

Supporting Independent Living in Knowsley

A report on the future provision of Extra Care as
an alternative to Residential Care in the Borough

March 2016

Contents

	Page
Executive summary	3
Introduction	5
Towards more cost-effective independent living	7
The potential benefits of Extra Care	9
Residents' attitudes to Extra Care	15
Possible Extra Care delivery models	16
Current and planned Extra Care provision in Knowsley	18
Future Extra Care demand	19
Location of new Extra Care	26
Threats and barriers to Extra Care	27
List of appendices to the full WLC report	31

EXECUTIVE SUMMARY

This report provides an overview of a detailed sufficiency assessment completed by officers of Knowsley Council in collaboration with Perry Richards Management Services Ltd, commissioned by Knowsley's Whole Life Commissioning team (WLC). The report summarises the case for shifting future services away from residential care and towards more cost-effective Extra Care models intended to improve the independence, health and wellbeing of those receiving care.

Extra Care housing is a strategically relevant model of providing housing and support to older people and to adults with support needs. Extra Care Housing offers cost savings to local authorities through the reduced use of more expensive residential and nursing care provision. It can also offer savings to health through the prevention of more expensive forms of emergency hospital admission. It also provides an additional housing opportunity for older people who may want to downsize.

Supply and demand analysis shows a steady increase in older elderly. Subject to the assumptions made in the analysis, an additional 182 units of Extra Care are required by 2020, rising (cumulatively) to 557 by 2040. Kirkby, Prescot Whiston Cronton and Knowsley Village (PWCKV) and Halewood require increased Extra Care provision for older people by 2020 and Huyton by 2030.

The Extra Care model offers a cost effective model of housing and support for people with learning disabilities and mental health problems. It can provide a replacement for more costly residential care, group homes and out of borough placements.

Stakeholders including users are broadly supportive of the Extra Care model. In future, older people will in the main want to stay in their own home but welcome the Extra Care model as a potential option should care and support needs increase. They also want to consider more innovative opportunities such as co-housing.

By far the biggest threat to Extra Care is the potential introduction of rents being capped at Local Housing Allowance rates from 2018. Reducing levels of capital subsidy available will also make Extra Care development difficult but not impossible in the future. Local authorities in a time of austerity and cuts are increasingly unlikely to be able to meet demand for Extra Care and some are looking to the private market to make up the shortfall.

The direction of travel for commissioning in Knowsley has been to separate the housing function and the care function particularly with the rise of direct payments and personalisation. However the threat of future revenue and capital funding may require a different approach to commissioning Extra Care.

Core and cluster models and community based Extra Care is not currently available within Knowsley. The models offer opportunities to support people beyond the perimeters of the Extra Care scheme.

Knowsley has few opportunities for people to buy into Extra Care through the shared ownership model. An assessment based on Housing LIN projections indicates that Extra Care for sale is required particularly in the PWCKV area.

The rising number of people with dementia is a challenge to Extra Care providers and commissioners. Consultation across a range of stakeholders demonstrated a preference for future Extra Care models to have an integrated approach to support rather than having separate provision.

Potential future locations for Extra Care include new developments on existing sites and as part of local regeneration on Brownfield sites identified through the Knowsley Planners review of available sites. Remodelling of sheltered housing schemes and residential or nursing care should also be considered. There is no indication of letting issues at sheltered housing schemes in Knowsley however it may be more beneficial to remodel existing sheltered schemes where there are higher levels of care and support needs.

The report of the full WLC includes the following recommendations:

- Further investigate opportunities for remodelling land for the development of Extra Care for Older People.
- Evaluate sites using the Evaluation Matrix (Appendix 11 in the WLC report).
- Further investigate, with landlords, the potential remodelling of sheltered housing where care needs are highest.
- Investigate options for the redevelopment of residential care homes.
- Consider options for private Extra Care development without subsidy.
- Consider commissioning with landlord in context of future/potential welfare reform.
- Work with Knowsley CCG to determine opportunities for funding from the Better Care Fund.
- Model and commission future Extra Care as a Community Hub (possibly also incorporating a core and cluster model).
- Adopt the co-produced design standards (set out in Appendix 7 in the WLC report) for future Extra Care
- Market Extra Care with Older People in Knowsley to increase awareness of options for rent and for sale
- Keep abreast of changes to Welfare Reform that impacts on Extra Care
- Change the Nominations process to hand the functions of referral and prioritisation to a selected landlord/care provider.
- Integrated dementia support into all scheme design and service models for Extra Care for older people.

