (2006) also draw on the 'feel' of the housing in their discussion of defining extra care housing, arguing that as definition is an inexact science, it should be summarised by key tenets: flexible care, self-contained dwellings, and 'homeliness'.

3.7 Under these definitions, the form that extra care housing takes can vary, from purpose built villages to re-modelled sheltered housing. Although there is no standard design, some research has focused on developing tools to assess the design of housing for older people, with a view to ensuring it meets needs (Lewis *et al*, 2010). Discussion about extra care housing is littered with various terms to describe particular forms of provision. Riseborough et al. (2015) point to the following examples that overlap with the definition of extra care outlined above:

- Very sheltered or enhanced sheltered housing: current term reflecting additional care and support needs of older residents in sheltered housing (but not high enough levels to require extra care housing).
- Extra Care and Assisted Living: typically, purpose built bocks of flats with communal facilities and space for care and other services to be delivered.
- Hub and spoke: as above but with a greater focus on designing for wider community use, and therefore probably larger communal facilities available for the wider community.
- Close Care: Typically, purpose built blocks of flats or bungalows linked to a care home.
- Retirement Village: purpose built extra care within a larger retirement village concept with a range of dwelling types and facilities.

- Specialist: extra care designed to accommodate a particular group, for example people with dementia.
- Separated: general extra care but with a specialist wing or unit (for example for people with dementia, or learning disability).

3.8 Riseborough et al. (2015) suggest that the range of terms to refer to extra care reflect the desire of providers and developers to appeal to particular markets. In particular, subtle differences are often seen in the language used by commercial providers and developers to reflect the lifestyle they are offering customers as well as the housing and service model.

3.9 Reflecting on these definitions, this study extra care employed the following working definition of extra care

- Extra care housing offers an environment in which care and support is close at hand, but where an independent life style can be retained as far as possible.
- It includes housing that offers self-contained accommodation for rent/equity share/outright sale together with communal facilities.
- Care and support services are available from a team based on site 24 hours a day.
- Residents have the option of purchasing services (including care and support) either directly from the extra care provider or from elsewhere should they wish.
- 'Care' refers to direct help that an older person receives from a registered carer. This might include help and assistance going to bed, getting out of bed, washing and dressing, and help with medical matters that do not require a trained medical professional.

**Funding Extra Care**

3.10 Extra care housing schemes are relatively expensive to develop, in terms of build cost per unit of accommodation. Subsidy funding has therefore been critical to the growth of the extra care sector in Wales, particularly in areas with low property values that are less attractive to

private finance. Social Housing Grant has been the key source of subsidy funding. Social Housing Grant is a grant given to Registered Social Landlords (housing associations) by the Welsh Government to fund housing schemes that meet local needs and priorities as identified by local authorities. The grant aims to provide new affordable housing for rent or low cost home ownership.

3.11 Since 2012, funding for the development of extra care housing has been subsumed into the wider Social Housing Grant arrangements. This followed a number of years in which the Welsh Government made ring-fenced funding for extra care housing available through a bidding process. Local authorities are now expected to use their SHG Main Programme funding to finance extra care schemes. Consequently, funding decision involve weighing up the need for new extra care schemes against other local priorities, including the need for general needs housing.

3.12 Other potential sources of subsidy funding to support development of extra schemes include Housing Finance Grant and the associated Welsh Housing Bond, and regeneration programmes, such as Viable and Vibrant Places. Other potential forms of public subsidy that might be negotiated by local authorities include making publically owned land available for no cost or below market value, securing Section 106 agreements that oblige private developers to support development of extra care, and capital subsidies, for example, utilising capital funding allocated on a regional basis is provided via the Intermediate Care Fund. The Intermediate Care Fund supports interventions that allow people to continue living safely and as independently as possible, as well as joint developments by housing, health and social services to help reduce demands on the NHS and social care services. Public and private developers and providers might also utilise a wide range of non-subsidy

funding, including private finance options, such as social finance, institutional investment and private equity partnerships[10].

3.13 In relation to revenue funding, guidance from the Welsh Government states that the fundamental principle applied to the revenue funding of extra care is that it is housing and not care. Therefore, generally speaking, the same rules apply to residents of extra care as apply to people living in other forms of housing in the same tenure. On this basis, residents in both public and private extra care accommodation cover the majority of a scheme's housing operating costs via rent and service charges. This might involve securing financial support and assistance via the benefits system where eligible. This raises a point of uncertainty about the ability of tenants in receipt of Housing Benefit to cover their housing costs. In 2015, the UK government announced an intention to cap the amount of rent that Housing Benefit will cover in the social rented sector to the relevant Local Housing Allowance level, which is the rate paid to most private renters on Housing Benefit. The Government subsequently announced a one year exemption for the supported housing sector from the application of Local Housing Allowance caps to residents in supported housing. Providers of supported housing argue that, given their higher rent levels and slim operating margins, the measures would have a particularly detrimental impact on revenue streams and would threaten the viability of existing and future schemes. The sector has called for an exemption for supported housing from this and other measures, arguing that supported housing delivers average net savings to the public purse of around £940 per resident per year and that demand for this type of accommodation is growing[11]. In November 2016, the UK Government announced the intention that from 2019 the LHA cap will be applied to all claims in supported and sheltered housing, and that a devolved pot would be allocated to the Welsh Government

[10] For further examples see: http://www.housinglin.org.uk/_library/resources/housing/support_materials/technical_briefs/technical_brief_02_fundingech.pdf

[11] http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06080

allowing top-up payments to be made to help cover the shortfall between rent levels and Housing Benefit payments.

3.14 Care and support services can be funded from a range of sources, including local authority adult social care, which fund care for people who meet the authority's own eligibility threshold; Supporting People Grant (depending upon local priorities and availability); and residents themselves, including the use of Attendance Allowance and direct payments from their own funds. The source of funding supporting delivery of care and support services will vary between schemes depending, for example, on the model of delivery and attribution of roles (as housing support or care) and the tenure and financial status of each resident.

**Experiences of Extra Care**

*Living in extra care*[12]

3.15 High levels of satisfaction are apparent amongst residents of extra care housing. A number of features particularly valued by residents include: the independence and choice offered by extra care; the feeling of safety and security (physical security and the knowledge that help is at hand); the opportunity for social interaction around communal facilities; the friendship and stimulation provided by social activities and events. However, a recurring theme across a number of studies is that a minority of residents report disappointment and experience difficulties 'fitting in' and can feel lonely or isolated. This appears to be most common amongst people in receipt of care services, who rate their health as worse, are single and are living in smaller schemes. Some of these problems appear to be related to gaps in provision, discussed below.

[12] Key studies include: Baumker et al. (2011); Blood et al. (2012); Burholt et al. (2010); Evans and Vallelly (2007a;b); Petch (2014); Phillips et al. (2015)

*Complexities of delivery*[13]

3.16 An array of individuals, organisations and agencies have roles and responsibilities associated with the development and delivery of extra care housing, ranging from the individual older person and their partner/spouse through commissioners and funders and including multiple providers of housing, care and support. In this context, the commissioning and delivery of extra care housing can prove a complex process informed by the policies and priorities of an array of institutions and interests. This complexity creates the potential for tensions at the boundaries between the roles of different agencies and for gaps in provision to emerge. This potential has been exacerbated by cuts in public funding and as services retreat. Gaps in provision are reported to be most likely to arise when tasks are small; when circumstances change; or when tasks are difficult or resources are limited. Gaps in provision tend to impact more on people with high support needs and those who do not have partners or involved relatives. Evidence suggests that gaps are often filled by staff members over-stretching their roles and by relatives, friends and neighbours. Many extra care residents are more than capable of organising their own affairs, but some may need someone to co-ordinate ad hoc input, chase other agencies and make sure things happen for them.

3.17 To minimise confusion about roles and responsibilities and to limit problems in the provision of care and support, Blood et al. (2012) conclude that there needs to be clarity from the outset about: the housing with care model (generally and for each specific scheme) and the expectations of all parties; residents' rights (and responsibilities); the shared vision and ethos of different providers and commissioners; the input and responsibilities of relatives and others; what everyone does and who is responsible for what; how service users can complain and provide feedback; what mechanisms are in place to resolve conflicts between different agencies/different workers; communication and liaison

[13] Key studies include: Blood et al. (2012); Burholt et al. (2010); Wright et al. (2010); Vallelly and Manthorpe (2009).

arrangements between providers at the scheme and key external agencies such as social services.

*Design*[14]

3.18 Available evidence points to a direct association between aspects of building design identified in guidance on the design and development of extra care housing (Housing Lin, 2011; Nicholson et al., 2010) and quality of life measures. The enabling design and accessible environment of extra care housing can support self-care and informal family care, increasing independence. Lower levels of need and living in larger schemes appear to be positively associated with quality of life. On-site facilities are recognised as promoting social interaction. Allowing non-residents to use on-site amenities can also help integrate extra care residents into the wider community, but this requires extra schemes to be located within existing communities, something that is not always the case. A particular design feature championed by a number of studies is the provision of an on-site restaurant, which can have health impacts and serve as a social hub.

3.19 There is some evidence to suggest that extra care residents with physical frailties and/or cognitive impairment can sometimes find the design of schemes restrictive. This can result in residents being marginalised from the extra-care lifestyle. Inclusive, flexible design is required to benefit residents who are ageing in situ and have varying care needs; this does not appear to be the case in all schemes.

3.20 Key findings and good practice advice regarding the development of extra care schemes is consistent with evidence regarding the housing preferences of older people more generally and associated location preferences, which include living in a neighbourhood that is safe and secure, close to amenities and facilities (such as green spaces, shops and leisure facilities), with good pedestrian access and transport links. The key concern here is that the built environment enables older people to actively participate in their local communities, not exclude them. The

[14] Key studies include: Barnes et al. (20120; Lewis et al. (2010); Orrell et al. (2013)

positioning of schemes in rural locations presents particular challenges in terms of enabling tenants to engage with the local community.

*Tenure mix*[15]

3.21 Most research intro extra care has focused on housing association provision and therefore social provision. The limited evidence that does exist suggests that mixed tenure developments can prove viable. By offering a range of tenures and support options, developments can attract residents of different socio-economic backgrounds. Mixed tenure developments can also be attractive to not-for-profit developers as investment from private buyers can be used to support development costs. Evidence suggests that residents interact across tenures, although there is some evidence to suggest that more established relationships are formed among people from the same tenure. This is particularly true if units are clustered along tenure lines and the chances of casual encounters between residents from different backgrounds are therefore reduced. Research focusing on mixed tenure retirement villages has uncovered some evidence of social divisions between long-leaseholders and tenants, which can be expressed in different levels of engagement and participation.

3.22 The general picture to emerge from the wider literature on the housing preferences of older people regarding tenure preferences is that older people who are owner-occupiers prefer to remain owners, particular if they are moving before or soon after retirement. Buying allows older people to keep their housing equity and to maintain perceptions of status that some people associate with being an owner-occupier. On this basis, it would therefore appear desirable to ensure the provision of extra care for sale as well as to rent, to allow home owners to downsize and retain equity. However, owning is not a viable option for some older people and social rented housing tends to be the preferred option amongst this group. There is also evidence that some owner-occupiers can be happy and financially 'better-off' moving into social rented housing with care.

[15] See Baumker *et al*, 2011a; Blood et al. (2012)

There are also factors known to put some owner-occupiers off moving into extra care developments, including the reluctance of some people to move into long-leasehold accommodation.

*Care needs*[16]

3.23 Schemes need to be carefully managed to ensure dependency levels do not rise too high or fall too low; too low and people do not utilise the benefits of extra care housing, too high and a residential care resource emerges. Evidence also suggests that a particular mix of 'frail' and 'fit' residents can occasionally lead to tensions in the community, with some residents feeling excluded from certain activities. However, increasing the proportion of residents with higher needs may discourage applications from more active potential residents.

3.24 It is not easy to achieve a particular mix of residents with different care and support needs within a scheme. One of the defining characteristics of extra care is that it responds appropriately as the care and support needs of residents change through time. The mix of 'fit' and frail' residents will be ever changing, even without substantial turnover in the resident population. A consequent danger is that over time extra care housing becomes occupied by increasingly frail residents, whilst staffing levels remain unchanged.

3.25 Available evidence suggests that many extra care schemes respond to these challenges by choosing not to cater for people with complex care needs, who tend to be excluded or transferred out of extra care schemes through admission and assessment procedures reflecting the presumption that extra care is inappropriate for such people. This is one answer to a question frequently posed; is extra care is a viable model for supporting people with more complex, higher level needs? This question is, in part, prompted by the fact that whilst residential care is generally purchased for a fixed fee, extra care housing becomes increasingly more expensive as additional services are bought in to ensure provision meets rising needs.

[16] Key studies include: Bernard et al. (2007); Burholt et al. (2010); Darton *et al*, (2012)

*Costs and Benefits*[17]

3.26 It is difficult to compare costs and benefits between schemes because of diversity in provision and how schemes charge, the interplay with welfare benefits and differences in funding arrangements. It is not surprising, therefore, that there is conflicting evidence about the cost of extra care compared to alternative forms of provision. However, the evidence base is more equivocal about the benefits of extra care and its preventative role. Improved social care outcomes and quality of life and therefore a reduction in costs to health services – such as hospital visits and overnight stays – are reported to be associated with extra care. It is suggested that capital investment in a scheme by a local authority could be recovered within three years as a result of such impacts and associated financial savings delivered by extra care. It is not clear whether this analysis takes into account the fact that local authorities can benefit from a shift in local provision from residential care to extra care, given that residential care is generally funded through local authorities, and extra care costs are, in part, covered by Housing Benefit payments from the UK government. Economic benefits to the local area as a result of the development of extra care schemes - including capital investment, expenditure in the local economy, health and social care savings and social capital benefits - have also been flagged.

[17] Key studies include: Baumker et al. (2010); Baumker et al. (2011a;b); Callaghan et al. (2009); Callaghan and Towers (2014); Croucher et al. (2007); Institute of Public Care (2010; 2014); Kneale, 2011; Netten et al. (2011); Weis and Tuck (2013)

# 4 A Profile of Extra Care in Wales

## Introduction

4.1 This chapter provides an overview of extra care housing in Wales. It draws on data generated through a survey of extra care schemes completed by three-quarters of all schemes in Wales and secondary and administrative data. It profiles extra care residents, the accommodation they live in and services they receive.

4.2 This chapter is framed by attention to the following research questions:

- How many Extra Care schemes have each LA/RSL completed? How were they funded? Did this include grant funding?
- What do schemes across Wales look like?

## Extra Care Schemes by Local Authority

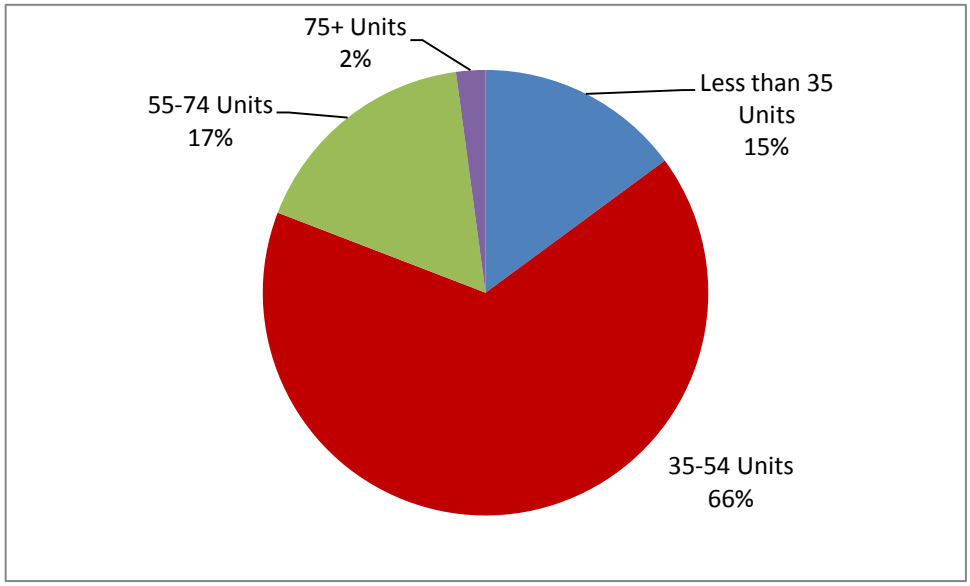
4.3 There is at least one extra care housing scheme for older people in every local authority area in Wales, with the exception of Rhondda Cynon Taf where a scheme is in development (residents started moving into a new scheme in RCT following completion of this study). Table 4.1 details the number of schemes in each area according to administrative data held by EAC and the Welsh Government and Figure 4.1 maps these schemes. The number of schemes varies from one in eight authorities, through to five schemes in Conwy. Nearly all schemes (45 out of 47) are managed by social providers such as housing associations. There are two private schemes, one in Cardiff and one in Gwynedd. Some discrepancies were revealed between the number of schemes recorded in administrative data and local authority responses to a question in the survey about the number of schemes in their area. In total, seven local authorities reported a number of schemes in their area that was different to the administrative data. Various reasons appear to explain these discrepancies, including different local definitions of extra care and the inclusion of new schemes that are in development and not yet occupied.

## Table 4.1: Number of Extra Care schemes in each LA area (2016)

| Local authority | Number of Extra Care Schemes | | |
|---|---|---|---|
| | Social | Private | Total |
| Blaenau Gwent | 2 | 0 | 2 |
| Bridgend | 1 | 0 | 1 |
| Caerphilly | 3 | 0 | 3 |
| Cardiff | 3 | 1 | 4 |
| Carmarthenshire | 3 | 0 | 3 |
| Ceredigion | 1 | 0 | 1 |
| Conwy | 5 | 0 | 5 |
| Denbighshire | 3 | 0 | 3 |
| Flintshire | 2 | 0 | 2 |
| Gwynedd | 3 | 1 | 4 |
| Isle of Anglesey | 1 | 0 | 1 |
| Merthyr Tydfil | 1 | 0 | 1 |
| Monmouthshire | 1 | 0 | 1 |
| Neath Port Talbot | 2 | 0 | 2 |
| Newport | 4 | 0 | 4 |
| Pembrokeshire | 3 | 0 | 3 |
| Powys | 1 | 0 | 1 |
| Rhondda Cynon Taf | 0 | 0 | 0 |
| Swansea | 2 | 0 | 2 |
| Torfaen | 2 | 0 | 2 |
| Vale of Glamorgan | 1 | 0 | 1 |
| Wrexham | 1 | 0 | 1 |
| **Total** | **45** | **2** | **47** |

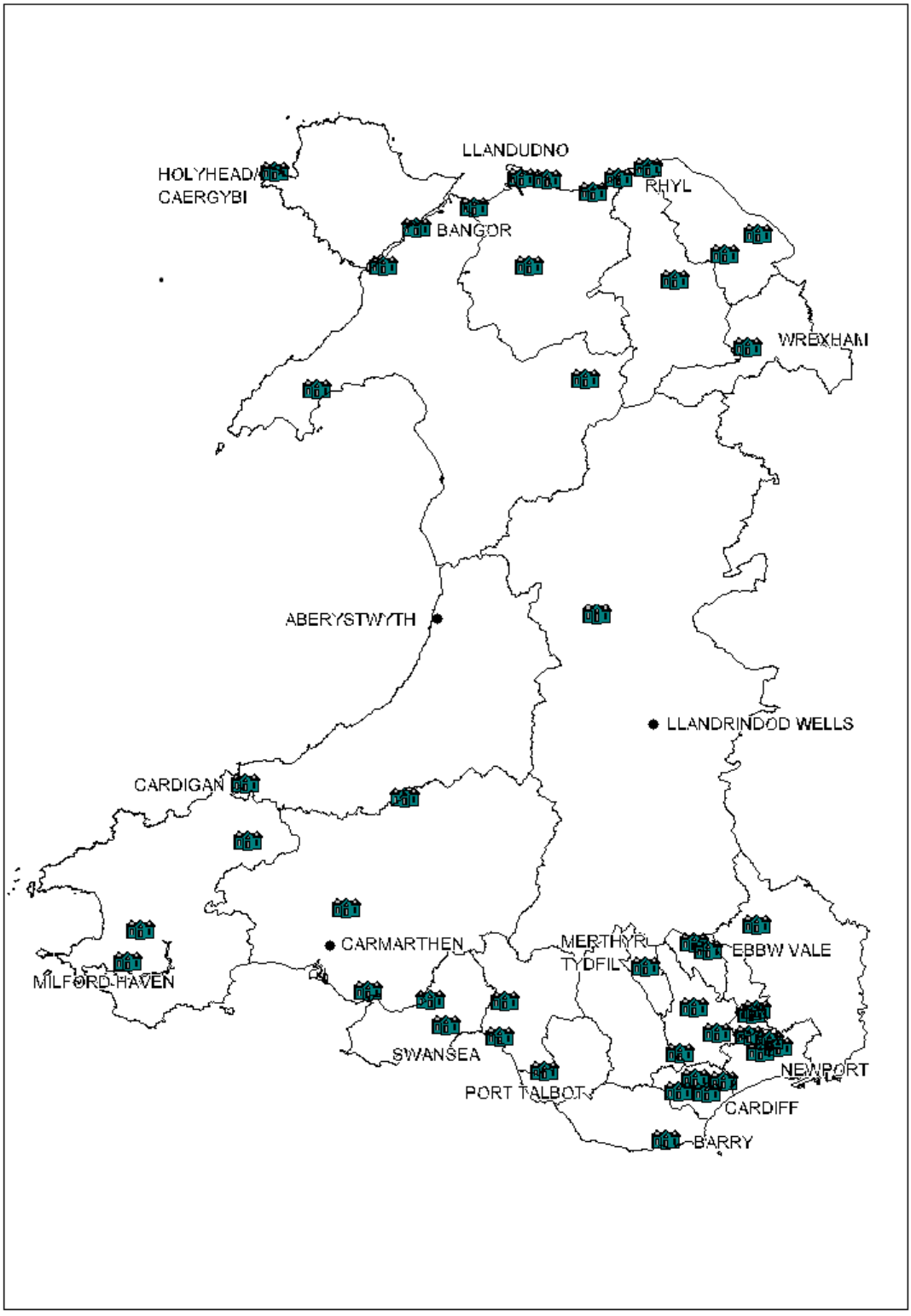
Source: EAC; Welsh Government

## Figure 4.1: Extra Care Schemes in Wales by Size of Scheme (2016)




Source: EAC; Survey of Extra Care schemes. Where there is mixed provision we have used the number of Extra Care units within the scheme.

**Figure 4.2: Extra Care Schemes in Wales (2016)**

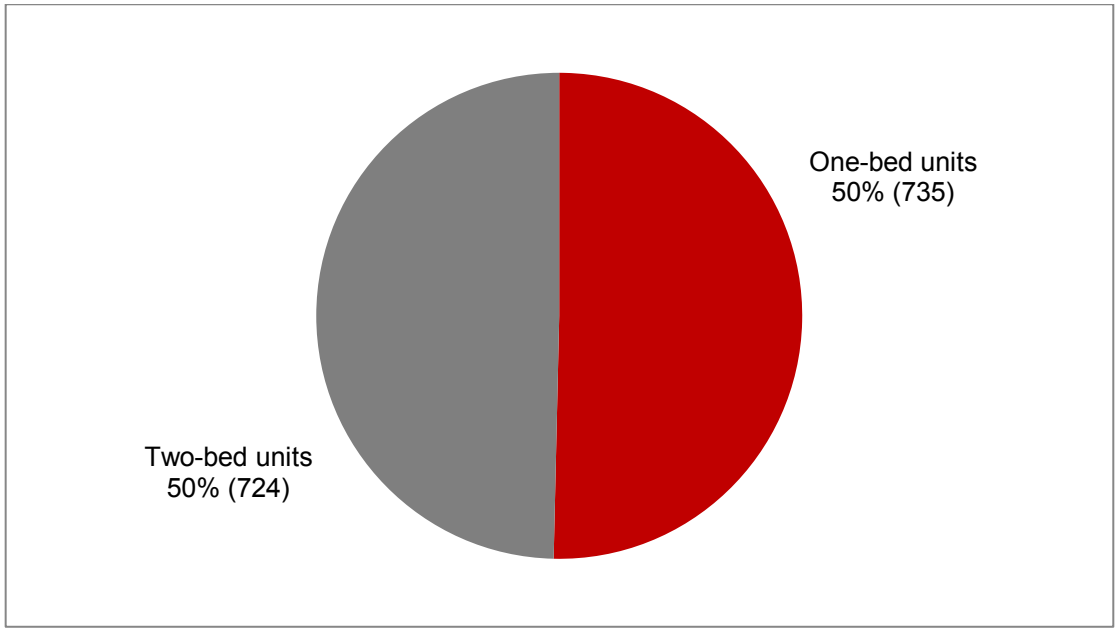


4.4 Across the 47 extra care schemes in Wales there are an estimated 2,065 dwelling units, an average of 44 units per scheme. Individual schemes range in size from 10 to 105 units, but the majority (31 schemes) have between 35 and 54 units (Table 4.2).