- Carry out further research on a locality basis of the demand for Extra Care for sale.
- Develop a de-commissioning plan for residential care.
- Further investigate opportunities for the delivery of nursing care in Extra Care.
- Discuss with Care Quality Commission (CQC) and liaise with the Knowsley Clinical Commissioning Group (CCG)
- Review the assumptions behind the gap analysis annually (E.g. review assumption if nursing care to be provided in Extra Care).
- Investigate options for the delivery of intermediate and respite provision in Extra Care.
- Further consider options for adults with care and support needs.
- Deliver Field Lane development and commission support provider.
- Identify a suitable location for the development of an additional Extra Care scheme for adults with support needs.
- Consider how to enable people with learning disabilities to become owners or tenants of their family home.
- Explore the use of the Mainstay housing vacancies management software to ensure best use of available stock.
- Plan the decommissioning of shared housing.
- Review the assumptions for the needs assessment for adults with support needs

Introduction

The Care Act 2014 and Knowsley's Housing Strategy

The 2014 Care Act requires that local authorities develop markets for the provision of quality care and support that meet the expected needs of residents and are able to maintain care levels even at times when individual care providers may choose to leave the market. The wellbeing and outcomes of individuals who need care and support, and carers, must be central to care services, with emphasis on enabling people to be independent for as long as possible.

As stated in Knowsley's Adult Social Care Market Position Statement for 2016-19:

'Our preferred model is for Extra Care facilities to be developed within communities where there is good access to local amenities. However, where this is not possible we want Extra Care developments to ensure these are available for residents'. 'We welcome providers with ideas about mixed developments which mainly have independent living options but with on-site nursing provision for short term support or end of life care. We also want to work with providers who can adapt support to people with dementia without the need to move them onto more specialist nursing care.'

Knowsley's Housing Strategy, adopted in July 2016, sets out the Council's commitments to supported housing as follows:

- Residents will be supported to remain living independently in their own homes;
- The delivery of new extra care accommodation will be supported within each of Knowsley's communities, within different tenures including affordable rent, shared ownership and owner-occupied and which has the function of providing respite accommodation;
- Developers will be supported in identifying potential sites for extra care accommodation and accessing appropriate funding opportunities;
- The development of well designed, flexible supported homes will be encouraged, to ensure that the requirements of future generations can be met; and
- A register of adapted accommodation will be maintained.

Supporting vulnerable adults in the Borough is also a key priority the Council's Corporate Plan; specifically to support people to remain in their own homes and active in their communities for as long as possible.

Extra Care sufficiency assessment

An assessment of Extra Care sufficiency was conducted by Knowsley Council's Whole Life Commissioning (WLC) team in association Perry Richards Management Services Ltd, the findings of which were set out in a detailed report completed in March 2016. A 'co-production' group was central to that assessment. This group met several times during January and February 2016, and involved people who are currently residents in Extra Care in Knowsley, older people who don't live in Extra Care, service providers, landlords, local authority officers and commissioners of care and support services.

Additional focus groups were held during February 2016 adopting an approach developed by the Institute of Public Care to explore the participants' preferences for, and expectations of, future housing and accommodation.

The assessment was also informed by consultation with the Learning Disability Partnership Board and a focus group at Marston Gardens extra care scheme, involving residents with mental health and/or learning disabilities.

Purpose of this report

This report provides an overview of the more detailed WLC report and summarises the case for shifting future services away from residential care and towards more cost-effective Extra Care models intended to improve the independence, health and wellbeing of those receiving care.