**Accommodation provided**

4.5 In total, 34 of the 35 extra care schemes responding to the survey provided details of different sizes of units in their scheme. All reported providing both one- and two-bed units. None reported providing units with more than two bedrooms. Across the 34 schemes, 50 per cent of units have one bedroom and 50 per cent have two bedrooms (Figure 4.3).

**Figure 4.3: Proportion of one- and two-bed units**



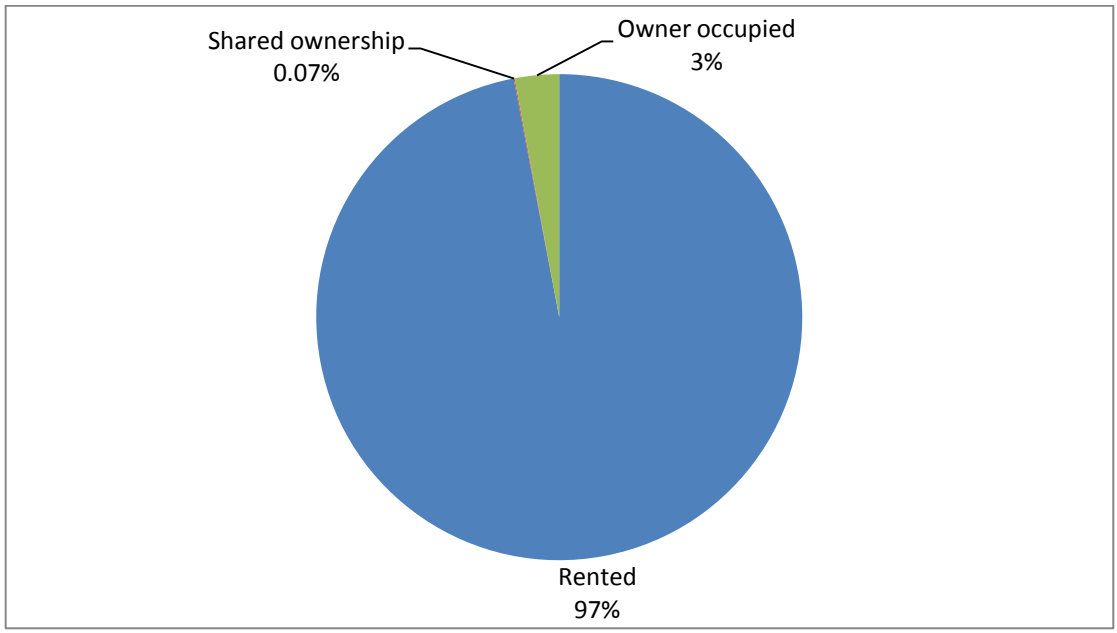

Source: Survey of Extra Care schemes, Base: 34

4.6 Extra care schemes were asked to indicate whether units that were currently occupied were rented, in shared ownership or owner occupied (Figure 4.4). The overwhelming majority of units were rented (97 per cent); all units were for rent in 33 out of 35 schemes. Only two schemes had a mix of tenures: one, a scheme in Conwy, had 44 owner occupied units and one rented unit; the other had a single property in shared

ownership and the remainder were rented. Across these 35 schemes there were only 11 units vacant at the time of the survey.

4.7 Thirty-four extra care managers responding to the survey provided information about the number of residents in their scheme. Across the 34 schemes, there were a total of 1,589 residents, an average of 47 residents per scheme, or 1.09 residents per dwelling. Scaling this up to all 47 schemes suggests that there are an estimated 2,265 people currently living in extra care in Wales.

**Figure 4.4: Proportion of units rented, in shared ownership and owner occupied**




Source: Survey of Extra Care schemes, Base: 35

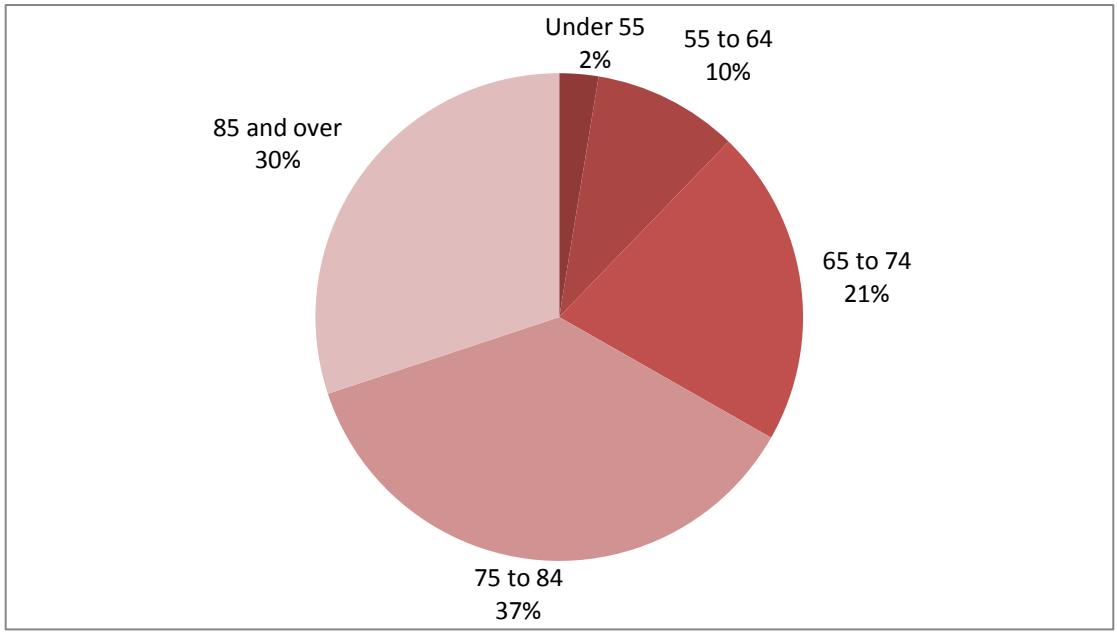
### Characteristics of residents

4.8 Scheme managers also provided information about the characteristics of current residents. Figure 4.5 shows the overall breakdown by age. Two-thirds of residents were 75 years old and over (37 per cent were aged 75 to 84 years and a further 30 per cent were aged 85 or over). With the exception of one scheme in South Wales whose residents were all under 75, all responding schemes reported having residents in these older age categories (75 to 84, and 85+). By contrast, only 11 schemes had any residents under 55, who accounted for two per cent of the total

population scheme residents (local policies can allow residents who are under 55 years of age, for example, if they are the partner of a resident or are using extra care as respite provision).

4.9 Survey findings point to a concentration of people from older age groups within the resident population of extra care. However, many schemes still reported having a mix of ages. Ten schemes (out of 30) reported having residents from across each of the five age categories profiled in Figure 4.5, representing an age span of at least 30 years; 24 schemes (80 per cent) reported having residents from across four or more of these age categories.

**Figure 4.5: Extra care residents by age**



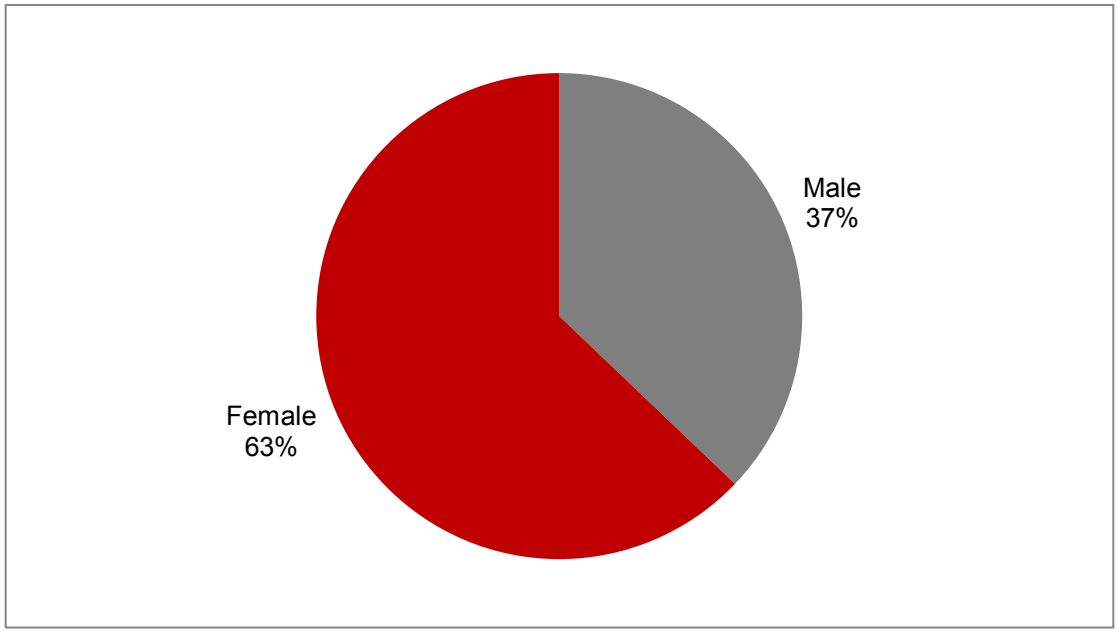

Source: Survey of Extra Care schemes, Base: 30

4.10 Almost two-thirds (63 per cent) of all extra care residents were women (Figure 4.6). This was broadly consistent across the 33 schemes providing information on the gender of residents; 29 schemes reported that between 50 and 75 per cent of their resident population were women. Only one scheme reported having more men than women.

4.11 Scheme managers were also asked about the housing tenure of residents prior to moving into extra care (Figure 4.7). Responses reveal that, whilst the vast majority of residents in extra care are renting, a

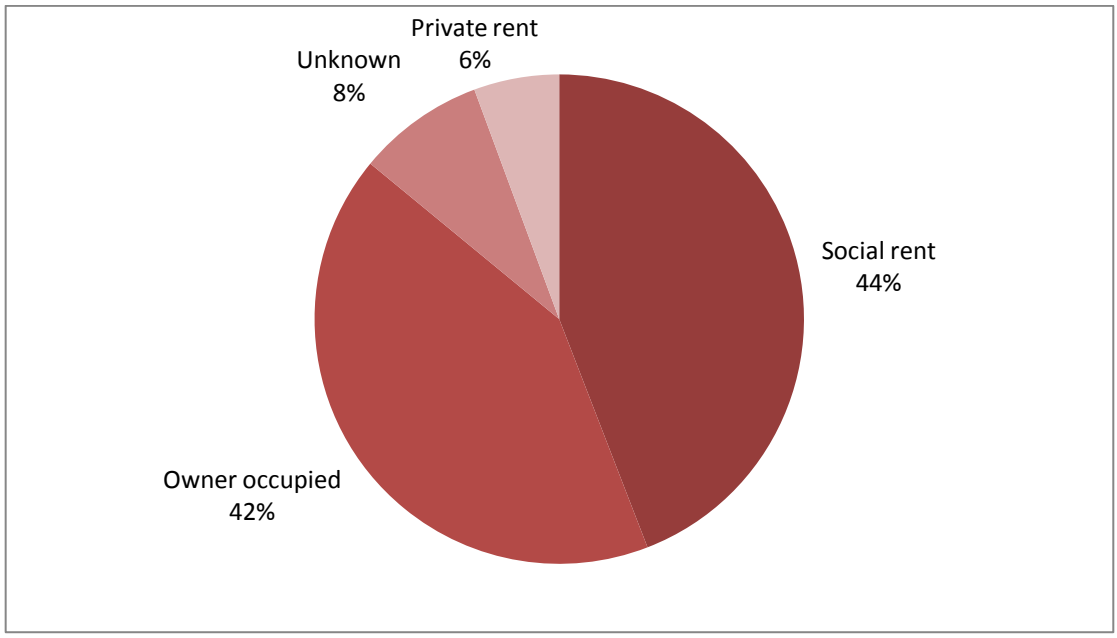
similar proportion were previously renting from a social landlord (44 per cent) or in owner occupation (42 per cent). This finding was fairly consistent across schemes. All 30 schemes providing details of the previous tenure of current residents had current residents who had moved from social rented and from owner occupied housing; 16 of these had at least 30 per cent of residents from each of these two sectors. This finding is consistent with evidence that owner occupiers are often willing to, and benefit from, moving into social rented housing with care. It is also likely to be a finding that reflects the relative dearth of private sector provision for older people in Wales.

**Figure 4.6: Extra care residents by gender**




Source: Survey of Extra Care schemes, Base: 33

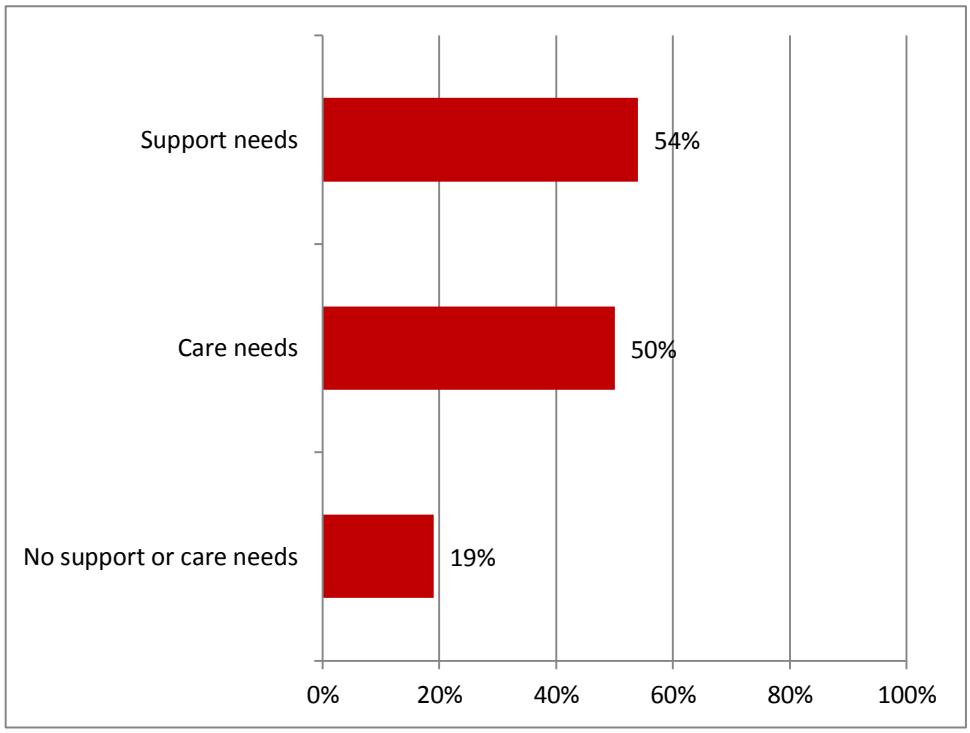
**Figure 4.7: Extra care residents by previous housing tenure**




Source: Survey of Extra Care schemes Base: 30

4.12 Scheme managers responding to the survey were asked to profile the needs of residents. Overall, it was reported that 54 per cent of residents had support needs, such as the need for practical assistance with cleaning, tidying or shopping (Figure 4.8). Half (50 per cent) of residents were reported to have care needs, such as help with bathing or getting in or out of bed. One in five residents (19 per cent) were reported to have no support or care needs. All 30 schemes providing information reported having a mix of residents with support needs and with care needs. Twenty-two schemes reported also having some residents without support or care needs.

**Figure 4.8: Care and support needs of extra care residents**




Source: Survey of Extra Care schemes, Base: 30

## Rent levels and service charges

4.13 The Welsh Government Social Landlord Stock and Rents data collection[18] provides information on the average weekly rents – excluding service charge, water rates and other amenities – in 44 of the 47 extra care schemes in Wales. Scheme-level average rents for the year 2016/17 vary considerably from £68.65 to £197.72 per week, but two-thirds (30 schemes) fall between £100 and £150. The average across all schemes is £127.73 per week.

4.14 Combining Welsh Government data with the survey findings, estimates can also be made of average rents in one- and two-bedroom properties for 34 schemes. Average weekly rents in one-bed units range from £68.65 to £191.13, and in two-bed units from £74.74 to £204.47. The respective averages across the 34 schemes are £122.86 for one bedroom and £139.40 for two. In general, then, rents for two-bed

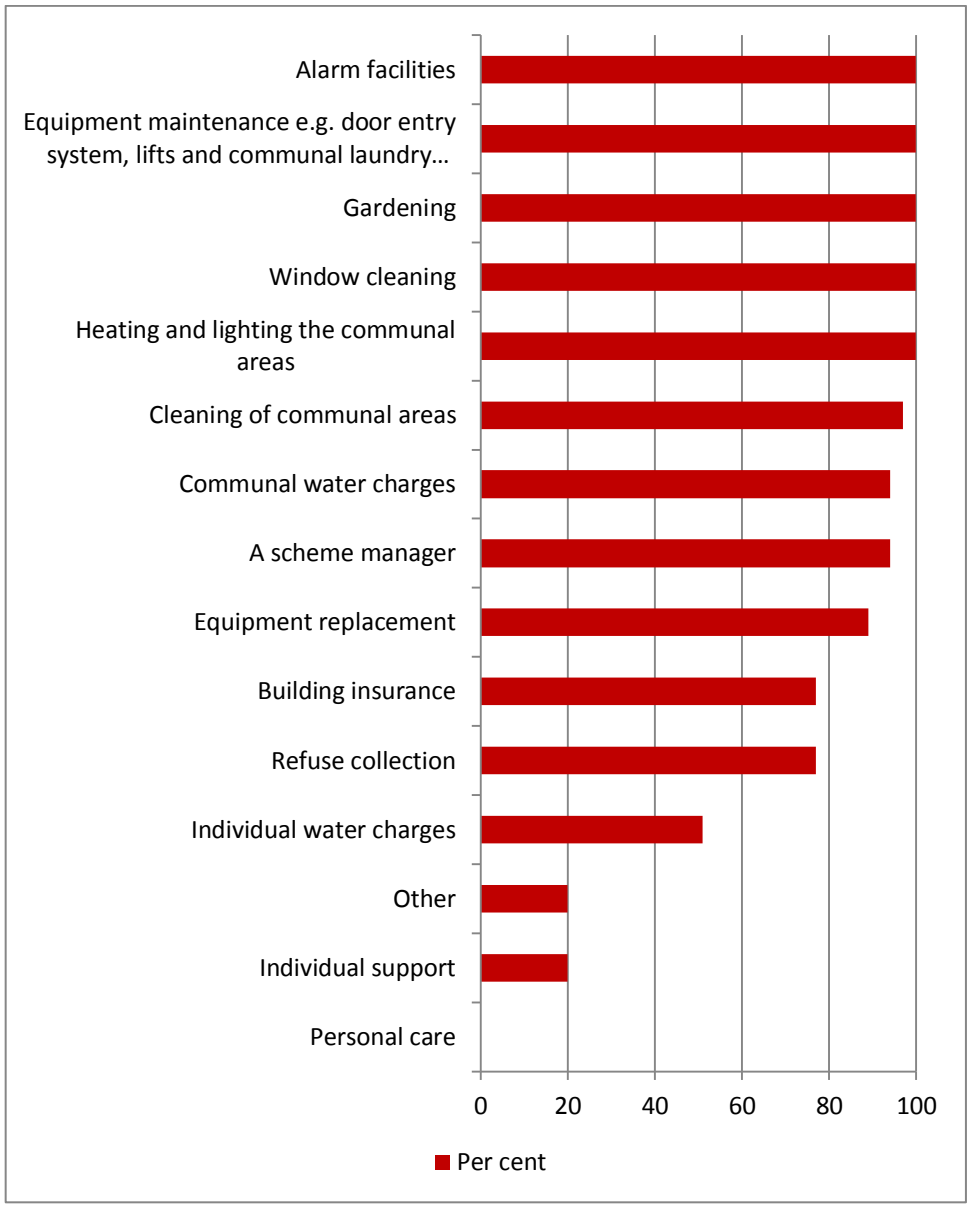
[18] https://statswales.gov.wales/Catalogue/Housing/Social-Housing-Stock-and-Rents

properties in a given scheme are only marginally higher than for one-bed properties: for 19 out of 34 schemes the two-bedroom rent was less than 10 per cent higher than the one-bedroom rent; for 29 schemes the difference was less than 20 per cent.

4.15 Extra care residents pay a service charge to cover the cost of housing related services within the scheme. According to survey data from 32 schemes, scheme-level average service charges vary hugely from £35 to £153 for one-bedroom properties (£88 on average across schemes) and from £35 to £209 for two-bedroom properties (£96 on average).

4.16 Scheme managers in all schemes reported that services charges cover: heating and lighting the communal areas; window cleaning; gardening; equipment maintenance; and alarm facilities. In the vast majority of schemes the charge also covered the cleaning of communal areas (34 schemes), the cost of the scheme manager (33), communal water charges (33) and equipment replacement (31). In a minority of cases (7 schemes) the charge was reported to cover individual support. In no schemes did the service charge cover the costs of personal care. Other services reported to be covered by the service charge in certain schemes included the cost of a lunchtime meal, the TV licence fee and a handyman service.

**Figure 4.9: Services and facilities covered by the service charge**

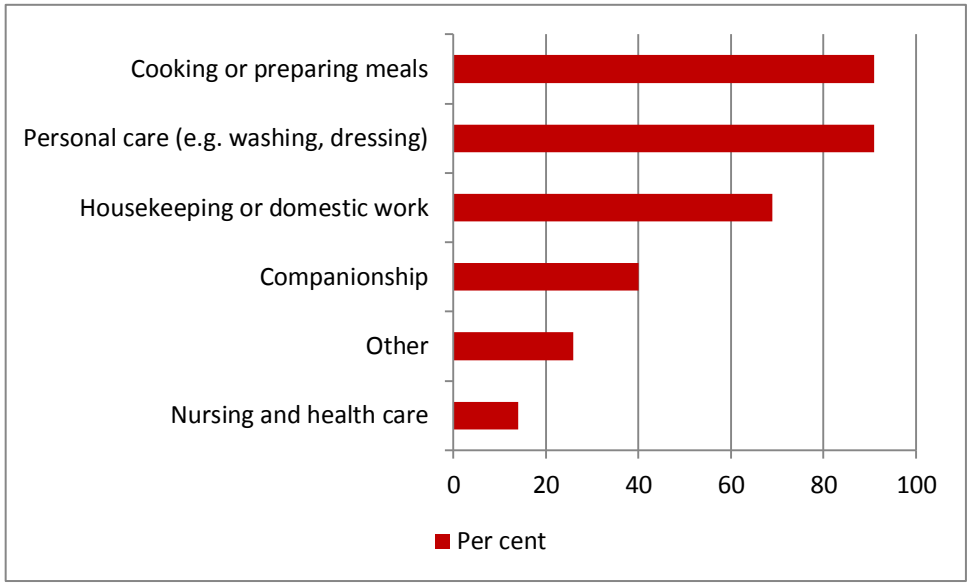



Source: Survey of Extra Care schemes, Base: 35

### Care, support and facilities

4.17 Figure 4.10 shows the types of care and support provided on site in extra care schemes. The large majority of schemes (32 of 35) reported offering personal care on site and 32 also reported offering cooking and preparation of meals. Only five schemes reported offering nursing and health care on site. The most commonly cited 'other' response was housing related support, funded by Supporting People.