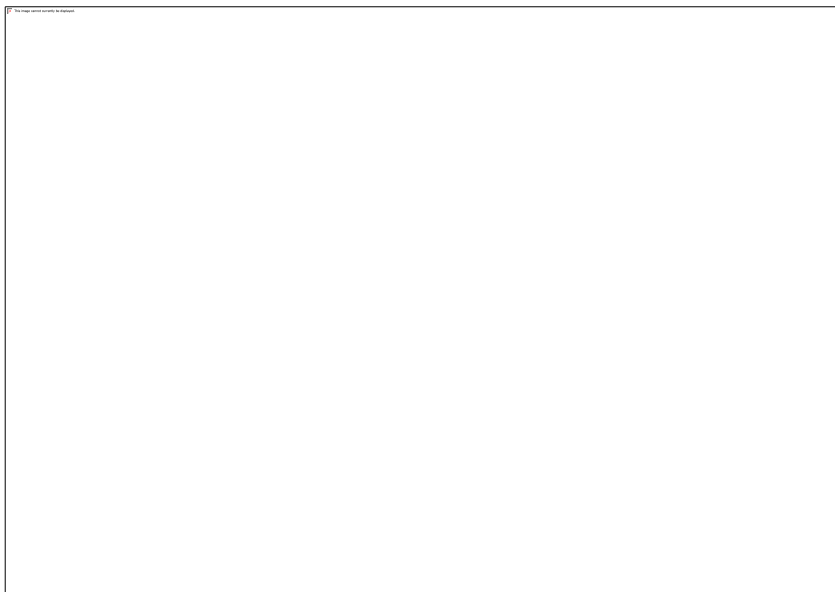
Towards more cost-effective independent living

Current accommodation for people needing care or support

As of 2016, Knowsley has a total of 2,348 units available across the Borough for older people needing care and/or support. This is provided in four types of accommodation:

- **Nursing Care** is provided by a registered nurse for people who live in a care home. The NHS pays a flat rate contribution directly to the care home towards the cost.
- **Sheltered Accommodation** is provided for elderly residents predominately 55+ and consists of self-contained units with some shared facilities and a warden.
- **Residential Care** is long term care given to adults (mainly older) in a residential setting as an alternative to the person's own home.
- **Extra Care** allows residents to continue living independently, typically in a self-contained flat or bungalow, while benefiting from personal care support.

The chart below shows the numbers of units available in each accommodation type.



Background to Extra Care

Extra Care Housing (ECH) describes a type of housing, care and support that falls somewhere between traditional sheltered housing and residential care. It is essentially a hybrid bringing together the high level care services offered in residential care, with the accommodation and independence provided by traditional good quality housing. Its purpose is to:

'...provide well-designed housing that enables people to self-care for longer and gives them access to care and other services, which help them retain their independence.'

Extra Care is a model of Housing with Care which can take many forms, however there are some core elements:

- Fully self-contained properties - Own front doors, security of tenure and the right to control who enters the home
- Often they are purpose-built (although some are remodelled from other provision such as sheltered housing)
- They have accessible design that promotes independent living and supports people to “age in place”
- On-site care provider servicing the scheme and sometimes the wider community
- Some communal spaces and facilities
- Access to care and support services 24 hours a day
- Community alarms and use of other assistive technology
- Safety and security often built into the design with fob or person-controlled entry
- Agreements cover: care, support, domestic, social, and community or other services
- Residents are not obliged to obtain their care services from a specific provider
- Some services may be built into the rental charges residents are required to pay to their landlord.

There is a growing body of evidence that Extra Care has the potential to benefit residents and local authorities through:

- Reducing local authority and health expenditure on long-term residential care, preventing unplanned hospital admissions and supporting timely hospital discharge
- Meeting housing need and broadening housing and tenure choices for older people
- Application to other client groups with long term and fluctuating support needs i.e. learning disabilities, physical disabilities and enduring mental health problems
- Reducing social isolation
- Reducing the demand for domiciliary care.

The potential benefits of Extra Care as an alternative to Residential Care are set out in the next section.

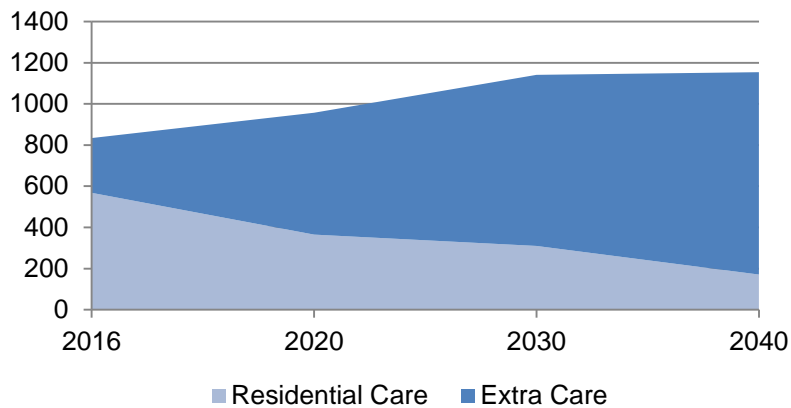
Potential shift towards Extra Care from Residential Care

Knowsley Council aims to take a phased approach to reducing the number of admissions to residential homes whilst Extra Care units are being built. This could potentially see Extra Care accommodation providing for 86%, or more, of the combined extra care and residential market by 2040. The following table and chart illustrate the potential scale of change in the market over the next 25 years.

Estimated market*	2020	2030	2040
Extra Care	591	831	983
Residential care	365	310	171
Nursing care	372	474	522
Total	2,505	3,192	3,515

*Based on analysis provided for the Extra Care Sufficiency assessment, using on ONS population projections

Potential shift to Extra Care provision



The potential benefits of Extra Care

Potential benefits to Knowsley as a whole

There is evidence that financial benefits result from diverting a considerable number of older people from residential care. For example, a detailed evaluation of Extra Care housing schemes was undertaken by East Sussex County Council to determine if they:

- act as a preventative model, supporting independence and avoiding admissions into residential care; and:
- provide a more cost effective model of care delivery than other models, including residential care and care in the community

The findings showed that the financial benefits were considerable, indicating that the cost of Extra Care is on average half the gross cost of alternative investments.¹

The rate of permanent admissions to residential and nursing care per 100,000 people has been higher in Knowsley than the national, statistical neighbour, and North West averages in each of the last 3 years. In 2013/14 the rate in Knowsley was higher than at any point in the last 5 years and represented an increase of 33.1 permanent admissions per 100,000 adults aged 65 or over.

An assessment carried out for Knowsley Council in November 2015 by Newton Europe reviewed 44 residential cases in a workshop with a cross section of practitioners. Participants were asked to give their opinion on whether alternative services to residential care would have met needs whilst better promoting their independence. If they thought alternative services would have met a service user's needs, the reasons for the service user actually receiving a residential care package were recorded. In nearly 40% of cases reviewed, a service user could have received a different package to long term residential care; Extra Care may have provided a suitable alternative.

Newton Europe estimated that there existed a net opportunity for a 'Pathway to Residential Placement' of £375,000. A blend of Extra Care housing and upper quartile (the highest

¹ <http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/Evaluation/>

costing 25%) domiciliary care brought the average weekly cost of alternative services of £161.82 making a saving of £267.90.

A national survey undertaken in 2004 with older people (and carers) admitted to residential care, estimated that the number of people who might be diverted from residential care is even higher. The survey reported the reasons for admission as related to a critical event or crisis point in 78% of admissions. It was estimated that two thirds of the older people included in the survey could actively have benefited from Extra Care provision, either currently or at the time of an earlier move.² The differing proportions between the two studies may be due to perceptions about Extra Care as an alternative to residential care. There is some debate in the sector in respect of Extra Care as a replacement for all residential care.

The preventative approach of Extra Care can mean that many residents will be less likely to require long term residential care in the future. A key question at the moment is: 'Can Extra Care provide a suitable alternative for current users of residential care?' The Newton Europe research would suggest that 60% of those currently in residential care would not benefit from the alternative provision currently on offer in Knowsley. One reason for this may be that the current commissioning model for Extra Care could not meet high levels of need during the night. In addition it may also indicate that current perceptions of what is delivered through the Extra Care model are limited and raising awareness may be beneficial.

Potential financial benefits to residents in Extra Care

Table 1 below provides an illustration of the income and expenditure for an older person who is in receipt of pension credit and moves into an extra care housing scheme. It suggests that such a person could benefit from a significant increase in disposable income.