**Figure 4.10: Forms of care and support provided on site**



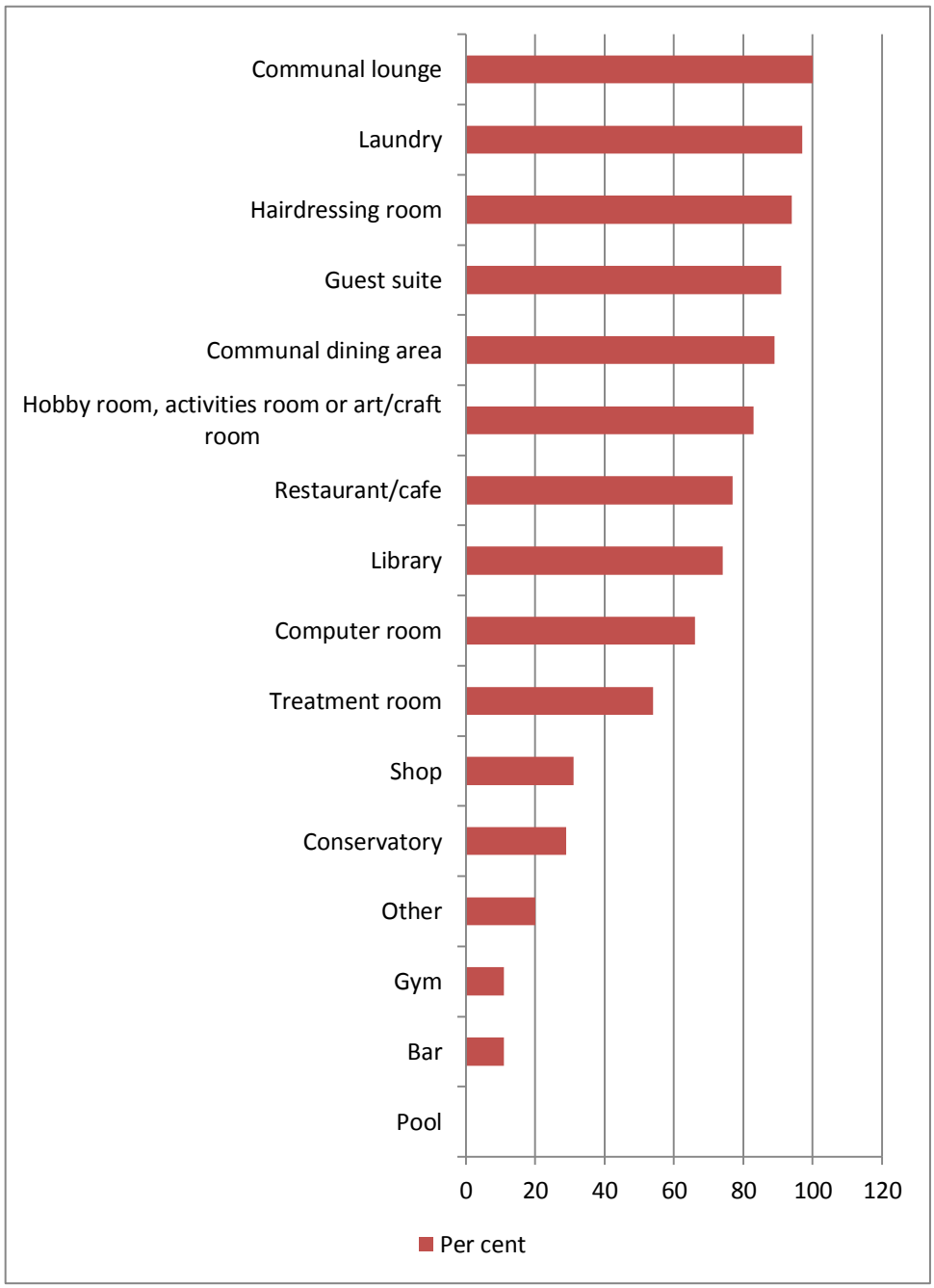

Source: Survey of Extra Care schemes, Base: 35

4.18 Fifteen schemes reported that they provide facilities designed to support older people with specific needs. Seven schemes reported having facilities designed for people with mobility problems or physical disabilities; five schemes reported incorporating adaptations for blind or partially sighted people into the design of their scheme (at least two with RNIB accreditation); and four reported having design features relevant to the needs of residents with dementia, including a safe outdoor space and a sensory garden.

4.19 All schemes provide a communal lounge and many provide a laundry (34 schemes), hairdressing room (33), guest suite (32) and communal dining area (31) (Figure 4.11). Other facilities, such as a shop, conservatory, bar or gym were much less common. No scheme reported

experiencing a change in the provision of these communal facilities since opening.

**Figure 4.11: Communal facilities provided on site**




Source: Survey of Extra Care schemes, Base: 35

4.20 More broadly, survey respondents were asked about changes to the physical fabric of their scheme or to their provision in the last five years (Table 4.2). Most schemes (23) reported experiencing no changes in the last five years. Four said they had reduced provision in some way, while two reported reconfiguring the building. None reported extending the scheme.

**Table 4.2: Have any of the following changes occurred in the last five years?**

| | Count | Per cent |
|---|---|---|
| Reduced the provision | 4 | 13 |
| Reconfigured the building | 2 | 7 |
| Extended the building | 0 | 0 |
| Other (please specify) | 1 | 3 |
| None of the above | 23 | 77 |

Source: Survey of Extra Care schemes
Base: 30

4.21 When asked about any planned changes over the next five years (Table 4.3), 10 schemes said they had no plans for change and a further 12 said they did not know. Three schemes reported plans to extend the building and one scheme intended to reduce provision. Other plans specified by scheme managers included refurbishment and installing additional lifts.

**Table 4.3: Plans to further develop the scheme over the next five years**

| | Count | Per cent |
|---|---|---|
| Extend the building | 3 | 10 |
| Reduce the provision | 1 | 3 |
| Reconfigure the building | 0 | 0 |
| Other (please specify) | 3 | 10 |
| Don't know | 12 | 41 |
| We have no plans to develop the scheme over the next 5 years | 10 | 34 |

Source: Survey of Extra Care schemes
Base: 29

# 5 Demand for Extra Care

## Introduction

5.1 This chapter explores demand for extra care housing across Wales. It begins with a review of local authority, housing association and extra care scheme understandings of current and future demand. Opinions differ, but the consensus opinion is that demand outstrips supply for extra care. However, these understandings appear to be rarely rooted in rigorous analysis that relates the needs of an ageing population to the particulars of local provision across the full range of housing, support and care options. In an attempt to provide a more informed insight into current and future demand for extra care, discussion moves on, first, to profile the population of older people in Wales and the incidence of long-term health and mobility problems. These data provide an insight into the size and distribution of the population for whom extra care might be a suitable and appropriate housing option and raises questions about the geography of current provision. Next, attention turns to explore demand for extra care housing by applying some basic assumptions about the proportion of older people who might need to move into extra care.

5.2 This chapter is framed by attention to the following research questions:

- How is demand for Extra Care measured?
- What is the current level of demand for Extra Care schemes?
- How does demand for Extra Care schemes compare to the demand for other older people's housing such as sheltered housing or residential care?
- Can supply meet demand now and in the future?

## Local perspectives on current and future demand for extra care

*Current demand for extra care housing*

5.3 The majority of local authorities (20) and all housing associations involved in the provision of extra care housing (12) reported measuring demand for extra care. Analysis of waiting lists was the most popular method of measuring demand (Table 5.1). The vast majority of local authorities reported a waiting list for extra care housing in their area (Figure 5.1).

**Table 5.1: Approaches to measuring demand for extra care**

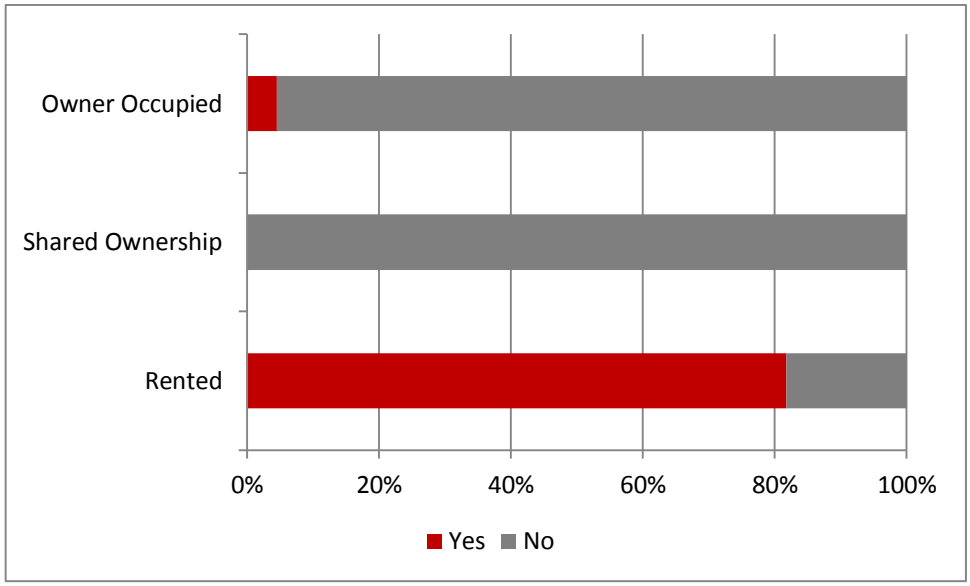
| Approach to measuring demand | Local authorities (22) | | Housing associations* (12) | |
|---|---|---|---|---|
| | Count | Per cent | Count | Per cent |
| Waiting lists | 19 | 86 | 8 | 67 |
| Analysis of secondary data (e.g. 2011 Census) | 14 | 64 | 4 | 33 |
| Local older people's housing needs survey | 13 | 59 | 6 | 50 |
| Strategic Housing for Older People Analysis Tool (SHOP@) | 1 | 5 | 2 | 17 |
| Other (please specify) | 11 | 50 | 6 | 50 |
| Don't formally measure demand for Extra Care schemes | 2 | 9 | 0 | 0 |

* Housing associations with existing schemes and/or schemes planned/in development

5.4 The vast majority (84 per cent) of extra scheme managers reported having a waiting list for accommodation in their scheme. A majority reported having a waiting list for one bedroom (71 per cent) and two bedroom (84 per cent) properties. The 26 schemes that reported having a waiting list and provided details had a total of 560 people on the waiting list, an average of 22 people per scheme and equivalent to one person for every two units of extra care housing. Using this proportion to gross up an estimate for all schemes in Wales suggests that nationally there are some 1,020 people on a waiting list for extra care housing. The number of people on a waiting list varied from one person to 80 people. Further evidence of strong demand for extra care is demonstrated by the fact that only 10 per cent of scheme managers reported expecting any difficulties filling a vacancy if a unit became available to rent. The three schemes that reported difficulties were in Pembrokeshire, Conwy and Gwynedd. Only four scheme providers cast light on demand for shared

and full ownership, three reporting that it would be difficult to fill such a vacancy.

**Figure 5.1: Is there a waiting list of the following types of Extra Care units?**




5.5 It is not uncommon to draw on waiting list data when attempting to paint a picture of unmet need or demand. However, waiting lists are also informed by issues of supply, expectation and rules of access:

> *It has long been argued that waiting lists may both under-state some needs (for example, where people are deterred from applying by perceived prospects of rehousing or by perceptions of social housing), and at the same time over-represent needs by including many people who do not have recognised needs and others who are no longer seeking social housing through change of circumstances* (Bramley et al., 2010[19]).

5.6 Furthermore, a waiting list for social rented housing is unlikely to cast light on unmet need within the owner occupied sector where the vast majority of older people in Wales currently live.

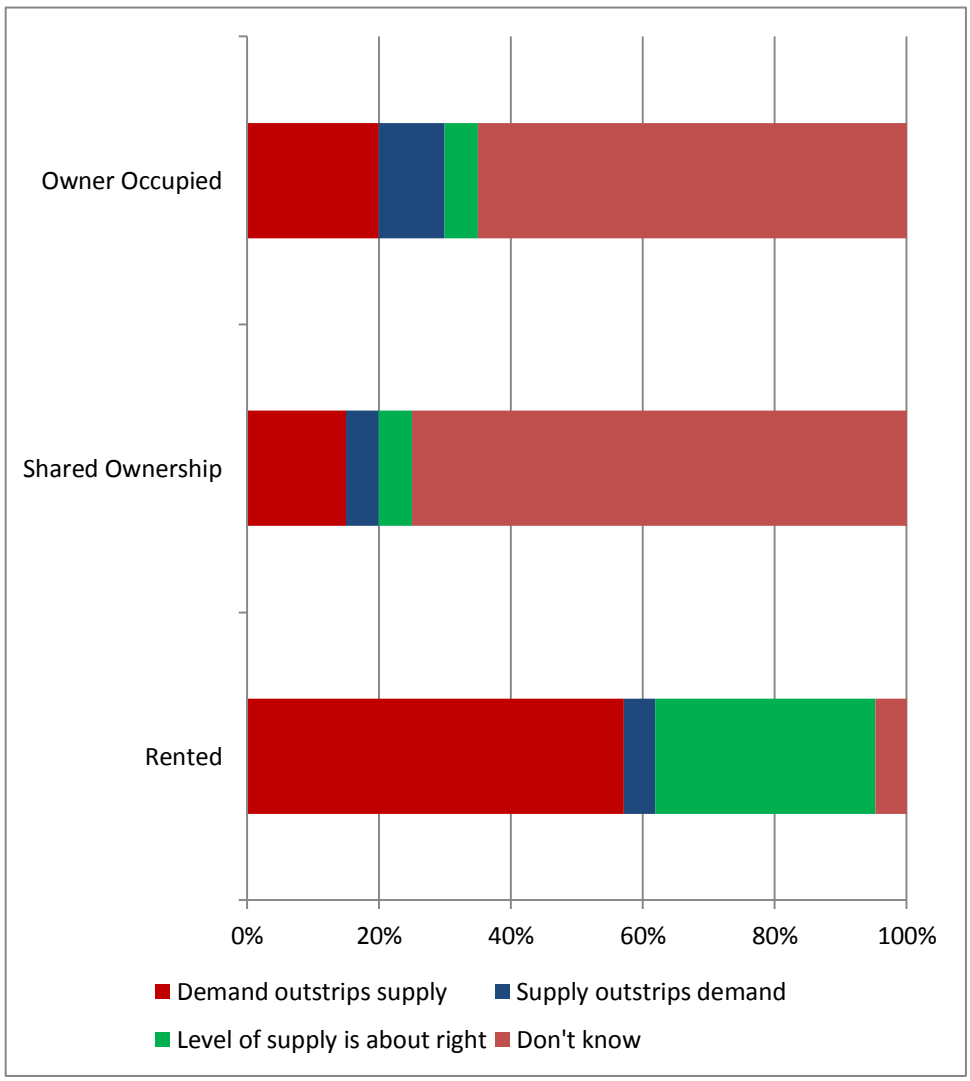
[19] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

5.7 It is therefore reassuring to note that a majority of local authorities reported undertaking more detailed assessments. These included analysis of secondary data (14) and/or the collection of primary data through needs surveys (13). These needs surveys were likely part of the local housing assessment to support the production of development plans and the local housing strategy. Guidance on housing market assessment by the Welsh Government[20] suggests that one of the key objectives of surveys is to inform the further development of community care services by providing information about: disability; the need for housing adaptations; the indicative scope for 'staying put' schemes and the likely need for disabled facilities grants; indicative need for supported housing and/or housing with support for older people; people with disabilities. One local authority reported employing the SHOP@ tool (see below for further details) and 11 authorities reported other approaches that employed particular analytical tools or methods. These included four references to local housing market assessments; two to the commissioning of independent research; one local authority that reported consulting with residents; and one reporting use of a HousingLin model (presumably the SHOP@ model).

5.8 Despite these activities, it appears that most local authorities are still unclear about demand for extra care housing. A majority of local authorities (13) reported that demand for extra care had increased over the last five years and a majority (12) reported that demand for extra care to rent currently outstrips supply in their area. However, eight local authorities reported that demand for extra care to rent *did not* outstrip supply, seven reporting that the level of supply is about right and one reporting that supply outstrips demand (Figure 5.2). This is surprising, given that waiting list data suggests that demand outstrips supply in the vast majority of areas.

[20] http://gov.wales/desh/publications/housing/marketassessguide/guide.pdf?lang=en

**Figure 5.2: Local authority perspectives on the relationship between supply and demand for extra care housing in their area**



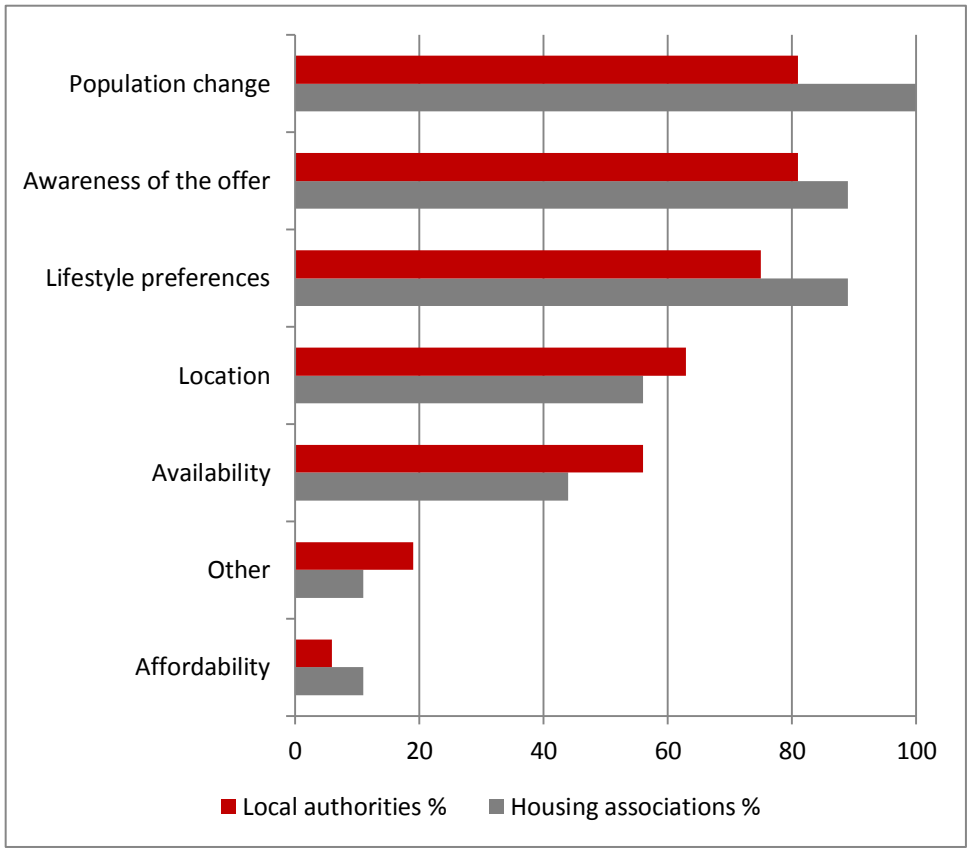

5.9 Further evidence of uncertainty about demand for extra care is provided by the fact that 15 out of 20 local authorities providing a response reported not knowing whether demand outstrips supply for shared ownership and 13 out of 20 reported not knowing whether demand outstrips supply for owner occupied extra care housing. A respondent in one case study provided an interesting perspective on this lack of knowledge by pointing to the investment of time, effort and resources to try and understand demand for extra care housing and questioning whether such an investment could be justified given limited opportunities to develop additional schemes because of problems meeting the associated development and running costs (see Chapter 6).

*Future demand for extra care and other forms of older people's housing*

5.10 The vast majority of local authorities (18) expect an increase in demand for general needs housing for older people and the majority (16) expect demand for extra care housing to increase over the five next years. A majority (14) also expect an increase in demand for age designated housing. In contrast, only eight local authorities expect an increase in demand for sheltered housing and four expected an increase in demand for residential care. A similar profile of responses was forthcoming from housing associations, the majority expecting a rise in demand from older people for general needs housing, extra care and age designated housing and a small minority expecting an increase in demand for sheltered housing and extra care.

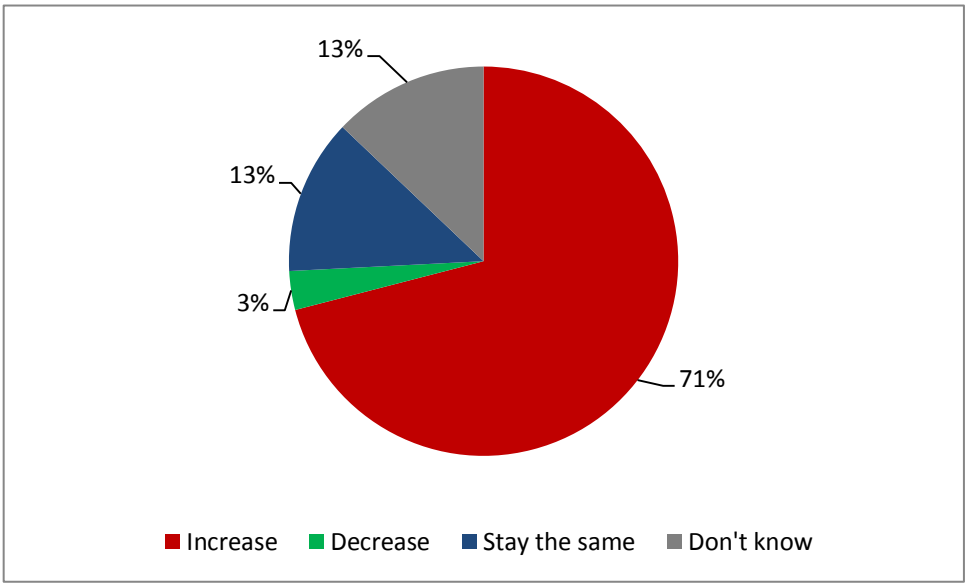
5.11 Population change was the most common reason given by local authorities and housing associations to explain why they think there will be an increase in demand for extra care housing in the next five years (Figure 5.3). Two local authorities responding to the survey provided further information, explaining that an increase in demand for extra care in their area would, in part, reflect a change in the local model of provision for older people away from residential care. There was also evidence that local authorities and housing associations consider extra care to be an attractive offer, a majority pointing to lifestyle preferences (for example, for independent living) and the growing awareness of extra care as reasons for increasing demand.

**Figure 5.3: Why do you expect demand for Extra Care housing to increase over the next 5 years?**




5.12 Extra care scheme managers were in agreement that demand for extra care housing would increase over the next five years (Figure 5.4). More than 70 per cent reported expecting demand for their scheme to increase and only one scheme manager reported that demand would decrease, commenting that the emphasis of policy and provision was on supporting people to 'stay put' in their own home.

**Figure 5.4: Scheme manager views on changing demand for their scheme over the next five years**




5.13 Two key factors were referenced by scheme managers to explain why they thought demand for extra care would increase over the next five years. First, the increasing number of older people and, second, the pressures on other forms of provision (including sheltered housing and residential care) and related services (including health and social care). References were made to de-commissioning and re-designation of sheltered stock and the closure of residential care, alongside the potential role of extra care in helping local authorities to reduce the costs of delivering care to older people:

> *Local Authorities may come under pressure to reduce the cost of providing care therefore they will be looking for other low cost solutions such as Extra Care Housing. Older Persons needing accommodation who do not need nursing or residential care however do have a need for care and support to help maintain their independence would be ideal for this type of housing. This will look increasingly more attractive as the cost of providing this accommodation is considerably less than care/residential* (Extra care scheme manager)

5.14 Views were divided about the impact of the Social Services and Wellbeing Act. Some scheme managers viewed extra care provision as a key element of efforts to support people to live independently for as long as possible. Others reflected on whether the emphasis within the Act on supporting people to live independently could result in larger numbers of people 'staying put' in their existing home:

> *Due to financial cuts and budgets a lot of residential care/ nursing homes are closing so we may receive more referrals and increased demand for accommodation. However, the Health & Social Care Wellbeing Act that has recently been introduced and aims to provide further intervention services to help to support and maintain people within their own home in the community. I think the demand for extra care will depend on how successful the Wellbeing Act outcomes are* (Extra care scheme manager).

**Estimating current and future demand for extra care**

5.15 The general consensus amongst local authorities, housing associations and extra care scheme managers is that demand for extra care outstrips supply. However, there appears to be only limited understanding of the gap between supply and demand. This is not surprising. There is no proven, established method for measuring demand for extra care accommodation. Demand is likely to vary depending upon a whole host of variables that are difficult to quantify. This said, there are a number of approaches that can be drawn on to provide an indication of demand for extra care now and into the future.

*Setting the scene: the population of older people in Wales*

5.16 An important consideration when seeking to understand demand for extra care housing is the current and future size of the population of older people and of particular sub-groups with specific demands or needs relevant to extra care. Table 5.2 shows that in 2015 there were an estimated 624,700 people aged 65 years or over in Wales. Of this population 55 per cent were aged 65 to 74 years, 32 per cent were aged 75 to 84 years and 13 per cent were aged 85 years or older. The health

and social care data presented in Table 5.6 suggests that extra care would be a suitable housing option for a sizable number of these older people, given the prevalence of long term health problems and disabilities and incidence of mobility and self-care issues:

- 176,400 (28 per cent) persons aged 65 years or over had a long term health problem or disability which affects their activity a lot. RCT had the highest number 15,700 (36 per cent)
- 41,700 (seven per cent) persons aged 65 years or over were estimated to suffer with dementia
- an estimated 249,200 (40 per cent) people aged 65 years or over were unable to manage at least one domestic task
- an estimated 111,700 (18 per cent) persons aged 65 years or over were unable to manage at least one mobility task
- an estimated 204,700 (33 per cent) persons aged 65 years or over were unable to manage at least one self-care task
- 17,900 (three per cent) were receiving local authority home care.