Table 1 Income and Expenditure for Older Person living in Extra Care

Expenditure £ per week		Income
Rent ³	87.65	Housing benefit and or pension
Housing Service charges ⁴	36.17	Housing benefit and or pension
Council Tax	19.12	Council tax benefit and or pension
Care and Support ⁵	135.26	Local Authority Care Contribution
Food & living expenses	155.60	Pension (2016/17 rates)
Total	433.80	

This can be compared with the cost of residential and nursing care home placements which are set out in Tables 2 and 3

Table 2 Knowsley Residential and Care Rates

²KNOWSLEY JSNA REPORT Older People and Adult Social Care (Including Long Term Admissions Review) 2015

³ Average rent for existing Extra Care in Knowsley

⁴ Average service charge across all Extra Care in Knowsley

⁵ Average cost of care package in Extra Care

Category	Current rates	Proposed Rate
Residential Standard	403.34	409.29
Residential Elderly Mental Ill (EMI) Standard	456.88	464.24
Nursing standard rate (including FNC) (£440.72 + £112.00) uplifted by CCG from 1 April 2015.	544.96	552.72

Table 3 Income and Expenditure of Older Person Living in Residential EMI

Expenditure £ per week		Income
Accommodation Care and Support	464.24	Local Authority Care Contribution
Food & living expenses	24.90	Personal Allowance
Total	489.14	

These figures show that individuals living in Extra Care housing are left with considerably more disposable income than the £24.90 personal allowance. Those residents eligible for means tested benefits will be able to claim:

- Housing benefit for rents and service charges
- Council tax benefit
- Costs of care and support

Those ineligible for means tested benefits will be:

- responsible for their rent, service charge and council tax
- subject to the Council's charging policy for care and support services

Individuals who are asset rich (homeowners) and income poor could invest their capital by purchasing a leasehold/shared ownership apartment in an Extra Care scheme. This approach would protect their asset and reduce the amount of rent payable. In some cases if they purchase the full property value or where it was an equity share it could remove any rent costs however they would still need to pay a service charge.

A significant number of older people are partially or fully responsible for meeting their charges under the Knowsley's Fairer Charging policy. When estimating the savings to the council as a result of diverting older people from using residential care, it is important to take this into account.

Potential benefits to health and wellbeing

Knowsley people generally have worse health compared to other areas, irrespective of the measures used. People are more likely to smoke, drink alcohol excessively, be inactive and

be overweight. This largely explains the higher rates of cancers, respiratory disease, heart disease and strokes than in other areas.⁶

For people aged over 80, compared to those receiving home care in the community, those in Extra Care housing are half as likely to enter hospital or residential care homes within five years. Around a quarter of residents who enter Extra Care with additional social care needs, later go on to experience an improvement in their health equating to a decrease in social care needs. Extra Care housing is associated with a lower likelihood of admittance to a hospital overnight compared to a matched sample living in the community. A lower than expected number of falls was recorded in a matched comparison group when compared to those living in the community⁷

Hip fractures are the most common serious injury sustained by older people which costs the NHS around £1.4 billion – a figure that is approximately doubled when the social care costs of hip fracture are considered.⁸

People with long-term conditions such as heart disease, respiratory disease and diabetes are the most frequent users of health care services, accounting for 50% of all GP appointments and 70% of all inpatient bed days. People with long-term conditions often have multiple conditions, resulting in complex needs and support packages.⁹

The results of a three-year study, conducted by the Aston Research Centre for Healthy Ageing (ARCHA)¹⁰, highlight the benefits of allowing older people to remain independent while living in Extra Care Charitable Trust properties with dedicated on-site support and care services. The Aston study looked into the well-being of 162 new Extra Care residents with quantitative measurements of health, cognitive ability and mobility taken at the point of entry and again at three, 12 and 18 months. Health and social care usage and costs were also monitored.