**Table 5.2: Local authority health and social care indicators amongst the population of older people (65 years and older) (2015)**

| | Population | Long-term health limit activity a lot | Dementia | Unable to manage at least 1 domestic task | Unable to manage at least 1 mobility task | Unable to manage at least 1 self care task | Number of adults receiving LA home care |
|---|---|---|---|---|---|---|---|
| Cardiff | 49,600 | 14,200 | 3,600 | 20,500 | 9,300 | 16,900 | 1,900 |
| Swansea | 46,800 | 14,300 | 3,200 | 19,100 | 8,600 | 15,600 | 1,500 |
| Rhondda Cynon Taf | 44,400 | 15,800 | 2,800 | 17,400 | 7,700 | 14,300 | 1,200 |
| Carmarthenshire | 42,100 | 12,700 | 2,800 | 16,700 | 7,500 | 13,700 | 1,000 |
| Powys | 34,200 | 7,200 | 2,300 | 13,600 | 6,100 | 11,200 | 900 |
| Caerphilly | 33,400 | 11,600 | 2,000 | 12,900 | 5,700 | 10,600 | 900 |
| Flintshire | 31,000 | 7,400 | 1,900 | 11,900 | 5,300 | 9,800 | 800 |
| Conwy | 30,900 | 7,100 | 2,300 | 12,800 | 5,800 | 10,500 | 1,000 |
| Pembrokeshire | 30,200 | 6,900 | 2,000 | 12,000 | 5,400 | 9,900 | 900 |
| Neath Port Talbot | 28,400 | 10,600 | 1,900 | 11,300 | 5,100 | 9,300 | 800 |
| Bridgend | 27,900 | 8,800 | 1,800 | 11,000 | 4,900 | 9,000 | 900 |
| Gwynedd | 27,500 | 6,300 | 1,900 | 11,200 | 5,100 | 9,200 | 900 |
| Vale of Glamorgan | 26,000 | 6,200 | 1,700 | 10,400 | 4,700 | 8,600 | 800 |
| Newport | 25,800 | 7,400 | 1,700 | 10,400 | 4,600 | 8,500 | 800 |
| Wrexham | 25,700 | 6,800 | 1,700 | 10,100 | 4,500 | 8,300 | 500 |
| Denbighshire | 22,100 | 5,700 | 1,400 | 8,600 | 3,900 | 7,100 | 500 |
| Monmouthshire | 21,900 | 4,700 | 1,500 | 8,700 | 3,900 | 7,200 | 800 |
| Torfaen | 18,100 | 5,700 | 1,200 | 7,200 | 3,200 | 5,900 | 500 |
| Ceredigion | 17,300 | 3,800 | 1,200 | 6,900 | 3,100 | 5,700 | 300 |
| Isle of Anglesey | 17,300 | 4,300 | 1,100 | 6,800 | 3,100 | 5,600 | 300 |
| Blaenau Gwent | 13,600 | 5,100 | 900 | 5,300 | 2,300 | 4,300 | 500 |
| Merthyr Tydfil | 10,700 | 4,100 | 700 | 4,200 | 1,900 | 3,500 | 300 |
| **Wales** | **624,800** | **176,400** | **41,700** | **249,200** | **111,700** | **204,700** | **17,900** |

5.17 The geography of need evidenced by the incidence of long-term health and mobility problems detailed in Table 5.6 does not appear consistent with the provision of extra care schemes across Wales. For example, the five local authority areas with the largest populations of older people in 2015 were Cardiff, Swansea, Rhondda Cynon Taf, Carmarthenshire and Powys, which together contained 34 per cent of all people in Wales aged 65 years and older and 36 per cent of older people with a long-term health problem that limits activity a lot. However, these areas were home to only 21 per cent of all Extra Care schemes in Wales. In contrast, Conwy, Denbighshire, Gwynedd, Newport and Pembrokeshire contained 22 per cent of all people in Wales aged 65 years and older and 19 per

cent of older people in Wales with a long-term health problem that limits activity a lot, but 40 per cent of all extra care schemes.

*Measuring future demand against existing supply of extra care housing*

5.18 One of the difficulties with measuring the changing demand for extra care housing is that those who would benefit from it are also those who can benefit and may actually prefer other forms of support, such as support to help them remain in their homes. It is difficult to identify who requires extra care and extra care alone. The estimates of demand in this section are estimates of those requiring age appropriate housing and support. This does not mean that extra care is the only solution for them, but is it from this group that extra care tenants are likely to be drawn.

5.19 One approach to measuring changing demand for extra care is to employ a series of assumptions about the proportion of older people who seek to move into extra care housing and to relate this to projected growth in the population of older people. For example, the older person population (aged 65 years and over) of Wales is expected to increase by eight per cent to 678,600 in 2020 and by 18 per cent to 736,700 in 2025. All local authorities are expected to see an increase of at least 13 per cent. The largest increases are expected in: Monmouthshire (24 per cent), Cardiff (23 per cent), Vale of Glamorgan (21 per cent) and Flintshire (20 per cent).

5.20 On this basis, in order to maintain the current balance between demand (as expressed by the size of the population of older people) and the supply of extra care at the national level, the sector will need to grow by 18 per cent over the next 10 years. This will involve the provision of an additional 370 units of accommodation.

5.21 This simple projection merely indicates what new provision will be required to maintain the current level of provision of extra care. It does not accommodate the possibility that demand might currently outstrip supply. Neither does it recognise the possibility that an increasing proportion of older people might be in need of help support provided by extra care, as people live for longer with health and mobility problems.

5.22 A more nuanced approach is to model demand based on a prevalence rates (presumed number of extra care units required per 1,000 older people) that are guided by informed assumptions[21] about the current and future needs of the population of older people. The SHOP@ model – a free to use online tool developed by HousingLin and the Elderly Accommodation Counsel - is one example of this approach. However, such approaches are not without their problems. In the case of the SHOP@ model, for example, it is reported that only seven local authority areas in England have reached the prevalence rate employed in the model and only 12.5 per cent are within 50 per cent of the target. Recognising that SHOP@ was developed in a different financial and development era when there was optimism and planning for growth in the extra care market, HousingLin is in the process of reviewing whether the methodology, parameters and prevalence rates are relevant to the current and predicted market conditions.[22] SHOP@ also estimates demand based predominantly on the size of the project population with given levels of health and support needs. It does not take into account individual aspiration and preferences to live in other forms of housing. For example some people that SHOP@ suggests need sheltered or extra care housing might be suitably housed - and prefer to be housed - in age-designated or general needs housing with relevant adaptations, housing support and access to floating care services.

[21] For example about the health, social care and support needs of the older person population
[22] HousingLin and Elderly Counsel SOP@ Analysis Tool Review, July 2016

5.23 In response, this evaluation employed a number of different prevalence rates in order to generate a range of demand projections. The prevalence rates employed were:

- The rate in the five Welsh Local Authorities with the highest prevalence of extra care provision per 1,000 older people. It is assumed that these areas are more likely to have achieved a balance between demand and supply.
- The average rate across Wales as a whole, to highlight the current level of supply per 1,000 older people.
- The rate in the five Welsh Local Authorities with the lowest prevalence of extra care units per 1,000 older people.
- For the purposes of comparison, the prevalence rate across England as a whole.

5.24 The results are presented in Table 5.3. The demand projection generated through the application of an adapted version of the HousingLIN SHOP@ model relating to persons aged 65 years and over is also included for information and accepting the caveats regarding the model outlined above. Key points to highlight include:

- Across Wales 3.3 units are supplied per 1,000 persons aged 65 years or older.
- The prevalence rate in the top five Local Authority areas was 6.8 units per 1,000 persons aged 65 years or over. If this rate is assumed to represent the required prevalence rate across Wales it is estimated there is demand for 4,224 units. This means there is a current undersupply of 2,159 units.
- The prevalence rate across England was 4.4 units per 1,000 persons aged 65 years or over. If this rate is assumed to represent the required prevalence rate across Wales there is currently demand for 2,749 units in Wales. This means there is a current undersupply of 684 units.

**Table 5.3: Comparing current supply of extra care in Wales and provision based on different prevalence rates (65 years and over)**

| Origin of Prevalence Rate | Wales | | | England Average | Adapted Shop@ (65 years and over) |
|---|---|---|---|---|---|
| | Prevalence in Top 5 Local Authorities | Average | Prevalence in Lower 5 Local Authorities | | |
| **Prevalence Rates** (units per 1000 people aged 65 years and over) | 6.8 | 3.3 | 0.7 | 4.4 | 12.9 |
| **Projected Demand** (based on current population aged 65 years and over) | 4,224 | 2,065 | 446 | 2,749 | 8,060 |
| **Current Provision** | 2,065 | 2,065 | 2,065 | 2,065 | 2,065 |
| **Over(Under) Supply** | (2,159) | 0 | 1,619 | (684) | (5,995) |

5.25 Table 5.4 presents demand projections to emerge when the same prevalence rates are applied to estimates of the future size of the population of people aged 65 years and over in Wales. The implication is that the provision of extra care will need to increase to keep up with demand. This interpretation is reinforced by the projected increase in the population of older people aged 75 years and over.

**Table 5.4: Comparing current supply of extra care in Wales and provision based on different prevalence rates and the projected population in 2025 (65 years and over)**

| Origin of Prevalence Rate | Wales | | | England Average | Adapted Shop@ (65 years and over) |
|---|---|---|---|---|---|
| | Prevalence in Top 5 Local Authorities | Average | Prevalence in Lower 5 Local Authorities | | |
| **Prevalence Rates** (units per 1000 people aged 65 years and over) | 6.8 | 3.3 | 0.7 | 4.4 | 12.9 |
| **Projected Demand** (based on current population aged 65 years and over) | 4,981 | 2,435 | 526 | 3,241 | 9,503 |
| **Current Provision** | 2,065 | 2,065 | 2,065 | 2,065 | 2,065 |
| **Over(Under) Supply** | (2,916) | (370) | 1,539 | (1,176) | (7,438) |

5.26 The apparent mismatch between estimated supply and demand should be interpreted with caution. These projections are not intended to be instructive about how many new units of extra care housing need to be developed. A more productive approach is to view these projections as an estimate of demand for the particular combination of age appropriate accommodation and support and care provided by extra care housing. This demand can be met through various forms of provision, not necessarily all through the extra care sector. The approach taken will depend upon strategic decisions made by local and national government about how to accommodate the population of older people, as well as the decisions of older people themselves who may chose an option other than extra care housing. For example, the decision may be taken to support greater numbers of older people to live longer in general needs accommodation, through a programme of adaptations, maintenance and repairs and the provision of relevant domiciliary care and support. This will have an inevitable impact on demand for extra care, which will also be shaped by the future of sheltered provision (for example, in the context of the decommissioning of some older stock as discussed in Chapter 6). An increase in the proportion of older people living in general needs housing is consistent with the emphasis of policy on older people having the right to independent living. It is also in line with the stated preference of the vast majority of older people. However, it is important that older people are making an active, informed choice to live independently, rather than being required to do so because of a lack of alternatives in specialist housing.

# 6 Developing Extra Care

## Introduction

6.1 This chapter explores local authority and housing association experiences of and attitudes toward the development of extra care. It draws attention to motivations and challenges encountered developing extra care, outlines plans for the future and reflects upon the degree to which these plans are rooted in reviews and evaluation of the role being played by extra care in meeting the housing and care needs of older people.

6.2 This chapter is framed by attention to the following research questions:

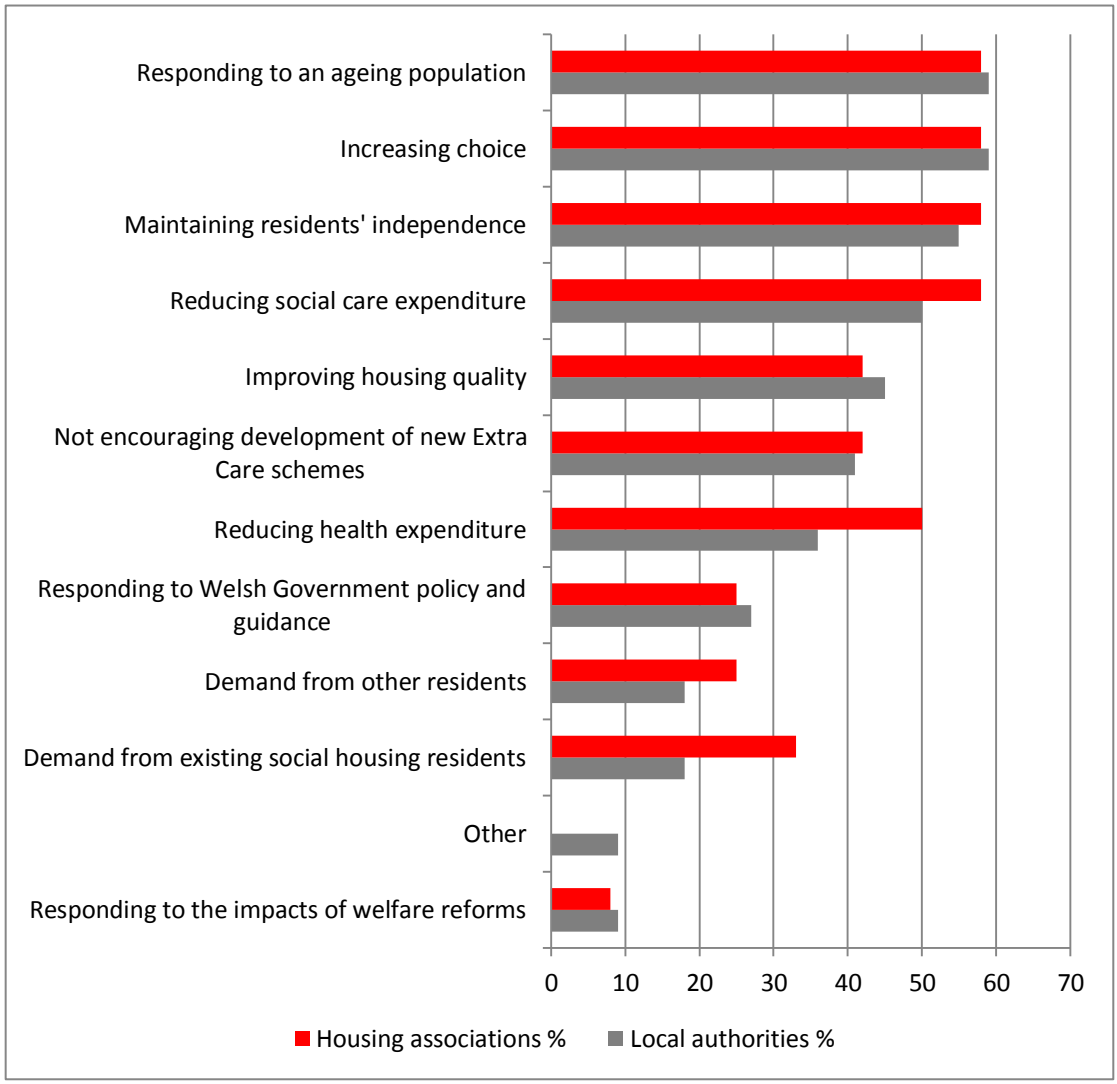
- What are the motivations/barriers for pursuing Extra Care schemes?
- How many extra care schemes are in development or planned for the next two years? How will they be funded? Will this include grant funding?
- Of the various types of housing options for older people, which are priority options for LAs? What are their plans for housing an ageing population? Where does Extra Care fit?
- Can supply meet demand now and in the future? Do LAs have plans to increase the supply of Extra Care in the next five years?
- What are the key influences on the development of future provision?
- What impact do national issues, such as welfare reform have on the future direction of housing supply for older people?
- Have any LAs undertaken reviews or evaluations of their Extra Care schemes?

**Motivations for developing extra care schemes**

6.3 A key motivation amongst local authorities for encouraging the development of extra care in their area was to respond to the challenges of an ageing population and to help meet the housing needs of older people by increasing choice, improving housing quality and maintaining independence (Figure 6.1). Local authorities in the six case studies reiterated this point, explaining that extra care provided an opportunity to increase choice in specialist provision. A housing strategy officer in one case study local authority reiterated this point by emphasising that extra care was a distinct and different form of provision to sheltered housing, which was reported to remain popular and in demand in the area. In contrast, an officer in another case study local authority reported that the development of new extra care housing represented an opportunity to provide a replacement for some of its sheltered housing stock that was being decommissioned. However, sheltered housing was recognised as having a continuing role to play in meeting the housing needs of older people in all the case studies, not least because of the challenges of developing extra care housing, as discussed below.

6.4 The potential for extra care housing to deliver savings for health and social care was also identified as an important motivating factor by half of all local authorities and more than half of housing associations (Figure 6.1). In addition, social care staff in all six case study local authorities spoke positively about extra care, recognising it as a housing product that can fill an important gap in local provision, helping people with a range of care needs to live independently. They also recognised its potential to provide a credible alternative to residential care and to reduce spending on social care. Reference was also made to the benefits for care providers in rural areas of people with care needs clustered in extra care schemes, rather than dispersed across a wide area.

**Figure 6.1: Main reasons for encouraging the development of new Extra Care schemes?**

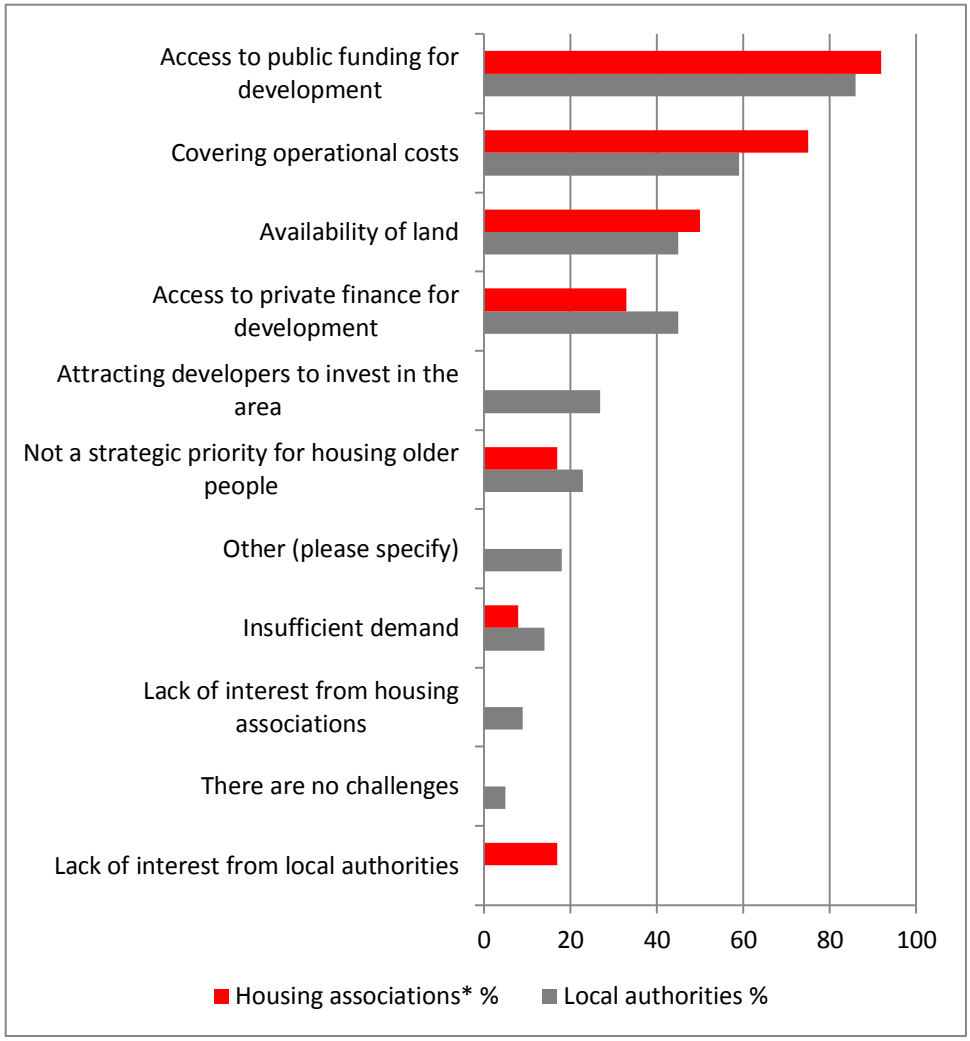



6.5 A further reason why local authorities might encourage the development of extra care is the potential for schemes to support delivery of responsibilities contained in the Social Services and Wellbeing (Wales) Act 2014, which came into effect in April 2016 (see chapter 7). The case studies also reported particular local reasons for promoting the development of extra care schemes. For example, an extra care development in one case study was part of a local regeneration initiative.

6.6 Nine out of 22 local authorities reported that they are not developing or encouraging the development of extra care schemes. This is a notable finding given that available evidence points to a major gap between supply and demand, as discussed below. Insight into possible reasons

why some local authorities are not actively encouraging the development of further extra care schemes is provided by Figure 6.2, which highlights key challenges faced by local authorities and housing associations developing new schemes. Funding (capital and revenue) appears to be a key issue. In total, 19 out of 22 local authorities (86 per cent) and 11 out of 12 housing associations identified access to public (subsidy) funding as a key challenge to new developments. Furthermore, all seven local authorities reporting that they expect the stock of extra care housing in their area to stay the same over the next five years explained their position with reference to the lack of finance for new developments.

**Figure 6.2: Main challenges encouraging the development of new Extra Care schemes?**



6.7 Local authority officers in all six case study areas pointed to the important role that ring-fenced Social Housing Grant (SHG) that was made available by the Welsh Government between 2006 and 2011 played in supporting the development of extra care schemes in their area. The subsuming of this funding into wider SHG arrangements means that investment in extra care schemes now have to be considered alongside other priorities. In this context, a local authority officer in one case study observed that older people "have had their turn" (as the focus of SHG) and that attention was turning to other priority groups (see chapter 6 for further details about the future role of SHG supporting the development of new schemes).

6.8 In addition to concerns about development costs, 13 local authorities (59 per cent) and nine out of 12 housing associations with a record of involvement in providing extra care housing identified problems covering operational costs (revenue funding) as a key barrier to new schemes (see Chapter 7 for further discussion). Ten local authorities and six housing associations spotlighted the availability of land as a barrier. Six local authorities reported difficulties attracting developers willing to invest in their area.

**New extra care schemes in development or planned for the next two years**

6.9 Ten local authorities reported that development work would commence or new extra care schemes will open in their area in the next two years. Six of these 10 were rural local authorities and one was in the South Wales valleys. In total, 18 new schemes were due to open (11) or begin development (7) in the next two years.

6.10 Two of the 16 schemes for which funding details were provided were reported to be funded, developed and managed by a private sector provider. Housing associations will be involved in the development and management of the other 14 schemes. The development of these 14 schemes is being supported by funds from a number of different sources. Public subsidy, in the form of grant funding, appears to be critical, supporting the development of 13 out of 14 of these schemes

(seven receiving social housing grant and 10 other grants). A scheme in one of the case study areas, for example, was being subsidised through funding from the Vibrant and Viable Places programme. In addition, the development of three schemes was reported to be supported by some other form of local authority subsidy (in one case, this was reported to involve the provision of land at below market value). Private finance is also important, supporting the development of 13 out of 14 schemes.

**Future plans for extra care**

*Local Authority plans for housing an ageing population*

6.11 A review of local authority housing strategy documents revealed that a minority of local authorities (eight) had a discrete older persons housing strategy (either a stand along strategy or a discrete section within the full housing strategy or the strategy for older people that focused on housing options for older people and contained a plan of action designed to achieve a clearly identified long-term goal). This finding raises questions about whether some local authorities have plans in place for housing an ageing population. The case studies provided some answers. Many were currently in the process of renewing their housing strategy. Whilst some had discrete older person housing strategies in the past, none reported plans to renew or develop a discrete strategy in the future. Reasons given centred on the need to focus available resources and officer capacity on developing a full housing strategy for the area.

6.12 Future plans appeared to be informed by review and analysis of extra care provision. Eight out of 22 local authorities and six out of 11 housing associations reported having undertaken a review or evaluation of extra care schemes. This is an interesting finding given that the evidence review failed to uncover any reviews or evaluations of extra care schemes in Wales. In addition, nine local authorities and six housing associations reported having undertaken an evaluation of the cost effectiveness of extra care schemes.

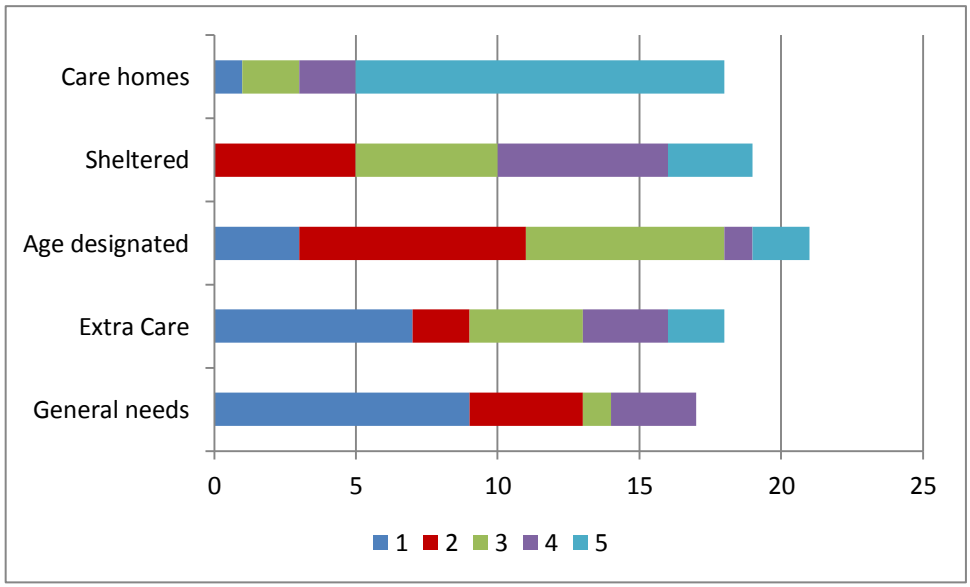
6.13 A review of a small sample of evaluations by local authorities and housing associations revealed analysis that was insightful and likely to be of use to local authorities, developers, commissioners and providers. They included: analysis of demographic trends focusing on the population of older people (including the incidence of disability and health problems, including dementia); reviews of the commissioning and provision of social services for older people that considered the contribution of extra care; analysis of the future of residential care that reflected on the role to be played by extra care; and housing market assessments that explored the role of specialist housing (including extra care) in meeting the needs of older people. In addition, there were examples of reviews of particular extra care schemes undertaken by adult social care and by housing associations, which focused on issues including: care and support contracts and modes of delivery, for example, by Supporting People teams; operating costs associated with different delivery models and resident populations; and the experiences of residents and staff, explored through focus groups and surveys in order to inform service delivery. However, these reviews rarely applied a rigorous evaluation methodology or sought to compare extra care costs and outcomes (cost effectiveness) or assign a monetary value to outcomes associated with extra care (cost benefit analysis). This said, social care commissioners in two case study areas questioned whether analysis of the cost effectiveness of extra care schemes would be worthwhile until schemes had been operating for a number of years.

6.14 The absence in some areas of a discrete strategy underpinned by robust analysis of the contribution, costs and benefits of extra care provision did not prevent local authorities from stating their priorities for meeting the housing needs of older people through new provision. Responses recognised the need to provide a spectrum of provision from general needs housing, through more specialist forms of provision to residential care. However, the provision of general needs housing emerged as the most common priority for local authorities when asked about increasing provision to meet the needs of older people in their area. Half of local

authorities identified an increase in the provision of general needs housing as a high priority and none identified it as a low priority.

6.15 Increasing provision of specialist housing (age designated, sheltered, extra care) or residential care for older people were less likely to be identified as a high priority (Figure 6.3). In particular, sheltered housing and care homes were relatively low priorities for local authorities. Extra care was the specialist form of provision most commonly identified as a priority. These priorities reflect local authority perspectives on changing demand, discussed above. They are also in line with national policy, grant funding and associated trends in provision, and reflect an emphasis on independent living (in general needs, age designated, extra care and sheltered housing) rather than residential care.

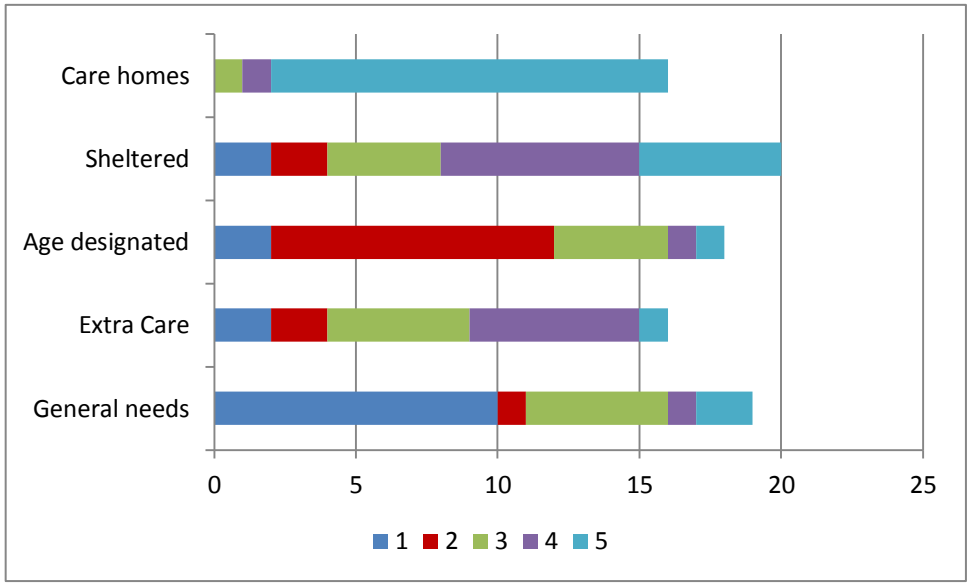
**Figure 6.3: The priority given by local authorities to increasing the provision of different forms of housing for older people (n = 22)**




6.16 Some notable differences were apparent between the priorities of local authorities and housing associations in terms of new provision for older people. In particular, few housing associations viewed the provision of specialist housing for older people as a priority (Figure 6.4). For example, only two housing associations identified the provision of extra care as a priority, despite 12 of the housing associations responding to

the survey having previously been involved in the development of extra care schemes. This finding is a potential concern for local authorities, given that housing associations are a key partner in the development of extra care schemes in Wales. Possible reasons for some housing association being reluctant to be involved in the development of further extra care schemes are discussed in Chapter 7.

**Figure 6.4: The priority given by housing associations to increasing the provision of different forms of housing for older people**




*The future supply of extra care housing*

6.17 Twelve out of 22 local authorities reported expecting an increase in the stock of extra care housing for older people in their area over the next five years. The most common explanations given for expecting an increase in supply was that extra care housing is a local authority priority (11 out of 12) and extra care is a health and social care priority (9). Reference was also made to interest from developers (5) and funding opportunities (four referenced the availability of finance for new development and four noted the availability of land for new developments). Some two-thirds of local authorities (15) reported expecting an increase in general needs housing for older people in the next five years and 11 expected to see an increase in age designated

housing. In contrast, the common presumption was that the stock of sheltered housing (18) and care homes (12) would stay the same or decrease.

6.18 Local authorities and housing associations with a history of involvement in extra care housing reported expecting the emphasis over the next five years to be on the development of extra care for rent. Three-quarters of local authorities (14) reported expecting 75 per cent or more of new supply to be for rent, eight local authorities expecting all new supply to be for rent. Only three local authorities expected the majority of new supply to be for sale. This suggests that significant demand for private extra care provision identified above is unlikely to be met in many local authority areas. One local authority officer provided a detailed response explaining the lack of private provision in the local area and also raising concerns about the future viability of extra care for rent, an issue discussed in more detail below:

> *In this area, incomes are insufficient to pay for any services that are often provided within specialist housing for older people. There is virtually no private sector specialist housing in this area for that reason and in future Housing Benefit and public funding will not cover the cost of additional services. The model is unsustainable in this area….* (Housing Association Officer)

**Table 6.1: What proportion of supply over the next five years do you expect to be for rent and for sale?**

| Proportion for Rent | Local authorities | | Housing Associations* | |
|---|---|---|---|---|
| | Count | Per cent | Count | Per cent |
| 100% rented | 8 | 42 | 2 | 20 |
| 75 to 95% rented | 6 | 32 | 5 | 50 |
| 50 to 70% rented | 2 | 11 | 3 | 30 |
| 25 to 45% rented | 0 | 0 | 0 | 0 |
| Less than 25 % rented | 3 | 16 | 0 | 0 |
| Total | 19 | 100 | 10 | 100 |

** Housing associations with existing schemes and/or schemes planned/in development*

6.19 A housing strategy officer in one of the case studies explained the local reticence to develop mixed tenure schemes with reference to perceived complexities managing mixed schemes:

> *I would like to see them stay rented because, the first one I did was the one in [name of town] and that was part buy part rent and it didn't work, I think they managed to sell two or three but when you've got somebody who owns the actual property and then somebody rents it, it doesn't quite work as in the communal areas and things like that. I would like to see them rented, also for the fact that there are a lot of deaths in a place like that and when it comes to people passing on their property to their family and things like that I think it makes it very difficult. If it's a rented property it's easier to move out belongings and get somebody else in so you can take that next person off the waiting list, movement is just a lot easier and I think the private sector is full of the ones who want to purchase.*

6.20 Insight into key influences on the development of future provision of extra care is provided by the reflection and comment of local authorities and housing associations about the key drivers encouraging, and the main challenges encountered, developing new extra care schemes (see Tables 6.1 and 6.2). All of the main drivers identified - increasing choice, responding to the demands of an ageing population, promoting independence, reducing social care expenditure - are likely to remain priorities for the foreseeable future, particularly given relevance to priorities spelt out in the Social Services and Wellbeing Act. However, it is also likely that many of the main barriers to encouraging the development of new schemes - access to public funding, challenges covering operational costs and access to private finance - will continue to inform the future supply of extra care housing. Extra care scheme managers were certainly of this view, the majority (57 per cent) identifying access to public funding for development as a main challenge for extra care housing in the years ahead (Table 6.10). The most commonly identified challenge was increasing pressure to accommodate people with high support needs, an issue discussed in Chapter 7.

**Table 6.2: Extra care manager perspectives on the challenges for Extra Care in the years ahead?**

| Challenge | Yes | Per cent |
|---|---|---|
| No challenges | 5 | 14.3 |
| Access to public funding for development | 20 | 57.1 |
| Access to private finance for development | 7 | 20.0 |
| Covering staffing costs | 17 | 48.6 |
| Covering other operational costs | 15 | 42.9 |
| Availability of land | 8 | 22.9 |
| Insufficient demand | 2 | 5.7 |
| Increased pressure to accommodate more people with high support needs | 23 | 65.7 |
| Not a strategic priority for housing older people | 6 | 17.1 |
| Don't know | 2 | 5.7 |
| Other | 5 | 14.3 |
| *Total* | *35* | *100.0* |

6.21 Local authority and housing association officers responding to the online survey were asked an open ended question about the key challenges they expect to face in providing specialist housing for older people over the next five years. Funding concerns relating to both capital funding to finance the development of new schemes and revenue funding to cover the costs of housing management, support and care services were identified by 10 out 14 local authority officers and 14 out of 17 housing association officers providing a response. Six local authorities focused on funding the development of new schemes, with three making explicit reference to the availability and cost of land in their comments. Reference was also made to the challenges of balancing the needs of older people against other demands on available grant funding. The following two quotes are illustrative of the points raised:

> *Funding - securing grant funding for specialist housing at a time when all affordable housing is a priority. Without additional/ ring fenced funding streams extra care will be one of many grant led housing needs that must be catered for. Affordability - how to make the cost of going into specialist housing attractive in an asset rich but often cash poor community* (Local Authority Officer).

*[Name of council] does not have sufficient funding to enable another extra care scheme to be developed, alongside this, through public consultation, other forms of older persons housing is preferred. Land is also not available to deliver another scheme* (Local authority officer).

6.22 These comments are consistent with evidence to emerge from the six case studies. There were a number of new extra care schemes in development across the case studies, but only one local authority reported plans for further developments. This was a large local authority that was developing new schemes to address unmet need in distinct parts of the area. The other five case study authorities explained that despite having faith in the extra care model, the public subsidy required to ensure the viability of new developments was not available. Further expansion of the sector was therefore reported to be unlikely. One local authority explained that the cost of a new extra care development could be between £10-£18 million. Up to half of this cost would be need to be covered by SHG to ensure viability (lack of interest from the private sector meant that discussion focused on extra care for rent), but the local authority currently receives £1.3 million SHG per year to support provision of affordable housing for all needs groups.

*We'd like at least one more, again it's around the finances and our relationships with the different housing providers and it's their problems, cos we had the grants for the schemes that we've got and now that won't be funded in future.*

6.23 Housing associations across the case studies made a similar point, underlining their commitment to and belief in the virtues of the extra care model, but explaining that further developments would require land to be made available at below market rate and grant funding to be available for 50 per cent or more of the development costs.

6.24 Concerns relating to operational costs focused on uncertainties about the application of Local Housing Allowance (LHA) caps to residents in supported housing. Six out of 14 local authority officers and nine out of

17 housing association officers made explicit reference to LHA reforms as a challenge to the provision of specialist housing for older people. These concerns were succinctly summed up by one housing association officer:

> *The threat of the local housing allowance cap to housing benefit will make existing schemes unviable and stop any development of new schemes.* (Housing Association Officer)

6.25 Respondents pointed to the problems that some residents would encounter covering the cost of the service charge, the resultant impact on a key revenue stream and the risks to the long-term viability of specialist provision:

> *The high cost of providing the Extra Care service means that rent/service charges are high. This may mean that it is not accessible to all people. We are currently unsure whether this type of housing will be exempt from the Local Housing Allowance (LHA). If it isn't exempt, it could jeopardise the future of specialist housing for older people* (Housing Association Officer).

> *The cap on Housing Benefits to Local Housing Allowance rates could, if implemented, be a major blow to the existing schemes. The recent government announcement still leaves question marks over future funding, as the devolved pot to Welsh Government could be reduced after year 1, and in any event does not take account of any new schemes*. (Local Authority Officer)

> *The challenge of Local Housing Allowance rates potentially being applied to these schemes and the loss of exempt status. Affordability will be severely hit if LHA rates are applied to HB claims* (Housing Association Officer).

6.26 A number of officers reflected on available options if reduced revenue finding serves to make schemes unviable in their present form. One local authority officer summed up this challenge by asking “how to make the cost of going into specialist housing attractive in an asset rich but often cash poor community”. Reflecting on the same question, another officer

concluded that the response might be to focus greater attention on supporting people to 'say put' in their existing home:

> *Changes to development and individual income subsidies make this a more challenging operating environment; also…Extra Care is not the only option for meeting increasing demand from older people and should not be viewed as such - hopefully other creative options around making best use of existing stock with floating support and health/care packages will receive as much attention and support.* (Housing Association Officer)

6.27 It appears that age-designated housing is viewed as one creative solution by local authorities and housing associations seeking to increasing provision for older people but struggling to finance extra care provision. This possibility might help to explain why a majority of local authorities and housing associations expect there to be an increase in the supply and demand of this form of provision over the next five years. This possibility was articulated by one housing association in a detailed response to the survey:

> *We are currently developing a range of SHG [Social Housing Grant] funded independent living apartments for older people. This is a response to demand from some local authority partners who see this as meeting the needs of people for who don't require an 'extra care' solution at this point in their lives. There is a concern from some local authorities that extra care schemes have moved away from the original principle of housing a balanced range of older people in terms of the level of support they require to a greater concentration of people with higher levels of support needs. The independent living schemes we are delivering have a lower level communal facilities however are firmly focussed on delivering wellbeing outcomes. This is an informed decision based on our assessment of how the facilities are used in a 'typical' extra care scheme. The intention is to reduce capital and running costs by incorporating a more concentrated level of flexible communal space.*

6.28 Case study authorities also talked about thinking creatively about specialist provision for older people in straitened times. Two local authorities talked about reappraising their approach towards sheltered provision, which had come to be viewed rather negatively, despite still being in demand and housing many more people than extra care. Local authorities also reported exploring whether extra care-lite or enhanced sheltered forms of provision might prove more viable in the present climate. However, one respondent cautioned against regarding these options as an alternative to extra care, asserting that they do not provide the same package of housing, care and support and inevitably house a different client group. Four case study local authorities were also reviewing (housing, care and support) services that assist people to remain in their own home for longer, thereby limiting demand for extra care housing and other forms of specialist provision.

6.29 Scoping out such 'creative solutions' will demand an understanding of local needs, the relevance and appropriateness of different forms of provision and associated costs and benefits to ensure efficiency and effectiveness in the allocation of available resources. Such insights do not appear to be readily to hand, as discussed above. A similar conclusion was drawn by a local authority officer responding to the survey:

> *At present the main challenge is a lack of robust set of needs/demand data so that evidence based commissioning decisions can be made. There are already concerns around covering operational costs and its relative value for money compared with ordinary domiciliary care costs. A robust method of comparison of value money versus effective outcomes of the models is needed. Impact of Welfare Reforms on rental income are unclear as yet. Availability of capital investment.* (Local Authority Officer)

6.30 A housing association officer also underlined the importance of evidencing the preventative role and related value of extra care schemes in order to secure access to health and social care budgets:

> *We see the value in undertaking an evaluation to highlight the success of these schemes in meeting people's wellbeing and quality life expectations…[and]…identify the value of extra care to social services and health budgets to attract funding for preventative provision.* (Housing Association Officer)

# 7 Providing Extra Care

## Introduction

7.1 This chapter focuses on the provision of extra care housing. It explores issues of operation and delivery, drawing on insights from the surveys of local authorities, housing associations and extra scheme managers, as well as insights from fieldwork in the six case studies.

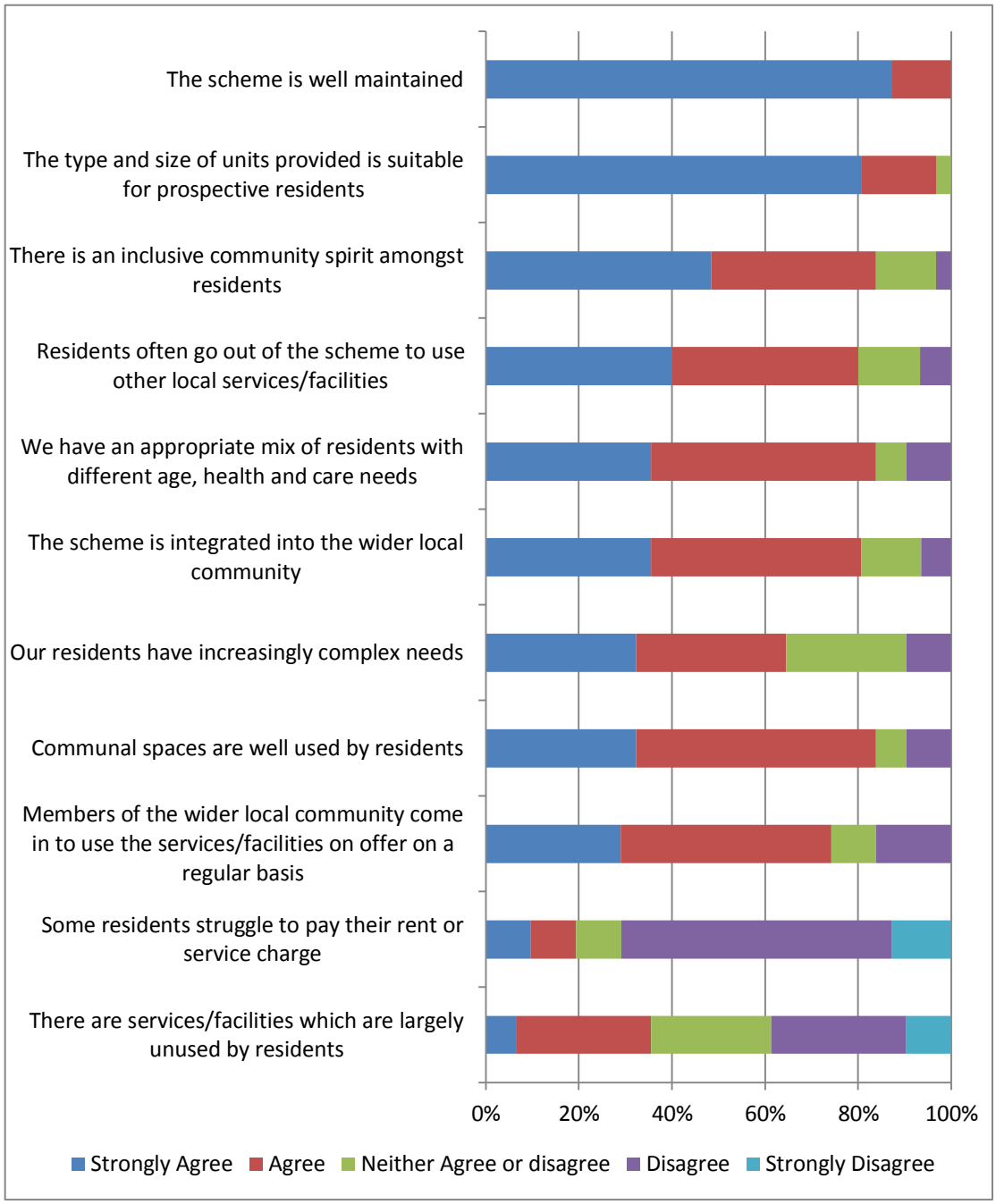
7.2 This chapter is framed by attention to the following research questions:

- Are current Extra Care schemes fit for purpose? Do they operate as was envisaged?
- How have schemes developed regarding: Balancing range of support needs in the managing of voids (empty units); use of communal space; relationships with health and social services; mixed tenure; what are the challenges for the future?
- What are the challenges for the future?

## The role of extra care

7.3 The responses of extra care managers to a series of questions about the operation of their scheme suggest that most are fit for purpose and operating as expected (Figure 7.1). A large majority of scheme managers responded positively to a series of statements exploring performance in relation to established good practice. However, only a minority of scheme managers strongly agreed with a number of key statements focused on links with the wider community and social interactions and sense of community within the scheme (issues touched on by residents in Chapter 8). A minority of scheme managers also strongly agreed with the statement that the scheme had an appropriate mix of residents of different ages and with different health and care needs. These are all challenges for the extra care sector noted within the evidence base, as discussed in Chapter 3.

**Figure 7.1: To what extent do you (extra care scheme manager) agree or disagree with the following statements about your Extra Care scheme (n = 31)**



7.4 Housing, health and social care stakeholders in the six case studies also reported that extra care housing schemes tended to be operating effectively and 'filling an important gap' in housing provision. One local authority housing strategy officer summarised a generally held view of extra care housing:

> *Extra care schemes provide a valuable addition to older peoples housing choices. They provide safety and security, social contact, meaningful activities, integration with others, they address social isolation, create a community, and mitigate financial concerns. They are empowering and enabling.*

7.5 Respondents in all case studies frequently discussed the role that extra care was playing 'plugging a gap' in the provision of housing for older people. Social Care officers frequently explained how lack of housing with care meant that people with only modest care needs who could not remain in their home were too often being moved into residential care. In one of the case study areas it was reported that some older people were entering residential care 'prematurely' because of the lack of suitable alternatives and spending more than ten years in the sector. Extra care housing was reported to be a 'preferable alternative' for these people. Meanwhile, housing strategy officers and care commissioners recognised that extra care provided a better option than sheltered housing for people with care needs. Officers reported that some sheltered housing in their area was of a good standard and remained popular. However, some sheltered provision was reported to not be fit for purpose because the built form was unsuitable for older people with care needs (for example, poor wheelchair). One Supporting People manager explained:

> *The stock we've got of sheltered housing is …. outdated, a lot of them are bed-sits, small units and we've moved away from having onsite wardens to dispersed wardens and even though we have some people who are presenting as homeless because of relationship breakdown quite late on in their lives now, alcohol misuse problems, substance misuse problems is coming to the fore a bit, where that fits*

*in with sheltered housing provision and are their needs too great for that is debatable at the moment. So where we've got stock it's not necessarily the best place to place people.*

7.6 Several stakeholders reported that extra care was playing an important role in allowing couples to remain living together in instances where one or both had care needs:

*We've had a couple move in recently and they've been there two months. Out in the community they're struggling cos the wife - she's got poor mobility - was caring for her husband who's got even less mobility, went into hospital, come out, the house wasn't suitable. They moved in and initially they wanted no care whatsoever, they were worried about cost implications, they were worried about depowerment (sic). Over time their opinions changed, they've got used to the scheme, they love the scheme now, love the staff, they've approached [the care] team now to get support.*

7.7 Stakeholders from housing, social care and health recognised that extra care housing had the ability to promote (and improve) independent living by providing appropriate physical features coupled with care and support. One extra care housing provider was currently analysing the number of 'care hours' that received. They reported that for some tenants the number of care hours required fell significantly after moving into extra care. Scheme managers reported a similar pattern of improvement in the physical and mental health and wellbeing of residents following a move into extra care (a finding consistent with evidence provided by residents, discuss in Chapter 8):

*We've got tenants who have moved in with a substantial amount of care and it's been reduced down to next to nothing cos of the environment they're living in. They've become more independent. Whereas in the community they're dependent on other people because if the properties aren't able to be adapted they're maybe confined to just downstairs or to one room in some cases, whereas*

*when they come here they can access their flat, get into the shower. (Scheme Manager)*

**Communal facilities**

7.8 The case study schemes had a range of communal spaces and services available on-site. These included living rooms, libraries, cinemas, activity and craft rooms, computer rooms, hair dressing salons and 'pamper' bathrooms. Some stakeholders, especially housing strategy officers reported that the inclusion of these facilities increased the costs of development, and observed that the space used would have been better employed as dwelling units. In addition, several local authority officers reported that these spaces were 'under used' and one respondent described them as 'difficult to justify'. These views are in contrast to the largely positive views of residents (see Chapter 8) and many scheme managers and onsite care managers, who reported that communal areas and on-site services were an important element of the extra care housing model and were well used. One scheme manager believed that housing and social care managers tended to witness underuse during infrequent visits made during the day, and therefore did not appreciate their use in the evening, for special events and for organised community activities. In particular, scheme managers believed that these areas were important to ensure that extra care housing schemes developed as distinctive communities, providing the resources that allowed people to meet, congregate and take part in shared activities - and support improvements to health and wellbeing. One scheme manager described how the communal spaces supported community life in one scheme:

*There's a complementary therapy room, we interview and engage therapists to provide a service from that room […] so we have the hairdresser in once a week, chiropodist once a month, a masseuse once a fortnight and a beautician once a fortnight. So yes we have 90-year-old ladies who are having massages for the first time ever and are feeling the benefits of it, it's improving their range of movement and their aches and pains. […] the activity room, so that mainly used in the winter months for our jigsaw players or we have chess club*

*once a week which is from the community, so we got one tenant who's on the chess club and I've encouraged them to bring the chess club to [name of scheme] by allowing them to use that room once a week and that then opens up the opportunity for anybody here who hasn't got transport to engage in the chess club as well. That's where the potting shed is so that's where all the gardening activities take place, and in the summer months we've had armchair exercises in that room, floral arranging, painting sessions, leading up to the summer fete we had, we had painting sessions so we were upcycling all the furniture we could get our hands on and painted it and sold it at our summer fete and that was great fun. I had ladies saying 'I haven't had a paint brush in my hand for 40 years'.*

7.9 Two factors emerged as important in determining the use of communal spaces and on-site services, which helped to explain variations across the nine case study schemes. Firstly, the availability of staff to organise and promote activities. In some schemes, staff time had been reduced as part of cost saving measures. This was reported to have limited the capacity of staff to organise activities. Secondly, the level of tenant involvement varied between schemes. In some schemes, there were particular tenants prepared to organise community activities. There were also structures in place, such as a tenant representative committee, who could work together to organise events within the scheme. In contrast, collective action amongst tenants was more limited, if present at all.