Key findings of the report included:

- NHS costs were cut by 38% over 12 months compared with when they first moved in
- Extra Care residents experienced a significant reduction in the duration of unplanned hospital stays, from 8-14 days to 1-2 days
- Routine GP appointments for Extra Care residents fell 46% after a year
- Numbers of people with clinical levels of depression fell by 64.3% over 18 months
- Of the residents who arrived at Extra Care in a 'pre-frail' condition, 19% had returned to a 'resilient' state 18 months later

⁶ KNOWSLEY JSNA REPORT Older People and Adult Social Care (Including Long Term Admissions Review) Oct 2015

⁷ KNOWSLEY JSNA REPORT Older People and Adult Social Care (Including Long Term Admissions Review) 2015 taken from Establishing the extra in Extra Care Perspectives from three Extra Care Housing Providers Dylan Kneale September 2011 www.ilcuk.org.uk

⁸ The National Hip Fracture Database National Report

⁹ KNOWSLEY JSNA REPORT Older People and Adult Social Care (Including Long Term Admissions Review) Oct 2015

¹⁰ <http://www.aston.ac.uk/news/releases/2015/july-2015/nhs-costs-slashed-for-older-adults-in-extracare-villages/>

- After 18 months, residents experienced a 10% improvement in their autobiographical memory – the ability to recall events, objects and people

Other potential health benefits of Extra Care on health can include:

- Enables improved nutrition which prevents illness and improves wellbeing
- Provides domiciliary care which maintains health and helps to avoid injury
- Provides homes that are designed to be safe and accessible for older people and prevents falls.
- Can provide 'intermediate care' which provides a temporary step for older people who need rehabilitation following an illness and to prevent hospital admission or to allow hospitals to discharge older people who need care before they can return to their own homes.

There are huge differences between the costs of providing care in a hospital bed compared to an 'own home' environment.

Potential benefits to the housing market

The 'vacancy chain' concept is used here to offer an insight into the role of Extra Care accommodation in freeing family homes - increasing flows within the wider housing market and ensuring more appropriate use of under-occupied accommodation. Some advantages may include:

- a reduction in the number of families being housed in temporary accommodation
- Freeing up accommodation in high demand areas
- Release of homes for purchase
- The opportunity to release equity from their homes. This may result in transfer of funds to the younger generation to help them enter the housing market. (Although bequeathing a property to descendants or putting it in trust may be viewed as a deliberate attempt to deprive of capital. In this case, the property may still be included in the means test at the Local Authority's discretion.)
- Improved quality of life for older people needing care
- Security of tenure

It is estimated that nearly a third of the housing stock is occupied by people over retirement age and older people will account for nearly half of household growth. Older people aged 75+ are less likely to move home than other age groups in the population.

The total rate of 'under occupation' is not known. An assessment of Property Pool Plus in February 2016 shows the number of applicants on the Housing Register who are under-occupying by their age. (Table 15) There are 425 in total under occupying representing 17% of the housing register. Of these 425, 67% are people over 50. However, the data available does not give us any idea of the number of under occupying older people who are owner occupiers.

Table 4 Number on Housing Register under occupying by age Feb 2016

Age	Number under occupying
Under 45	77
45 - 50	63
51 - 59	138
60+	147

Potential benefits of Extra Care to other adults with support needs

Extra Care has traditionally been seen as the model for meeting the needs of older people. However, the model of self-contained dwellings and communal facilities may also be a suitable and desirable model for meeting the needs of younger adults with support needs, while potentially offering opportunities for efficiencies and cashable savings.

Extra Care can also offer an opportunity for significant efficiencies from offering an alternative to 'out of borough placements'. The WLC report illustrates this with a case study showing a breakdown of the cost of an out of borough placement for a young man who has complex needs with learning disabilities and autism that requires sleep-in night support.

The WLC report also highlights an application by Liverpool Housing Trust (LHT) to the Homes and Communities Agency (HCA) through the Affordable Housing Programme 2015-18, to obtain funding for a supported accommodation housing scheme, located on Field Lane, Fazakerley. Whilst this model has not been referred to as Extra Care, it is at its core an Extra Care model. The Field Lane model will provide a better quality housing offer, on site core service, opportunities for group activities, reduce social isolation and provide efficiencies for all. Personal budgets could be utilised to 'top up' the core offer to enable residents to maximise their own choice to meet needs and outcomes. Each service users will be a tenant and has their own front door, staff will be available 24/7, and a range of care options and communal facilities are available.