7.10 An interesting footnote to this discussion is that respondents involved in the development of new schemes reported plans for forthcoming developments included less communal space. This was justified with reference to both the costs of providing communal spaces and their perceived underuse. However, all relevant stakeholders (housing associations, housing strategy officers and social care) agreed that communal space should continue to be a part of the extra care model. One officers also suggested that smaller, more homely communal spaces could prove to be more attractive (a point made by some residents in Chapter 8):

*We're slightly restricted cos it's a listed building, but there'll be less communal space which… [the other extra care scheme] is a massive place and perhaps that would put some people off and the community spaces aren't used as much as they could be. So this will be a more homely environment which is a good thing.*

7.11 One communal resource that was widely regarded as an essential feature of extra care schemes was an on-site restaurant. In all nine extra care schemes a restaurant provided a substantial lunchtime meal for all residents. Residents paid for the restaurant through the service charge. Residents valued the restaurant, but some were disgruntled about not being able to opt out of paying for the service even if they did not use it. Two key benefits were reported by stakeholders to be associated with on-site restaurants: the health related benefits of providing residents with a healthy, nutritional meal; and the role that the restaurant played as a space of social interactions. Two scheme managers explained the health and wellbeing implications:

*It does [have positive outcomes] cos we get some people who aren't eating out in the community, be it due to the fact that they don't want to get up and prepare food, who when they come into this type of accommodation, as long as we can encourage them out of the flat into the restaurant at least we know they're getting one main meal, whether they eat something small during the evening or not, at least we are confident enough to say they've had food during the day.*

*For a lot of the tenants who've come here, it's a meeting place as well, that's really important. We've got people, we have a couple of ladies who knew each other years ago and lost touch, they've come out every single day, they've got their own table and they'll have their meals together, it is like a meeting place. So if there was no restaurant and they were having their meals in their flats, some people might be inclined not to come out or they're socially isolated, so we see it as part of the rental as well, they've paid for it so go and get it or go without, and again we've got tenants who can manage in here ok, they won't go out into the community and go out for meals,*

*there is the restaurant style with it so it is nice to even go there and decide what you're going to have, the variety, choice is there.*

**Links with the wider community**

7.12 The degree to which extra care schemes are integrated into the wider community was found to vary across the case studies. Some schemes were clearly well integrated into the community, with members of the wider community using facilities in the scheme and scheme residents utilising services and facilities in the wider area. This was less apparent in some other schemes. Some schemes appeared to be serving as a 'community hub' and a range of activities involving the wider community were taking place in the scheme. For example, a day centre for older people was based in one scheme. Three other case study schemes reported running coffee mornings and other activities for the wider community. One of these had a coffee shop which was regularly used by non-residents. Another scheme rented out space to local organisations to run, for example, parenting and ante-natal classes. Another scheme offered free space to local groups to hold meetings and small events, and sometimes catered for family events.

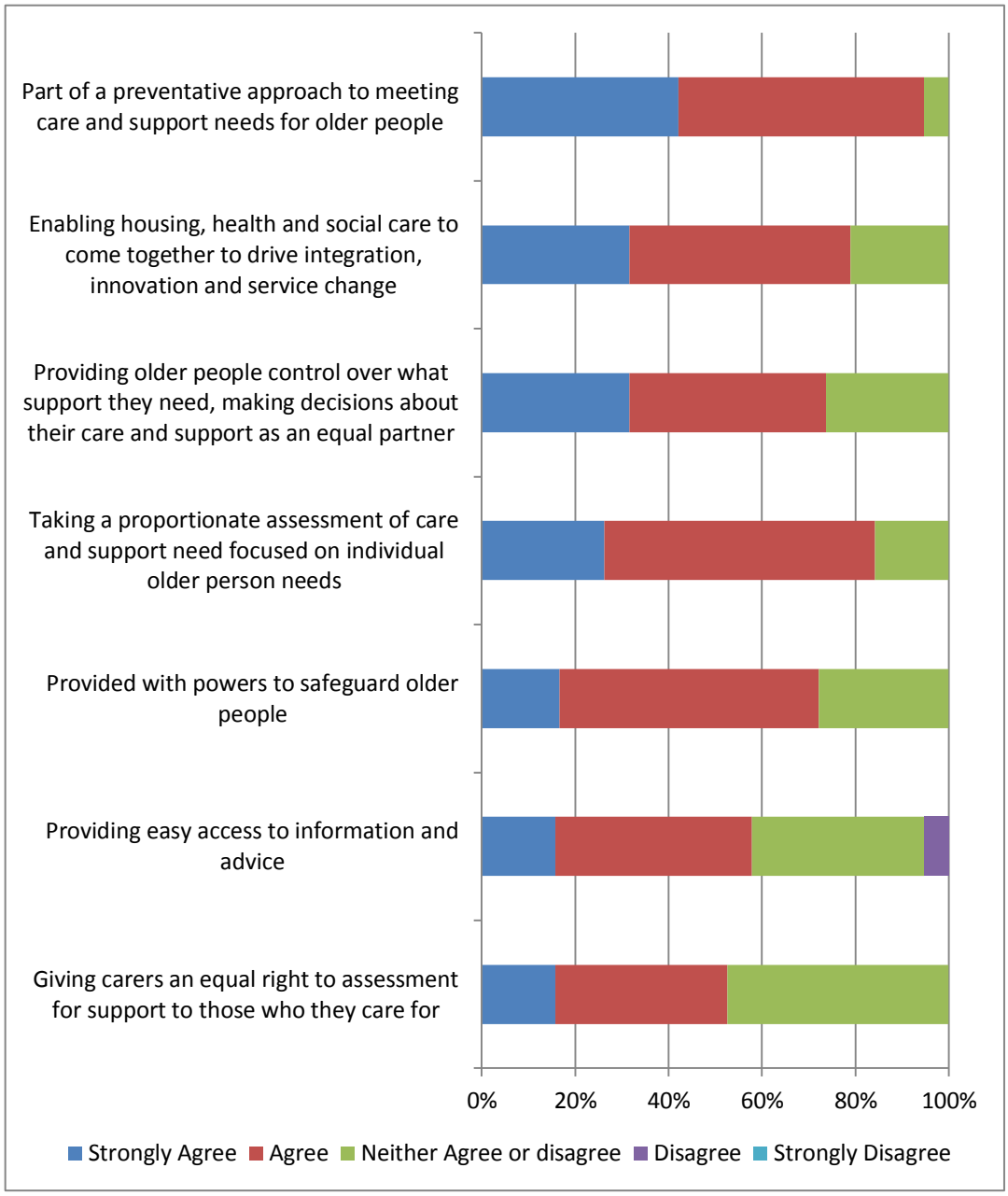
7.13 A number of factors emerged to help explain why three schemes were struggling to engage with the wider community. Firstly, the siting of the scheme was a problem. One scheme manager explained that being on the peripheral of an out of town housing estate and some distance from a bus route and local facilities such as shops put the scheme at a disadvantage as far as becoming a community hub was concerned. Secondly, lack of staff time to generate broader community activities and involvement was cited as a limiting factor. Thirdly, one social care senior manager reported that one scheme had not emerged as a community hub because services (including adult social care) had not supported it to play this role. This respondent suggested that more time, effort and coordination was required by health and social care in order to realise the potential of the scheme as a 'community asset'. One scheme manager suggested that there was less need for the scheme to serve a

community hub because there were established community facilities nearby, which scheme residents also regularly used.

**The Social Services and Wellbeing Act**

7.14 The Social Services and Wellbeing (Wales) Act 2014 came into effect in April 2016. The Act emphasises the importance of strategy and delivery focusing on the wellbeing of the individuals and carers who need support and on transforming social services in Wales to promote prevention and early intervention. Local authority respondents were asked to consider the extent to which extra care schemes in their area were contributing to a number of specific outcomes relevant to the objectives of the Act. A majority of local authorities agreed that extra care schemes in their area were contributing toward these outcomes (Figure 7.2).

**Figure 7.2: Local authority views about contribution of extra care housing in their area to key ambitions of the Social Services and Wellbeing Act 2014 (n = 19)**




7.15 There was common consensus that extra care was part of a preventative approach to meeting the care and support needs of older people (18 out of 19) and that extra care was proportionate in assessing care and support needs in a manner that focuses on the individual (16 out of 19). Three quarters of local authorities also agreed that extra care was providing older people with control over what support they need and

receive; that extra care was providing powers to safeguard older people; and that extra care was enabling housing, health and social care to come together and drive integration, innovation and service change.

7.16 Evidence from the case studies support this last point. There was evidence across all six case studies of a shared interest in extra care serving to support the development of productive partnerships between housing and social care. Benefits were reported to include better data sharing, information exchange and a clearer understanding of the issues faced by each other; for example, from the social care point of view, the reasons for and consequences of 'premature' entry to residential care, and from the housing point of view, the difficulties bringing forward new specialist housing developments. The views of local authorities responding to the survey were more evenly split about the contribution of extra care toward recognising and responding to the needs of carers; and providing easy access to information and advice.

7.17 In most case study areas, it was reported that Health Authorities were less engaged in partnership working. One social care officer believed that this was largely due to different aims and objectives; clinical need was their key priority. In two areas, hospital discharge was reported to be particularly problematic. There were some anecdotes of individuals being inappropriately discharged to unsuitable housing with insufficient care in place, of patients being dropped off at housing offices and several extra care scheme managers reported that they still received calls from hospital staff asking whether a 'bed space' was immediately available in the scheme.

7.18 One of the positive consequence of closer working between housing and social care was reported to be a renewed strategic focus on older people's housing needs. In all case studies, housing strategy officers reported that the needs of older people were being addressed within plans to update their broader housing strategies (including housing market assessments and housing needs surveys). While none of the case study local authorities reported were planning to produce specific

older person's housing strategy, in two areas a new strategic approach to meeting the housing needs of older people was emerging. This included elements of prevention (supporting people to live independently in their homes longer) and widening housing choice. This included

- New floating support services, offering better support to those in general housing.
- Targeted approaches to adaptations and aids, and making better use of new assistive technologies.
- Supporting minor repair services across the wider housing stock.
- Providing better information and advice exchange to residents about future housing choices.
- Training for professionals across domains of housing, social care and health on housing and care issues for older people.
- Incorporating 'lifetime homes' type features in new housing developments to promote independent living.
- Placing extra care as an important part of the housing system (and looking to expand if possible).
- Re-evaluating sheltered housing to assess what opportunities exist to refurbish existing stocks and build new forms of sheltered housing that promote independence.

**Balancing needs within schemes**

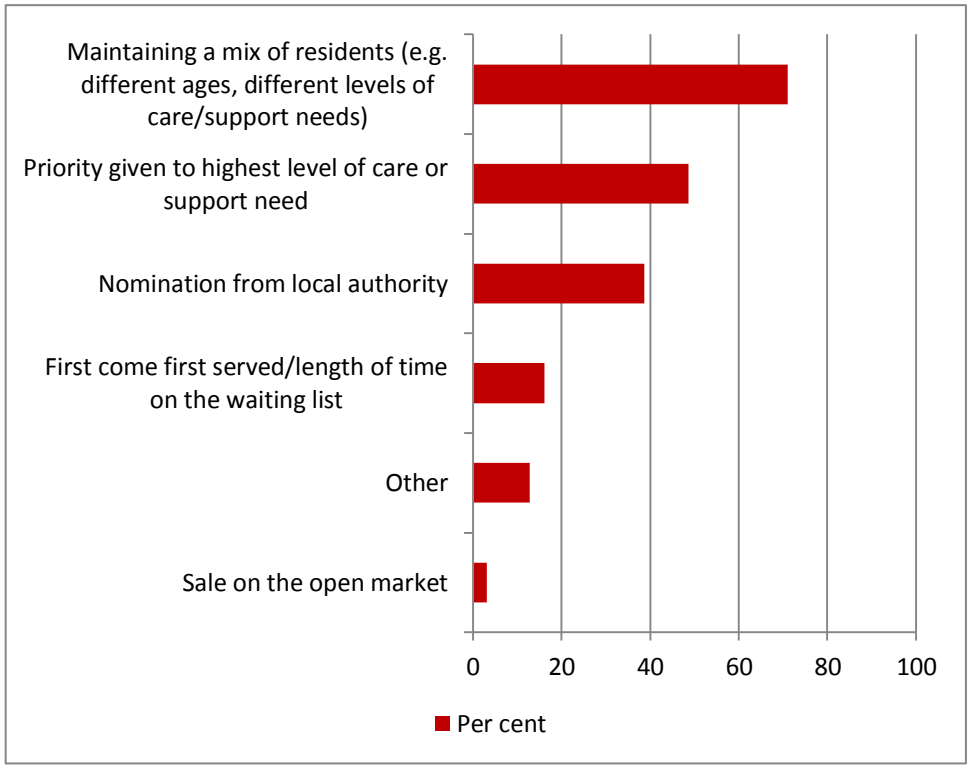
7.19 The vast majority of extra care managers (88 per cent) reported taking steps to maintain a balance of different needs amongst the residents of their scheme. Asked to explain their approach to maintaining this balance, a common approach was reported to involve trying to maintain an equal balance of residents with low, medium and high care needs. A number of respondents explained that the aim was to match the care needs of residents against staffing resources and the number of care hours available. This balance was maintained through the allocation process, with care needs of current and prospective residents being

assessed by social services. One scheme manager explained that a number of factors can undermine these efforts:

> *We try to maintain a third each of high, medium and low care needs at allocations panel. This is not always possible due to urgent referrals, an alteration in existing care needs or lack of a certain category on the waiting list.*

7.20 The majority (71 per cent) of extra care managers reported that units in their scheme were allocated on the basis of maintaining a mix of residents (ages and care/support needs) (Figure 7.3). Other approaches to allocating units reported by scheme managers included giving priority to people with the greatest care or support needs (55 per cent), allocating in response to a nomination from the local authority (39 per cent) and allocating on the basis of waiting time (14 per cent).

**Figure 7.3: Scheme manager responses about how units are allocated in their extra care scheme as and when they become available**



7.21 Differences were apparent across the case studies in relation to how access to extra care was managed. When specific extra care schemes were first commissioned, specific objectives were set to establish what the scheme should provide and who it should be for. In most cases, commissioners established a mixed model of one third of residents with no (or very low) care needs, one third with medium level of need and one third with high level care needs. This was not always the case, however. In one case study scheme, allocations were determined based on maintaining a particular level of demand for care services within the scheme (expressed as a total number of care hours). When a vacancy arose, the waiting list would be examined to determine whether the applicant represented a 'good fit' in terms of the level of care required and the capacity available. Another scheme was reported to have been commissioned on the expectation that it would support a lower level of need and operated on the basis that 50 per cent tenants would have no care needs (but would be in need of some housing related support). Stakeholders were unclear why this had been the case, but one believed that the impetus had come from housing strategy who were keen to provide more lower-needs units as a replacement for sheltered housing that was scheduled for demolition. One social care officer explained how the scheme was serving its purpose of promoting independent living, and how social care had supported the scheme to accommodate residents with higher levels of care:

*It's somewhere in between for us, the extra care, cos it's not living completely independently, but it's not 24 hour care and support. So the emphasis is more around the promotion of independence, the reablement, the picking up of things quicker. We've had people with quite prolific dementia that normally would have ended up going into placement, they've been maintained there with the support of the supporting people on site and the care agency and ourselves for a lot longer than they would have been. There was a resistance if you like from [the scheme] around what level of need are you asking us to*

*meet, but with that support and with their confidence growing they've been able to manage that well.*

7.22 Housing associations expressed concern about the idea of setting a low threshold for the amount or level of care available in a scheme:

*What we're experiencing in one area at the moment is a drive on reducing care hours within the building as a whole, so we've now got one scheme where half of our tenants have no care package and our concern around those kind of things is we're going to end up with glorified sheltered housing buildings cos of the way they're stripping funding. They might start on food next from a housing benefit perspective. They're all things that chip away at your ability to deliver the service.*

7.23 A typical approach to allocating units in extra care was reported to involve a joint panel consisting of care and support commissioners and housing and care providers. Expressions of interest are received; some people apply directly and some are referred by social care and housing. Panels review applications to determine eligibility. Some combination of the scheme manager and the care manager often carry out a home visits to make a more formal assessment – to review the applicant's care needs and to assess their suitability for extra care, to determine whether they can afford to live in extra care and to ensure they are making a positive choice and there is no coercion involved in their decision.

**Challenges for the future**

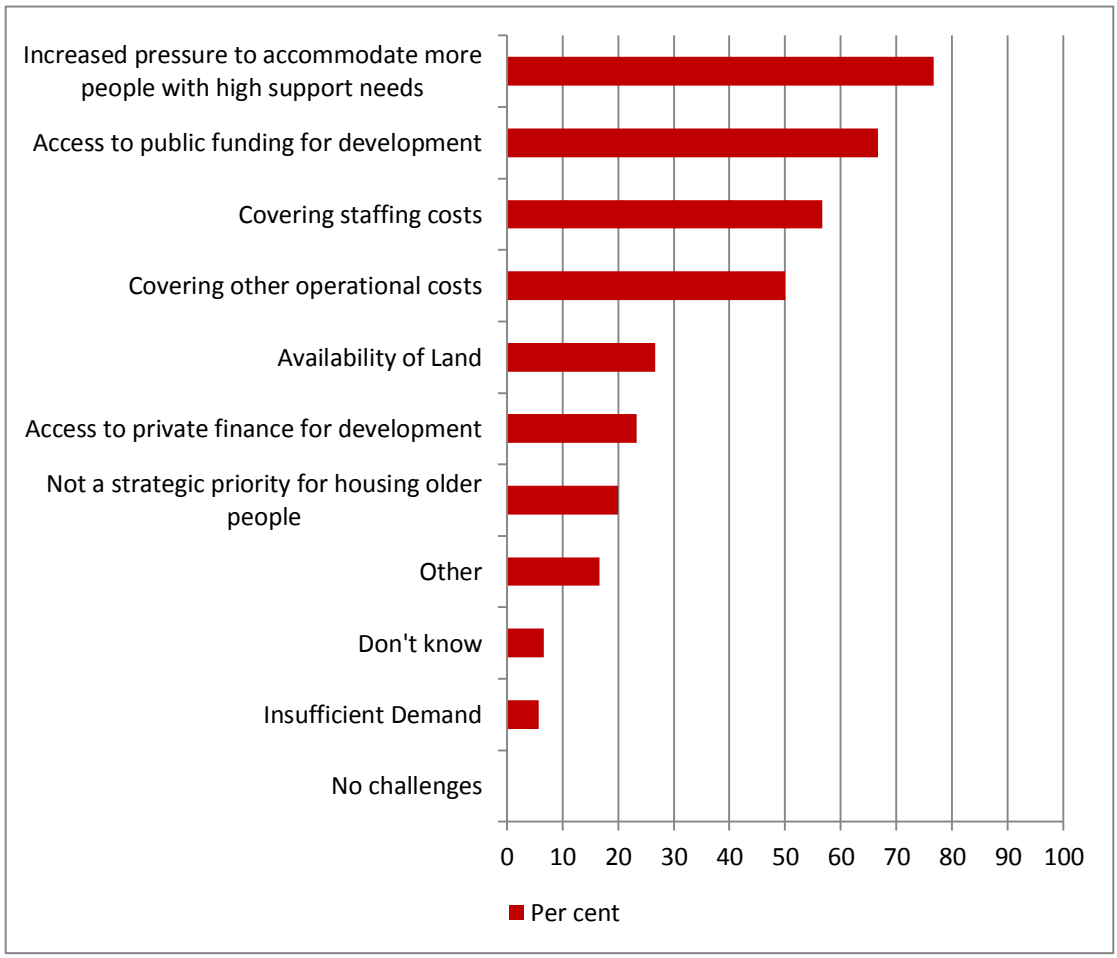
7.24 Two key challenges were identified by scheme managers responding to the survey when reflecting on the future of extra care. First, three-quarters (77 per cent) identified increased pressure to accommodate more people with high support needs as a future challenge. Second, scheme managers appeared concerned about revenue funding. Over half (57 per cent) of scheme managers recognised covering staff costs as a future challenge and half (50 per cent) acknowledged that it would be a challenge to cover other operational costs in the future. On a more positive note, scheme managers expected extra care to remain a

strategic priority in relation to meeting the housing needs of older people (only 20 per cent reported that it would not be a strategic priority) and expect extra care provision to be in demand (only seven per cent identified insufficient demand as a problem in the future).

7.25 Case study respondents confirmed that these two issues, reporting pressure to accept new residents with high levels needs at the same time as facing a reduction in care and support as a result of budget cuts. For example, a number of case study schemes reported the recent loss of 24 hour care. One housing association manager explained the impact that the loss would have for their care and support arrangements:

> *The other thing they're looking at in terms of reducing care hours is staff on site at night. All our buildings have two staff on site at night, so they'll be for scheduled calls and for emergencies. So in two of our schemes we've got one waking, one sleeping, all the others they're all waking, […] if you cut the staffing at night that opens up a whole other range of risks in terms of building security, how the building's managed, fire protocols cos of the client group in the building.*

**Figure 7.4: Scheme manager perspectives on the challenges for Extra Care in the years ahead?**




7.26 Similarly, another landlord extolled the virtues of 24 hour cover:

> *From a care point, irrespective of whether they've got a care package or not, and they press the Lifeline button, care staff attend that call and will see to that person, call the emergency services if needed, stay with that person until somebody comes. With regards to sheltered [housing] you wouldn't have care staff on site 24 hours a day. I don't think unless you've got staff on site 24 hours I don't think that is extra care.*

7.27 A key issue here is the profile of residents that a scheme is expected to accommodate without 24 hour care cover. Two social care managers explained that their local extra care scheme did not have 24 hour care,

but it had been commissioned to cater for residents with lower level care needs, partly in an attempt to minimise running costs:

*Respondent 1 I think the difference is ours isn't 24 hour staffed onsite, So the criteria had to be lessened really … we had to go for a 50/50 split, it wouldn't be cost effective to have 24 hour care in there. We could have high care needs if we had 24 hours but at the moment it doesn't fit.*

*Respondent 2 And it's managing independence, if you've got 24 hour care you've got people becoming more and more dependent and we concentrated very much on assistive technology in that respect to manage that risk. The next extra care that we're doing we're going down the third route model where a third of people have low needs, a third medium, a third high so if that's the way it works out we'll have 24 hour care, but in what capacity has not really been decided yet.*

7.28 One way that this challenge of resourcing care was being met in two case study areas was to pool resources from social care and Supporting People to joint commission services in extra care. In both areas, this joint commissioning was in its infancy, and while officers expected it to lead to cost savings without having a detrimental effect on care and support, evidence of any impacts did not yet exist.

7.29 In three of the case study extra care schemes, care and housing support contracts were held by the same provider. Social care managers believed that this was a favourable model because it allowed flexibility:

*we think it's a good model, with the majority of the care provided by the same provider but we've added bits in, what they can't provide people bring with them and be a bit flexible like that and that seems to work.*

7.30 A care manager in one of the extra care schemes also pointed to the benefits of this model:

*I think it works well both being from the same organisation because when there's something going on, should there be any issues […] when we're going out visiting somebody and we recognise there's an*

*issue with regards to a care need or anything then we can work hand in glove. Whereas we're not certain if it's an external provider who is providing the package of care. We've had this, even though we work closely with the local authority, with their initial response team, so when somebody's discharged from hospital, if there's an increase of a package we can't just go ahead and increase it, we work extremely closely with the local authority but it's their team of staff that are going in, but then what happens is families come in asking us and we don't know so we have to find out what's gone on or even if it's that a paramedic has been called, we don't know enough information about this person.*

7.31 Scheme managers and housing association offers reported that rent arears were low and that extra care was proving affordable for residents. This view was shared by the residents taking part in the focus groups (see Chapter 8). This could, in part, reflect the fact that scheme managers reported conducting a stringent affordability check and supporting new residents to complete an application for Housing Benefit support where appropriate. However, virtually all stakeholders recognised that proposals to introduce the Local Housing Allowance (LHA) cap raised the possibility of major affordability problems for many residents. The percentage of residents in receipt of Housing Benefit (HB) varies between schemes, but one housing association managing multiple extra care schemes in Wales estimated that, on average, about 70 per cent of tenants in its extra care schemes claimed full or partial HB. It was also suggested that even in schemes where a lower percentage of residents were in receipt of Housing Benefit, this would increase with time as residents exhausted their available funds (for example, from selling their previous home). Some concern was expressed that the LHA cap could lead to tenants struggling to cover the 'shortfall' rental payments, the key concern amongst scheme providers was the difficulties that residents might encounter in the future covering the service charge. Housing associations raised the possibility that these

reforms could undermine the viability of the extra care model and force a dramatic remodelling of provision.

7.32 These concerns were expressed in the context of cuts to other funding streams resulting in a reduction in some services to residents. One housing association officer explained how things had changed:

> *For me having been here since we built the first one, in the beginning everyone threw all the money in. So the care was going in, you had supporting people funding going in, housing benefit, in the early days we had lengthy conversations with housing benefit departments about services charges, what they'll pay, what they won't, cos our service charge includes their midday meal. Gradually what's happened over the last three or four years is we're seeing some of the funding being stripped back. Supporting people is a biggy for us, we're probably going to end up in a situation where we're going to lose our support workers which is going to have a massive impact on the tenants. Cuts to care packages and in-house services deciding they're not going to provide some of the services they've traditionally provided in extra care. That balance with the social services and wellbeing act and what's right for the individual and what's important to the individual, we've had some real battles, we've acted as advocates for some of our tenants to help them overcome that.*

# 8 Resident Experiences of Extra Care

## Introduction

8.1 This chapter focuses on life in extra care from the resident perspective. It draws on insights generated through nine focus groups with more than 80 residents of nine schemes across the six case studies. The chapter presents rich qualitative material that reveals the views and opinions of residents about their accommodation, the facilities available and the services provided.

8.2 This chapter is framed by attention to the following research questions:

- How did residents hear about Extra Care?
- What were the reasons for resident's choosing Extra Care schemes over other forms of older people's housing?
- How did residents apply to the Extra Care scheme and what was the process of securing a unit?
- What are the strengths and weaknesses of the Extra Care scheme? To cover: support provided; use of communal areas; accommodation; accessibility/ability to navigate scheme; services provided (meals etc.) and associated costs/quality; access to local amenities; privacy; impact on levels of independence

## Resident experiences of extra care: key insights

8.3 Resident experiences of living in extra care were very positive. Residents valued the independence that extra care afforded, but welcomed the safety and security of living within a scheme. Reassurance was provided by having care and support available as and when required. High levels of satisfaction were reported with the accommodation, positive comments being forthcoming about design standards and accessibility, which made it easier for people to go about their daily lives. Communal facilities were reported to provide opportunities for social interaction that were valued by many residents. The general consensus was that extra care was affordable housing option, although there was some confusion about what services were

covered by the service charge. Many residents compared extra care favourably to sheltered housing and residential care.

8.4 Some concerns and areas for improvement were identified. These varied from scheme to scheme, but included concerns about the location of schemes and problems of accessibility, which could serve to limit access to services, amenities and opportunities for social interaction in the wider community. Some residents raised concerns about a lack of communal facilities. Concerns about the care and support provided centred on the rotation of staff and resultant difficulties developing a relationship with carers.

8.5 The following discussion draws on data from nine focus groups with residents of extra care schemes to evidence, illustrate and expand upon these key findings.

**Moving into extra care**

8.6 In terms of motivations for choosing to move into an extra care scheme, residents broadly fell into one of two groups: people whose accommodation was no longer suitable given their (or their partner's) *immediate* needs (in terms of health, mobility and ageing); and people whose current accommodation presented no immediate challenge but who were *planning ahead and seeking to manage needs that might arise in the future* (for them or their partner). In both cases, people had typically made active and considered decisions about their future housing situation.

8.7 It is important to note that many of these housing decisions were made in the context of gaps in local provision that served to limit choice. Some residents moved into an extra care scheme because of a lack (or a perceived lack) of specialist or suitable general needs housing, locally, as can be seen in the following account:

> *The trouble with this area [is that] there is no…adapted bungalows. I think in the whole of [local authority area] there's eight. Choice is a big thing; it really is*

*Current accommodation and living situations not meeting immediate needs*

8.8 Generally, residents who were previously homeowners found it difficult to leave their homes, but for a range of factors chose to relocate to more suitable accommodation. Many felt pushed by immediate and ongoing health, mobility and ageing needs and the acceptance that their current homes and living situations were no longer suitable:

> *I think we're mainly all here cos of illness or something so that's forced us here in the first place*

8.9 This type of move was common when people were living in accommodation had become inaccessible and where adaptations would not have been possible or would have been too costly to carry out:

> *I came out of a bungalow to come here […] I'd got to the stage where I needed a chair and they wouldn't alter the doors […] for me it was the right choice cos I know my health is gradually going downhill*

> *It was a little cottage; it had some really steep steps down to the kitchen but there were steps down from the road to the front door and it had a solid fuel stove and I just found it more and more difficult, cos I had a stroke and I lost my right hand. Carrying coal in and things like that, I was thinking "in a couple of years' time I'm not going to be able to lift this stuff up"*

8.10 Some residents talked about how their previous accommodation was in a poor location (at the top of a hill, for instance):

> *Where I lived I was becoming isolated. It was up and down walking […] to get to the village it was very up and down*

8.11 These people had often been physically isolated in their previous home and community; had infrequent contact with friends and family; and those who felt burdensome to families when their care needs increased:

> *I probably would have stayed there but you are isolated. Sometimes I wouldn't see anyone [and] although you're on an estate and you've got people all around you, you can go for days and days and not see anyone unless you make the effort to go outside*

*I couldn't stay in my house. I could but then I thought "it's not fair to my children"*

8.12 Moving into extra care housing entailed a change in tenure for many of these people, from owner occupation to social renting. A further reason for moving into extra care mentioned by these respondents revolved around an inability to cope with the pressures of home-ownership and maintaining a household at the same time as managing their own or a partner's health needs:

*I still want to be part of a community; I want to take part in things that happen locally. But when you've got lots of pressures on you at home, those bits and pieces become hard and I just think 'I can't be bothered'*

*I left my house of 41 years as I found I couldn't clean it properly anymore*

*I lived on a big estate […] with a large garden and I found it was getting too much for me. I could see my garden deteriorating and I just couldn't cope anymore*

8.13 People who were previously home owners reported that extra care was a preferable to other forms of specialist housing and residential care. One resident – who moved out of his owner-occupied property following an accident – emphasised the difference between extra care and other forms of specialist provision he had experienced:

*They offered me here and I was glad of it cos I'd been in one old people's home and one nursing home […] and for me they were the end of the world […] nothing happened. You had your meal, went and sat in a huge lounge. You had a big TV on the wall blaring and nobody came to see you […] this in comparison is fabulous*

8.14 Several residents felt that extra care was the only form of older person's provision that they would have happily to move into. Staying with family or remaining in unsuitable accommodation was often seen as preferable to going into residential care or a nursing home, although far from ideal:

*Interviewer: Did you feel you had another choice or would you have had to remain in your own home?*

*Resident: I think my family would have looked after me.*

*Interviewer: Would you have been happy with that?*

*Resident: I wouldn't want to inflict myself on them*

*Planning for potential future needs*

8.15 This cohort of extra care residents tended to be slightly younger older people who, at the time, were without – or had fewer – care needs but had made planned moves in anticipation of needing care or support for themselves or their partner in the future. One participant spoke of how she was able to move into an extra care scheme in the City case study area before her husband's health needs became too difficult to care for alone:

*In another year's time I wouldn't be able to cope with him and he would have gone into a home. We've been married 51 years, I didn't want that […] So it was mentioned about this place and I said I'd really like to go […] we're in a self-contained unit, so we are still Mr and Mrs, we've got our own lives*

*I saw all the things that would keep me in [name of street], and my husband was alive then and in the end my son said "you'll regret it, there's only one flat left". So I said "alright" and I said "yes"*

8.16 Residents mentioned several factors that had serviced to pull them toward extra care, including flexible care and (in some cases) on-site support, safety and security, and accessible living arrangements. Many of these factors were reported to be distinct to extra care schemes, such as being able to move into a self-contained unit with a front door and with *flexible* care which allowed tenants to retain their independence. Being able to move in with a partner and continue living together as a couple was another attraction of extra care:

*When somebody goes into residential care they don't take their family with them, and that's the beauty of this. I moved in with my mother, quite a few people moved in here as couples*

8.17 Security were also reported to be an important pull factor, with resident accounts revealing how people had felt unsafe where they were living previously:

*And you know if there are rowdy lads walking up and down the street […] if there are, you're not lying in your bed thinking "I wonder if I'm alright". You can go back to sleep and know you're safe*

*I was in a pensioner's bungalow […] I thought I need some more security in my life and I was 79 last week so I'm getting older*

*How did residents hear about extra care?*

8.18 Before moving into an extra care scheme, residents reported being relatively unaware of what extra care housing entailed. As one focus group participant revealed, '*I knew it [the scheme] was here, but I didn't know what it was like*' . This resident found out that accommodation in an extra care scheme was self-contained, and that '*you can bring your own furniture*', only after hearing about it from a friend who attended an open day. In many cases, residents knew and referred to schemes by their names rather than the label 'extra care'. This is reflected in a conversation with a tenant at the Scheme 2 in City:

*Interviewer (I): Did you know what extra care was? I think you were saying you didn't know what extra care was and what it was all about?*

*Respondent (R): I didn't know at all.*

*I: How did you find out?*

*R: […] there was a meeting about extra care and X was talking about it and I was like, "Oh, I'm in extra care am I?"*

8.19 Often, residents only became aware of extra care as a form of provision when they became aware of a local scheme. Common ways through which residents became aware of extra care included: attending an open day (or having a friend or relative attend an open day on their behalf);

hearing about a development through word of mouth (from family, friends, or current tenants); advertisements in the local press; recommendations from social workers, carers and support workers; or actually *seeing* the scheme being developed and built in their local area. Several residents had family or friends living at the scheme who encouraged them to come and take a look around:

> *[We found out] through my son-in-law. His mother was already here […] and my daughter asked us to come and look […] and we did*
>
> *Our younger sister who lives in City found this place and phoned me and I said "okay, let's go and have a look"'*
>
> *My family are here and my sight has gone really bad so I decided to come here*

8.20 Some residents were aware of extra care before moving in. These residents distinguished extra care from other forms of older people's housing by reflecting on what it is not. As one participant remarked, 'It's not a nursing home" . Others perceived extra care as independent living with flexible personal care on offer if needed:

> *I didn't come to live in a care home. I came to an independent [housing scheme] with extra support off the housing assistance […] and if you need care you can pay for care*
>
> *I: So you had a good understanding of what extra care was?*
>
> *R: Yes – if I ever needed it, it's there*
>
> *When somebody is finding it difficult at home, the first reaction of the family [is] they say 'mother's going to have to go into a home' and mother may not be ready to go into a home, but mother may be ready to come to somewhere like this where she's got her independence, she's also got care and I think that's so different*

8.21 Residents frequently reported being anxious about the choice they were making before moving into an extra care scheme, although the majority reported being happy having once move in. Residents reported that

family members sometimes questioned whether extra care was the right choice:

*My son didn't want me to come here cos he thought it was like an old people's home*

*Well I thought it was for the elderly and you know*

*My daughter brought me round and they showed me round but I said "no" […] Then this other one come up this year and my daughter said "I think if they'll take you, you should have it cos you won't get another chance" […] so she brought me round and I looked round and I thought "it's different to what I thought"*

**Strength and weaknesses of the extra care scheme**

*Support provided*

8.22 Different residents of extra care schemes received differing levels of care and support depending upon their individual needs. Therefore, whilst all respondents benefited from the housing support, not all were receiving a care package. Overall, the level of resident satisfaction with the care and support at the extra care schemes appeared high. As reflected in the following comments, residents praised the care and support provided. Those who had received care and support in other housing situations noted comparative strengths of provision in extra care:

*There's no doubt that I've had the finest care I've had anywhere here. The care staff, I think you can't praise them enough*

*I find that the carers are very kind*

*We have external [carers] and they come in on a regular basis to everybody that needs them and they're doing very well. They're quite a new company but they're doing extremely well*

8.23 A common theme that arose during discussion of care and support was the importance of having a sense of rapport and a good relationship with care and support staff. Residents in schemes where care and support staff were located on-site appreciated being able to form close, trusting

relationships with the staff. As one resident commented, *'we get to know the care staff; they're more like friends, we know them'*. Some residents in schemes where care was contracted to external providers, opted to bring in trusted carers with whom they had already established a relationship prior to moving into extra care.

8.24 Residents in a number of focus groups in different schemes provided positive accounts of where care and support staff had exceeded expectations and had made a significant difference to their overall well-being:

*Carers came and helped me unpack. They stayed with me most of my first morning, told me about how the place works*

*The support we get off the housing support is free. If we're not very well, we can't get out, they will help you down […] get the ambulance for you, they'll do all sorts of things*

*R: I haven't got to do things on my own when I used to do everything…*

*I: So the care element has made a big difference?*

*R: Yes and with the paperwork and everything*

8.25 Not being able to form good relationships with staff was a cause for concern in some case study schemes where the model of care had been (or was in the process of being) changed from on-site to external delivery:

*What we're concerned about is, when the changes happen, that the staff we've got now know everybody in the building – they know your needs, they know your habits – when the new people come in they won't have that experience*

*Since the council have given up doing it we don't have the continuity of care that we used to have and I miss that cos not only do you get to know them, they get to know you*

8.26 A frequent refrain from residents receiving care was that they would prefer to have had the same carer every day – allowing them to form a relationship with their carer. However, these residents reported that the fact that they had a clear care plan meant that the care they received was consistent:

*That care plan is lodged in our flat and a copy in their records here so anybody coming in […] if a carer came in knowing nothing about me, by looking at the care plan they could work right through my hour in the morning and what has to be done*

*The only thing I used to complain about was every day when I go in there for a shower I get a different person that dresses me […] I had to get used to that*

8.27 Residents valued the flexibility of the care and support provided in extra care schemes, noting that it could be tailored to suit the individual's needs and promote independence. Support was reported to be available if tenants need it without being overbearing. This was contrasted to the 24-hour, on-site care that residents associated with residential care schemes:

*One of the good things about the way the system works is that the staff don't interfere with you and if you need help you go to the staff. You don't get someone saying "good morning, are you still breathing?"*

*You can live your life and have the care you need*

*In the place where I was before, because they were always keeping an eye on you, you can't go here, you can't go there, it's kind of like an institution there and I didn't really like it*

*Use of communal areas*

8.28 Communal areas and facilities that offer opportunities for social interaction with other residents are a common feature of extra care housing. In the case study schemes, communal areas included lounges, dining rooms, cinemas, computers suites, craft rooms, therapy rooms,

and gardens. These communal spaces were valued by the majority of residents involved in the focus groups, who reported using them on a daily basis to socialise with other residents:

*I have to come down from my room cos I'm blind […] I still want to be with a group. They tell me what they're doing and we all get on together*

*We can come to the communal rooms and have chats*

8.29 As well as providing a space for socialising, residents reported that various events for residents and the wider community took place in communal spaces. Family and friends were often reported to make use of on-site restaurants and cafés:

*Very often me and my friend come here of an afternoon and have a cup of tea and a chat and on a Sunday my granddaughter and great-grandson come and we have a coffee*

8.30 However, it was frequently reported that some communal spaces were underused by residents, especially in the evening, and this was somewhat at odds with evidence received from scheme managers who generally reported that communal areas were regularly used. These comments tended to focus on large lounges and dining halls, which were seen as overwhelming by some residents, especially when they first arrived at the scheme:

*I knew quite a few people when I moved in cos my brother-in-law was here […] but the point is when you have to walk into that lounge for the first time for lunch it's quite overwhelming if you don't know anyone*

*I: Does anyone come down at night; do most people then retreat to their flat?*

*R: About half past six and then it's dead*

*There are about eight or ten people use it but they're [computer suites] very rarely used*

8.31 Some residents reported that they didn't use communal spaces as a matter of choice because they had their own daily routine and didn't feel the need:

*I'm quite happy in my own flat - I've got crosswords, telly…*

*You can be with people if you want to or you don't have to if you don't want to. You eat together but the rest of the day it's your own*

8.32 However, residents in schemes where there was no communal lounge reported regretting that no such space was available:

*I think most of us still feel a bit aggrieved that we haven't got a downstairs lounge. We had a do last night, we had an entertainer come in and we moved those horrible square tables out, brought in the nice round tables from the dining room…*

*Accommodation*

8.33 A common refrain amongst residents when discussing life in extra care was the importance of living in self-contained accommodation – with its own front door. This was reported to allow residents to maintain independence and privacy at the same time as gaining security by living within the scheme:

*[I] decided to come here and the security of having my own flat, doing as I pleased*

8.34 Focus group residents talked positively about quality, warmth, and size of their flats, some residents point out how spacious they were in comparison with previous accommodation: *'I lived in a very small cottage and my bedroom is two thirds bigger than the bedroom I had in my cottage'* . Residents who were wheelchair users or relied on mobility aids reported being pleased with the size and accessibility of their accommodation: '*I can make a cup of tea; they've lowered the surfaces*' . Residents in two bedroom apartments welcomed being able to have friends and family to stay overnight when visiting:

*With me a flat became available with two bedrooms and it's lovely here cos I needed the bedroom cos my niece is the other side of Liverpool and she comes to visit so she stays overnight so the bedroom was ideal for me to have*

8.35 A number of residents welcomed having been able to select their flat before moving into the scheme, reporting that this instilled a sense of autonomy and control over the moving process. The ability to make minor alterations to the flats, with the permission of the scheme manager, also helped residents with the settling-in process and with the transition from being an owner-occupier to a social tenant:

*First thing we did once we'd got some money is we applied to have the toilet changed in the bathroom cos one other tenant had done it with permission. They allow you to change things as long as you ask them*

8.36 Several residents spoke of how they felt 'at home' in their flats: 'I've made my roots here now'.

*Accessibility / ability to navigate scheme*

8.37 There was a general consensus across all nine focus groups that extra care schemes were well-designed in terms of accessibility and layout. Schemes were described by residents as 'light', 'spacious', 'clean', 'secure' and 'wheelchair friendly' with 'wide corridors'. Some residents had experience of alternative provision, which was reported to be designed to lower quality standards in terms of space and design:

*We looked at a few places before we came here and walked in and invariably corridors were dark so you almost felt as though you were in prison*

*[Speaking about sheltered accommodation] It's clean but it's dark; it's narrow corridors. I don't know how old the building is but probably 20 years older than this […] the chairs are all round the outside, it's all straight lines*

8.38 As a result of accessible design features – such as lifts, wide, colour-coded corridors, light and spacious communal areas – residents reported improved mobility, well-being and ability to manage day-to-day tasks since moving into extra care:

*I'm not having as many accidents*

*There was a lady in here […] she was in a wheelchair when she moved in and eventually she was walking with a walking stick. Moving in here was good for her, it gave her confidence*

*I: Does anyone feel that their personal health and wellbeing has changed while they've been living here?*

*R: Yes, yes, definitely cos I don't have to go up or down stairs, everything's on a level here*

*Services provided, costs and quality*

8.39 The service charge was raised as a topic of discussion in all nine focus groups. There was an element of confusion in these discussions around what the service charge covered, and as a result, some complaints about the fairness of paying it:

*You get everything included… Service charge for the maintenance, we even pay for TV licence which we shouldn't do cos they've got TV in the TV lounge. We're over 75… we shouldn't be paying it but we do*

*I think we pay an awful lot […] we each pay £9/week for window-cleaning, dustbin emptying, we all pay council tax on top of our rent and everything and yet on top of that we're paying to have the bins emptied*

8.40 Residents who reported that they were still largely independent and did not have any care needs preferred to have the choice of whether or not to pay for meals in the service charge:

*For some people it's a lifeline, having a meal […] But other people perhaps want to use their independence a bit more, some people have got relatives in England who they go and visit. They shouldn't have to pay for meals here*

8.41 Despite some mild grievances, the value of having necessary services covered by an additional charge was acknowledged by most residents – particularly the daily meal. Meals were provided in an on-site restaurant, most of which were open to the wider community. The importance of this service was emphasised in the focus groups not only in terms of nutritional value and health but in in relation to the social value. Lunch was treated as a social occasion, providing an opportunity to mix with other residents. It was a fixed event in the day which residents could look forward to. The quality, value and choice of food on offer were also mentioned:

*It's something to dress up for and get ready to go out to*

*What I like about it is I have a two course meal which is delicious and I don't have to do any preparation, I just walk down and sit down to it*

*Some people, the only chance they really get is at lunchtime and then they won't see anyone till the next lunchtime apart from maybe a helper or something like that*

8.42 Additional services were reported to be offered to residents at an extra cost. These varied across case study schemes but included on-site shops/produce stalls, hairdressers/beauticians, therapists and health practitioners. Residents spoke positive about the availability of these amenities on-site, especially for residents with limited mobility. There were complaints in some case study schemes that some specialist services had been discontinued.

*Access to local amenities and links to the community*

8.43 Good practice suggests that extra care schemes should have good pedestrian access and transport links to enable active resident engagement and participation in the wider community. The situation was found to vary across the case study schemes and to impact on the degree to which residents felt connected with the wider community. This is an important point in relation to schemes with limited on-site services. In this situation, residents are more dependent upon access to local shops and amenities. For these reasons, case study schemes in rural

locations – and some located in urban setting but with poor pedestrian access or transport links –presented particular challenges for residents.

8.44 Moving into an extra care scheme was reported to have improved access to amenities and engagement with the local community for some residents. These respondents reported being socially and physically isolated in their previous accommodation:

*I can walk to town, I can get a bus outside and go to X and I've got such good company which I didn't have in X so it was a revelation for me*

*I: Thinking about the location, are you able to get around to shops, leisure facilities, GPs?*

*R: The GP is across there.*

*R: Chemist across there.*

*R: Chemist, optician, electric shop, loads of shops here*

8.45 However, in six out of nine focus groups, issues around links to the wider community were raised as a problem. In these schemes, residents were positive about life in the scheme but questioned its location and the impact this had on links to the local community. Some schemes were located on steep hills which made travelling to the nearest bus stop challenging for residents. Other residents complained about the accessibility of pedestrian routes into the nearby town:

*When we asked for that path the council did promise they'd put railings up cos some parts are dangerous. We're still waiting for the railings*.

*There's only one thing wrong with this location […] it's at the top of a hill and we've got a hill to get into the town*.