Knowsley Council has supported the scheme and proposes to nominate current Knowsley clients including those who currently live out of borough receiving social care services to be the beneficiaries of the scheme, in order to maximise positive outcomes for clients through cost-effective means.

A desktop analysis of the level of domiciliary care provided at sheltered housing schemes also indicates that there may be savings from modelling existing sheltered housing into an Extra Care model. A number of options may help to reduce costs. It may be possible to extend the care and support provided at existing Extra Care to those who have need in sheltered accommodation and potentially reduce the cost of care packages. Or there may be scope for remodelling of existing sheltered accommodation into Extra Care.

The potential for applying Extra Care beyond Residential Care for older people is explored more fully in the detailed WLC report.

Residents' Attitudes to Extra Care

National research

National research has indicated that:

- The choice to move to Extra Care was a good one for many but not for all.
- For couples where one person is providing a lot of day to day support the additional help from care and support staff can help to make life easier.
- A study in Bradford found that more than two thirds of the people who moved to an Extra Care development said they had a good social life and more than half of the same people reported that they felt lonely before the move.
- There are also some doubts though whether Extra Care residents with very high needs for care and support benefit from the social opportunities in the same way.
- A three year study tracked people with dementia in six Extra Care schemes and considered their views on what they found most valuable about living there. Independence and choice came over very strongly in people's preferences.
- A recent study found that Extra Care housing can also have a major impact in promoting residents' quality of life and reducing feelings of loneliness and isolation.

Current Knowsley Extra Care tenants

As part of the WLC study, current users of Extra Care were consulted on their experiences. The benefits highlighted included:

- Extra Care offers older people particularly and their families' security and peace of mind.
- The participants value the onsite facilities, accessibility, security, and activities that help social interaction.
- Personalisation was clearly valued. With future provision being adaptable as onsite needs change.
- The social interaction that Extra Care offers is very important but so is privacy and private space.
- Participants noted the good mix of people and that many residents are very sociable.
- Communal areas help to reduce isolation and offer the opportunity to socialise when people want to but also have choice to be on your own.
- It was also noted that the residents have a lot of talents and skills which schemes could encourage and utilise.
- Residents support each other and specifically the more vulnerable.
- The use of assistive technology was also seen as a positive aspect of Extra Care.
- Participants valued visits by community nurses, physiotherapists, and phlebotomists,

In addition to general attitudes to Extra Care, the consultations with current Extra Care users generated many views and suggestions about practical issues, often related to specific locations. While not reported here, they provide useful checklists that will be valuable in planning future Extra Care developments, and they can be read in the full WLC report.

Aspirations of older people

The WLC study also involved consultation based on focus groups with potential future users – people aged 45-60.

Existing owner occupiers generally wished to either stay in their existing home or downsize to another property, with a recognition they would like high quality support or care in their own home rather than moving to sheltered or Extra Care accommodation. Some had already 'future-proofed' their home by building ground floor extensions with wet rooms and adding solar panels to keep bills down.

Participants already living in Extra Care were very happy with it and planned to stay there. Community was a very strong theme – the recognition of the importance of support networks to combat isolation and provide support in older age.

Generally people felt that older age can be divided into 2 phases – younger old age characterised by holidays, city living for some, independence etc. and an older age where needs may be greater. There was strong theme of wanting choice across these two phases.

Possible Extra Care delivery models

Core service components

There are a wide range of models of Extra Care. The key components of service delivery are:

- Provision of an appropriate package of care, in the individuals own dwelling, Care that is separate from the provision of accommodation
- Catering service with one or more meals available each day
- 24 hour care staff and support available on site and domestic support services including help with shopping, cleaning and possibly making meals
- Response to assistive technology to facilitate independence of frail older people and provide a safe environment
- Social and leisure activities/facilities and additional individual or shared services - a shop, hairdressing, chiropody, massage, alternative therapies, cash machine, post box

Extra Care delivery options

Models for Extra Care delivery are based on variants of the relationships between commissioners, landlords, and care providers. There are four basic models:

1. The landlord and provider are the same organisation (or different parts of a group structure) with a contract with the commissioner.
2. The landlord and provider are two different organisations with a contract with the commissioner
3. The landlord is contracted by the commissioner directly to procure and deliver the care and support. There may be an on-site provider or a separate charge for core care. This allows individuals to purchase their additional hours from on-site provider, or elsewhere.
4. The landlord and multiple care providers with contracts with individuals to deliver care packages based on their needs. The commissioner may have a contract with a care provider based at the Extra Care location, but residents can choose to go elsewhere for care. People assessed as needing services that a local authority is responsible for may

also request a direct payment and arrange their own package of care if they wish.