8.46 Public and community transport was reported to be exist but problems were raised regarding availability. One resident explained that even if space could be found for a wheelchair on the outward journey, there was no guarantee it could be on the way back. This meant that many

residents were reliant on taxis to access local amenities, making local journeys expensive:

*We've got a taxi that'll take us but it's so much in price cos you are disabled.*

8.47 In a minority of cases, poor accessibility and transport links had led to residents feeling isolated and 'cut-off' from the local community. One resident illustrated these problems by referring to problems attending a health appointment:

*I rang up this week to see my diabetic nurse […] and the lady on the desk said "I'll book you in twice – once in the afternoon for your blood test and then come in the morning for your other test". A taxi is £6. I said "I'm not paying £6"* (Scheme 1, Rural North Authority)

*I: Does that mean you don't get out as often as you'd like?*

*R: I'd be out every day if I could.*

*R: We don't get out at all*

8.48 Two schemes with active tenant associations had organised their own transport using funding from small grants or fundraising events. However, residents remarked how this was a one-off option given its expense and was usually for trips out rather than everyday use:

*The trip yesterday […] we had transport especially for people with wheelchairs [which is] very, very expensive […] it takes a long time to load people and unload them […] and we, as a tenants' group, would not be able to afford it unless we had this grant that the committee worked to get […] when that's gone we won't be able to afford it again*

8.49 The sense of community within schemes with a mix of residents with different levels of care needs was referred to positively by residents, despite evidence from other studies that a mix of 'frail' and 'fit' residents can occasionally lead to tensions in the community:

*You get a mixture of people who you didn't know [and] people you do know so it's a happy medium really*

*I: You have people who are younger as well accommodated here? Tell me about that.*

*R: I think it ought to be widened out*

*Cos we're all different ages, different walks of life but we get on alright*

*Affordability*

8.50 All case study schemes were part-funded by the Social Housing Grant to provide specialist housing at affordable rents. Although a minority of residents reported that rent levels were high – particularly those who were still in work – the majority reported that extra care was affordable and good value for money, especially compared with private provision:

*When you sit down and look through the list of things, you're not paying much more than you were paying in your own home by the time you've paid gas, electric, water rates* (Scheme 1, Rural North Authority)

*Our utility bills are a lot cheaper here than in a house*

*My brother lives in a [private] place and it's very nice but it isn't anything like the size and they don't have the size of corridors or lifts […] here you don't feel claustrophobic*

8.51 Several residents spoke about the value of the financial advice they received before moving into the scheme, which assessed whether they could afford to pay the rent and whether they were in receipt of the correct benefits. The availability of such advice and support was reported to have reassured residents about being able to afford their accommodation:

*The thing is they always help you and they have some finance experts within the organisation who'll come and visit you and help you. We've got some people who, without them, we couldn't survive*

*Health and Wellbeing*

8.52 Residents talked positively about the impact that living in extra care housing had on their health and wellbeing, as well as providing reassurance for family members that elderly relatives were in suitable, secure and safe accommodation:

> *My daughter actually says she sleeps easy at night cos she knows I'm here*

8.53 Positive health and wellbeing outcomes were reported to revolve around feelings of safety, security, peace of mind, companionship, and independence. Residents not only reported feeling safer in terms of the physical security of the building but also in terms of their own health (there was less risk of falling and staff were on hand if needed). Feeling more socially connected and being able to take part in social activities were also reported to help improve wellbeing and help overcome loneliness. Living in self-contained flats helped residents maintain a sense of independence (or improved it where residents had moved from higher needs accommodation such as residential care):

> *In every aspect I would say it's safe. If you fall you know that someone's going to come to you*

> *Now I'm feeling so much more relaxed and improved and sleeping at night; it's unbelievable the difference it's made*

# 9 Costs and Effectiveness of Extra Care

## Introduction

9.1 This section explores the costs of extra care schemes in Wales. The evidence base for the analysis is a bespoke financial survey that was sent by Welsh Government to all 45 extra care schemes developed by housing associations, on behalf of the evaluation team. Questions in the survey covered: the characteristics of schemes, development costs, income, staffing and operating costs. Forty-one responses were received.

9.2 This chapter responds to the following research questions:

- how much does it cost to develop extra care schemes?
- how have complete extra care schemes been funded?
- what factors affect the development cost of extra care schemes?
- how much has been spent on redeveloping extra care schemes since they were opened?
- what are the ongoing operating (running) costs of extra care schemes?
- how many staff are employed in extra care schemes and what are their staff costs?
- what income sources are used to fund extra case schemes?

## The Funding and Costs of development

9.3 The total cost of developing the 41 extra care schemes was just over £347,371,000 (in 2015 prices using GDP deflators). This implies the average cost (i.e. the cost efficiency) was £8,472,000. Of the total cost £18,562,000 (five per cent) was the cost of land and £281,499,000 (81 per cent) was the cost of works; including three per cent which was the cost of abnormals (costs which are not part of routine development).

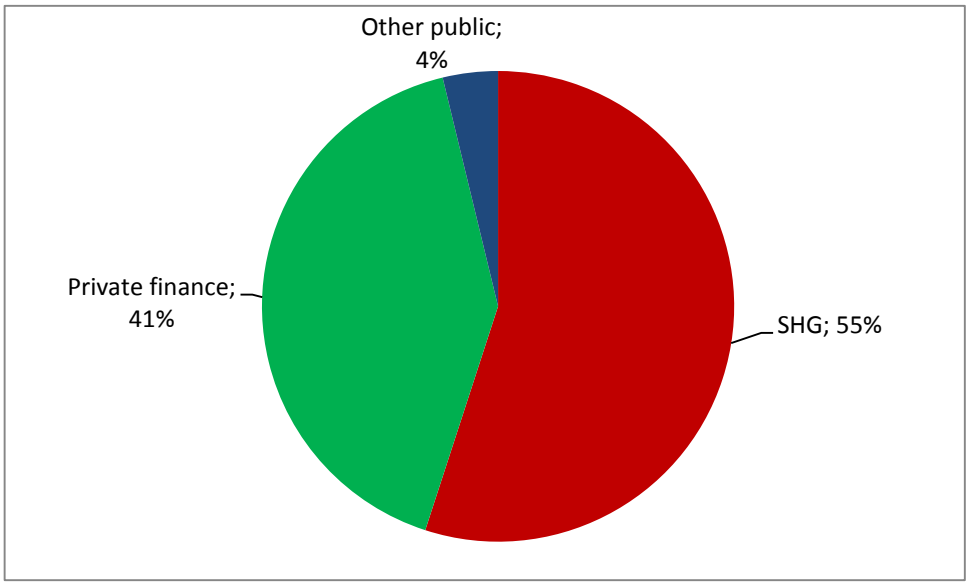
9.4 Comparing the total cost of developing the 41 schemes against the number of units, the number of bedspaces[23] and the area provided reveals that:

- the cost per unit was £179,600. The actual cost ranged from £55,300 per unit to £262,700 per unit. . This comprised £9,600 for cost of land, £140,600 for cost of works and £4,900 for cost of abnormals
- the cost per bedspace was £119,700. The actual cost ranged from £50,500 per bedspace to £199,900 per bedspace. This comprised £6,400 for cost of land, £93,700 for cost of works and £3,300 for cost of abnormals
- the cost per metre square was £1,600. The actual cost from £1,200 per meter square to £2,200 per metre square. This comprised £110 for cost of land, £1,560 for cost of works and £50 for cost of abnormals.

9.5 Figure 9.1 shows that the Social Housing Grant (SHG) funded 55 per cent of the total cost of developing the 41 extra care schemes. Private finance funded 41 per cent of the cost and other public funding contributed the remaining four per cent. There were no major differences in how extra care schemes built after 2012 (i.e. after the ring-fencing of the SHG; paragraph 3.11) were funded compared to those built earlier.

[23] The number of bed spaces represents the number of occupants the dwelling was designed to accommodate.

**Figure 9.1: Source of development cost funding**




9.6 The SHG contributed less than fifty per cent of the total cost to eight of the 41 schemes. This included two schemes where SHG contributed less than 40 per cent of the scheme's cost: one extra care scheme which did not receive any SHG funding (though it was developed by a housing association for social rent) and another where SHG contributed just 21 per cent of funding. Conversely, for three extra care schemes SHG covered more than 65 per cent of the development cost.

9.7 Statistical modelling was used to identify factors that affect the relative cost of developing extra care schemes per metre square. Five of the factors considered were found to be statistically significantly associated with the cost of developing extra care schemes[24]

- Extra care schemes which had abnormal cost of works expenditure were on average associated with a higher cost per metre square.
- Extra care schemes located in an urban authority were on average associated with a lower cost per metre square.
- On average, extra care schemes in which a relatively high proportion of the area was taken up by residential units (compared

[24] At a 0.1 level

to other space such as communal) were associated with a higher cost per metre square.

- Extra care schemes opened from 2012 onwards were on average associated with a lower cost per metre square.
- Extra care schemes with sprinklers were on average associated with a higher cost per metre square.

**Redevelopment and operating costs**

9.8 The survey asked extra care schemes to identify any additional capital expenditure used to redevelop the scheme since it opened. Eight of the 41 schemes listed additional capital expenditure. The value of these works was just under £720,000. However, two schemes made up over three fifths of this amount (£460,000).

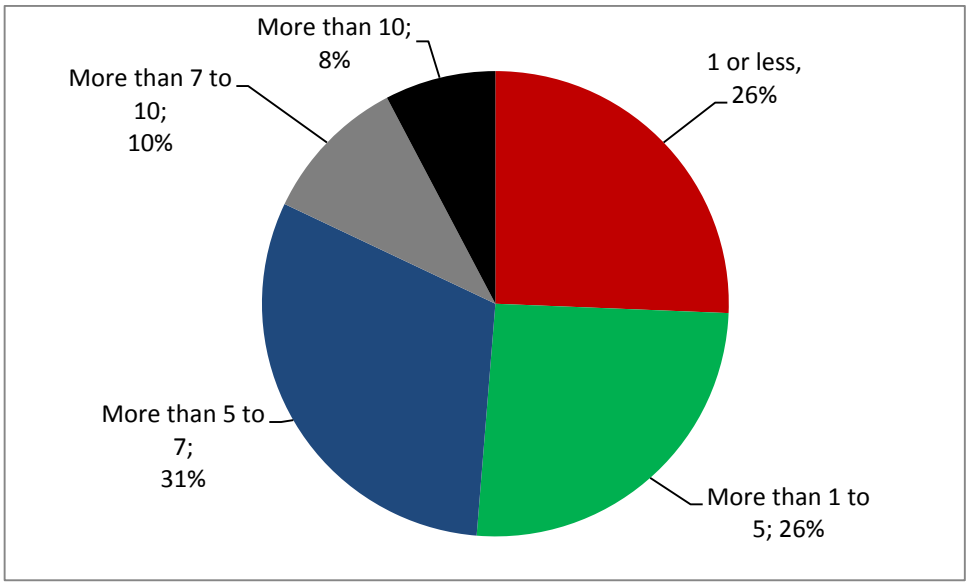
9.9 Extra care schemes were asked to identify a range of operating costs in the latest financial year (in most cases this would have been 2015/16). Reliable information was achieved with respect to three categories of expenditure: management, maintenance and support costs. The following bullets summarise the responses received

- The average housing management[25] cost per unit provided was £2,100. The actual cost per unit ranged from £300 to £10,900. Three schemes had a housing management cost per unit greater than £8,000.
- The average maintenance[26] cost per unit provided was £1,300. However, the actual cost per unit ranged from £3,500 to two schemes with a maintenance cost of less than £500 per unit.
- The average housing support[27] cost per unit provided was £600. The actual cost per unit ranged from £300 to £1,200.

[25] This includes all management costs relating to lettings and operating the scheme
[26] This includes major repairs, day to day repairs and cyclical maintenance expenditure
[27] This includes cost of providing support services

9.10 In total, 198.4 full time equivalent (FTE) staff were employed at the 39 extra care schemes that provided data; an average of 5.1 FTE staff per extra care scheme. The median number was 5 FTEs). This average figure hides wide variation across the 39 schemes. Figure 9.2 shows the extent of that variation.

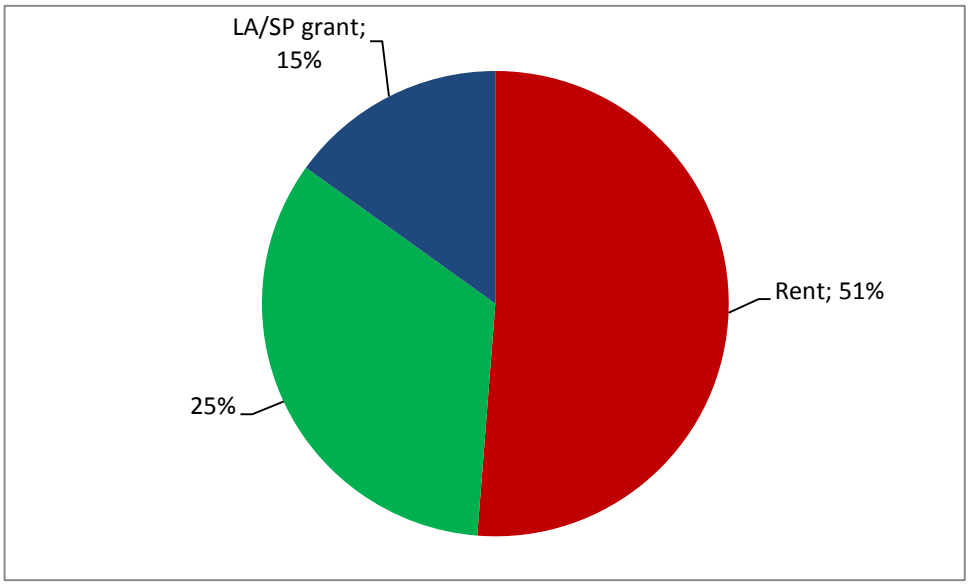
**Figure 9.2: Number of FTEs employed at extra care schemes**




9.11 The survey also asked extra care schemes about their annual staffing costs. Comparing this data to the number of staff employed reveals the average cost per FTE employee was £24,000. Given that on average extra care schemes employed 5.1 FTEs, the average staff cost per scheme was £122,400.

9.12 Thirty-nine extra care schemes provided information about their income in the previous financial year. On average, schemes earned £13,400 per unit. Figure 9.3 shows that rents made up just over half of all income (51 per cent). Of the remainder, 34 per cent was from sale of services/service charges and 15 per cent was from local authority/supporting peoples grant funding.

**Figure 9.3: Sources of income in the previous financial year**



# 10 Conclusions

10.1 **The extra care sector has grown dramatically over the last 10 years.** SHG funding made available by the Welsh Government has been important in driving this growth. Three-quarters of all schemes have been developed since the Welsh Government published guidelines and made ring-fenced funding available to support the development of extra care schemes in 2006. The large majority of schemes built over the last 10 years received SHG investment.

10.2 **An extra care scheme is now open or in development in every local authority area.** The vast majority (95 per cent) of extra care schemes have been developed by social landlords and are providing housing for rent. However, many of their residents were previously owner occupiers.

10.3 Extra care schemes are providing accommodation for older people of different ages and with varying care and support needs. The vast majority of schemes provide communal facilities including a communal lounge, laundry services, a hairdressing room, guest suite and a communal dining room. A sizeable minority of schemes provide facilities designed to support older people with specific needs.

10.4 **Resident experiences of living in extra care were very positive.** Residents valued the independence that extra care affords, but welcomed the safety and security of living within a scheme. High levels of satisfaction were reported with accommodation and communal facilities were providing valued opportunities for social interaction. Extra care was reported to be affordable, although there was some confusion about what services were covered by the service charge. A number of issues or problems were raised by extra care residents including the location of schemes and problems of accessibility of services, amenities and opportunities for social interaction in the wider community. Some residents raised concerns about a lack of communal facilities. Concerns about the care and support provided centred on the rotation of staff and resultant difficulties developing a relationship with carers, as well as the removal of 24 hour on-site care in some schemes.

10.5 **The majority of local authorities, housing associations and extra care scheme managers agreed that demand for extra care outstrips supply.** However, analysis of demand tends to have been limited to the evaluation of waiting lists, which provide an unreliable measure of demand. Little is currently known about demand for extra care for shared or full ownership. Various reviews of extra care have been undertaken by local authorities and housing associations, which provide useful insights. These reviews have rarely applied rigorous evaluation methodologies or sought to assess cost effectiveness or undertaken cost benefit analysis.

10.6 Further insight into demand for extra care is provided by data relating to the health and social care needs of older people, which suggests that extra care would be a relevant and appropriate housing option for a sizable number of the older person population, given the prevalence of long term health problems and disabilities and incidence of mobility and self-care issues. The geography of need evidenced by the incidence of long-term health and mobility problems does not appear consistent with the provision of extra care schemes across Wales.

10.7 Projections of demand generated by employing a range of different prevalence rates suggest that demand outstrips supply of extra care housing across Wales. This gap is likely to widen given that the population of older people is projected to increase dramatically in the future.

10.8 **There is a general consensus across sectors (housing, social care and health) and providers that extra care is an important part of local efforts to respond to the challenges of an ageing population and to increase the choice, improve the living conditions and maintain the independence of older people.** The growth of the extra care sector has supported efforts to reduce the number of older people living in residential care, deliver savings for health and social care, support delivery of the Social Services and Wellbeing Act, and provide an alternative to sheltered housing, which was sometimes reported to be in need of refurbishment or in the process of being decommissioned. A

majority (12) of local authorities expect to see an increase in extra care provision in their area over the next five years. The vast majority of this new provision is expected to be for rent rather than shared ownership or owner occupation, reflecting an apparent lack of interest amongst private providers in developing extra care schemes in Wales. **Access to public funding was recognised as critical to future development of new extra care schemes, but a majority of local authorities, housing associations and extra care scheme managers raised concerns about the availability of such funding in the future.** While there was evidence that a small number of local authorities were exploring creative ways to supplement social housing grant with funds from other public sources (for example, the Viable and Vibrant Places programme), it was clear that the ring-fencing of social housing grant to support the development of extra care housing has been the most effective approach to driving growth in extra care provision. Without ring-fenced SHG, the evidence from the majority of case study local authorities was that further extra care development was unlikely.

10.9 **Some concerns were raised about the future of revenue funding, resulting challenges covering operational costs and, consequently, the viability of the extra care model.** Uncertainties about the LHA cap were highlighted as a key concern, prompting questions about the future affordability of extra care housing for residents. Some local authorities and housing associations were re-scoping the range of services and level of care and support provided in extra care schemes (whilst trying to maintain the essential features of extra care), as well as exploring alternative (lower cost) forms of provision to meet the housing and support needs of older people, including age designated housing with floating care and support and enhanced 'staying put' provision.

10.10 **The total cost** of developing 41 extra care schemes responding to the survey was just over £347,371,000 (in 2015 prices using GDP deflators). This implies the average cost (i.e. the cost efficiency) was £8,472,000. Of the total cost £18,562,000 (five per cent) was the cost of land and £281,499,000 (81 per cent) was the cost of works; including three per

cent which was the cost of abnormals (costs which are not part of routine development). Comparing the total cost of developing the 41 schemes against the number of units, the number of bedspaces and the area provided reveals that: the cost per unit was £179,600; the cost per bedspace was £119,700; and the cost per metre square was £1,600. Social Housing Grant (SHG) funded 55 per cent of the total cost of developing the 41 extra care schemes. Private finance funded 41 per cent of the cost and other public funding contributed the remaining four per cent.

# 11 Recommendations

11.1 In addition to mapping the growth, profiling the delivery and spotlighting the achievements of extra care housing for older people, the evaluation findings pose a number of questions about the future size, form, role and function of extra care housing. This final chapter addresses these issues through a series of key recommendations.

11.2 **Recommendation 1: Clarify the role specialist provision (including extra care) will play in meeting the housing needs of an ageing population.** Local authorities need to have a clear understanding of the housing needs of older people *and* of local provision of specialist housing and support in order to plan strategically and work co-operatively to ensure people have access to appropriate and affordable housing in older age. Scoping the future will require answers to key questions including:

- what is the likely future of existing specialist provision (age-designated, sheltered, extra care), bearing in mind possibilities for renewal, remodelling and refurbishment?
- What is the potential for increasing the supply of specialist housing and what form might this take, bearing in mind viability within the local context?
- What is the future of residential care provision (a key factor impacting on future demand for specialist housing)?

11.3 The answers to these questions will help determine the proportion of the older population required to live independently in general needs (private and social rented) housing, prompting an additional series of questions about the provision of housing support (adaptations, maintenance services and renewal), domiciliary care and assistance. Better understanding of the housing needs and requirements of older people, coupled with a joint strategic approach (Housing, Health and Adult Social Care), will enable local authorities to pinpoint exactly what role their extra care schemes perform and who they serve.

11.4 When considering the role that extra care housing might play in meeting the housing needs of older people it is important to situate extra care housing within the wider context of housing options for older people in Wales. Understandings of the supply and demand for extra care, the role that extra care housing is currently playing and the role that it might play in the future is conditional on the supply and demand of other housing options. For example, the implications of the decision by a local authority to decommission its sheltered stock will have knock-on consequences for other forms of housing provision. Demand for extra care provision will increase. Meanwhile, more older people might be required to live independently in general needs (private and social) housing, putting greater strain on domiciliary services and repair, improvement and adaptation services. The role and function of extra care and the profile of demand cannot be separated from developments across the full range of housing options for older people.

11.5 **Recommendation 2: Public subsidy is vital to the future growth of the extra care sector.** Resident experiences of living in extra care are positive and there is a general consensus across housing, health and social care that the growth of the sector has played an important role reducing the number of older people living in residential care, providing savings for health and social care, and supporting delivery of the Social Services and Wellbeing Act. The growth of the sector in recent years is therefore to be welcomed. However, demand still outstrips supply. Further growth of the sector is likely to be dependent upon public subsidy, given the apparent lack of interest amongst private providers in developing extra care schemes in many local authority areas and the concerns of housing associations about the viability of new developments.

11.6 In response, the Welsh Government might consider ring-fencing a portion of Social Housing Grant (SHG) to support further growth of the sector. Regardless, local authorities will need to develop creative funding models that supplement SHG with funding from other housing, regeneration and renewal programmes (such as the Housing Finance

Grant[28] and the Vibrant and Viable Places programme[29]). Members and officers might require persuading about the value of investing in extra care, given that extra care housing schemes are relatively expensive to develop, in terms of build cost per unit of accommodation. In response, it will be important to evidence the impact of extra care schemes on broader housing needs (for example, through the release of family housing often occupied by older people) and the potential for schemes to support regeneration and renewal, through improvements in the local environment and by serving as a hub for the local community. There may also be opportunities to draw in funding from health and social care funding (for example, via the Intermediate Care Fund[30]) given evidence of the role extra care can play promoting health and wellbeing and providing a setting within which health and social care services can be delivered more effectively and efficiently. Development costs can also be addressed through the provision of public land at nil or below market value.[31]

11.7 **Recommendation 3: Manage uncertainty in revenue funding and promote creativity in provision.** Revenue funding is a key consideration when appraising the viability of new schemes and sustaining the operation of existing schemes. Extra care draws together a number of different funding streams to cover the costs associated with providing services that include housing management, housing related support, care services and services to promote wellbeing. These funding streams have come under increasing pressure in recent years. This uncertainty is undermining confidence in the extra care model, impacting on the willingness of some local authorities and housing associations to pursue new developments and prompting some schemes to rescope the range of services provided.

[28] http://gov.wales/topics/housing-and-regeneration/grants-and-funding/housing-finance-grant/?lang=en
[29] http://gov.wales/topics/housing-and-regeneration/regeneration/vibrant-and-viable-places/?lang=en
[30] http://gov.wales/topics/health/socialcare/working/icf/?lang=en
[31] For further information on capital funding for new extra care developments see: http://www.housinglin.org.uk/_library/resources/housing/support_materials/technical_briefs/technical_brief_02_fundingech.pdf

11.8 It is important that the Welsh Government, local authorities and housing associations monitor the exposure of the sector to shifts in funding streams, including the planned implementation of the Local Housing Allowance cap in 2019 and further reductions in Support People funding. It is also important to explore creative responses, including possibilities for lessening impacts, maximising efficiencies (for example, through joint commissioning of social care and housing related support) and revising provision. It will also be important to share lessons learnt; for local authorities and housing associations to hear about how others are dealing with the challenges of delivering extra care housing in an increasingly hostile funding environment and about alternative, more cost efficient approaches to meeting the housing and support needs of older people.

11.9 **Recommendation 4: new developments should follow design good practice.** High levels of satisfaction were apparent amongst the residents of extra care schemes. A number of design features highlighted in good practice guidance[32] were commended by residents and staff. In particular, safety and security of schemes and the benefits of communal spaces and on-site restaurants were spotlighted. However, problems were also apparent, particularly in relation to the location of some schemes. It is important that schemes provide ready access for residents to the local community and associated amenities such as shops, leisure facilities and medical services to help prevent residents becoming isolated. Siting schemes within the local community can also serve to facilitate use of on-site facilities and services by non-residents and allow the scheme to fulfil its potential as a community asset. Proximity to public transport is also important to allow residents to maintain independence.

[32] http://www.housinglin.org.uk/_library/Resources/Housing/Housing_advice/Design_Principles_for_Extra_Care_July_2004.pdf

## Appendix - Key Sources for the Evidence Review

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