Model 4 is the one currently adopted by Knowsley Council. The Whole Life Commissioning Team has contracts with the care providers based at the scheme; however, people who live in Extra Care can choose to have a different care provider.

Option 3 is the only model that has a direct commissioning relationship between the landlord and commissioner. The Council's has moved towards separate housing and care provider functions so there may be a preference for this variant. At present, following notification of a new development by a housing provider the authority will tender for a care provider once the building is near completion. However, the changing welfare reform landscape may make a commissioning relationship with the landlord, who then commissions the provider, more attractive.

Physical design of Extra Care

The design of the buildings also has implications for the way services are delivered and encompasses characteristics such as the origin of the building, the scale of development, range and dispersion of facilities and the type of accommodation. For example: apartment rather than bungalow developments are cheaper and require less space.

The scale of developments can be small – around 40-50 people is a normal minimum – or large – over 100 people. Consultation on Extra Care for Older People was not conclusive on the size preference. Some pointed out that an integrated approach to dementia would suggest that schemes should be smaller. In addition consultation regarding mental health and learning disability also suggested that a smaller model of provision was required.

There are two general options for the physical structure of Extra Care: 'Core and Cluster', or 'Community Hub'.

Core and Cluster is defined by a core central building containing most of the communal facilities like cafe, communal lounge and reception. People live in their own properties situated around the core building and access services as they need them.

Community Hub differs slightly from Core and Cluster in that the support can be offered to the wider locality on an outreach basis. Facilities such as a café or assisted bathing can be available to the wider community.

The Community Hub model is the preferred option in Knowsley.

Nominations and Lettings

Extra Care in Knowsley is designed to maintain a mix of abilities to create a diverse, vibrant community. Lettings are managed to ensure the scheme does not only accommodate frail older people with high needs levels or people with no support needs. Applicants are nominated for the various Extra Care schemes by the Extra Care Nominations Panel, which comprises Council officers from relevant service areas alongside care and housing providers. It is facilitated by the WLC team.

The existing policy for lettings at Knowsley includes a Maximum Dependency/ Risk Assessment criteria – if residents require care levels beyond the level that can be

adequately met by an Extra Care Scheme...‘then all agencies on the Extra Care Housing Panel should work together to find a more suitable option for the individual ...’¹¹

If Extra Care is able to meet higher level of need sufficiently, it may require that the ‘maximum dependency’ criteria will need to be reviewed. That is, a clearer definition of what needs cannot be met and why. What can’t Extra Care provide that Residential Care can?

Current and planned Extra Care provision in Knowsley

Current Extra Care provision

As noted at earlier, Knowsley’s current provision of accommodation based care and support for older people is 2,348 units across the four different models of accommodation. The following table shows how these are distributed across the Borough.

Table 5 Current supply of accommodation based older people’s services in Knowsley

	Extra Care	Nursing Care	Residential Care	Sheltered accommodation
Halewood	40	60	134	132
Huyton	192*	186	321	508
Kirkby	34	54	44	174
PWCKV		45	69	355
Total	266*	345	568	1,169

Source: KMBC Commissioning, * excludes Marston Gardens mixed age facility

Another way of looking at this is the level of provision per 1,000 75+ year olds. The current supply of supported accommodation combined is approximately 202 units per 1,000 75+ year olds which is a common proxy for assessing population needs. The following table shows how this breaks down by type of accommodation.

Table 6 Current Supply of accommodation with Support per 1,000 75+ years

	Current Supply	Knowsley per 1,000 75+ rate
Sheltered housing	1,169	100
Extra Care	266	23
Residential care	568	49
Nursing care	345	30
Total	2,348	202

Extra Care in the pipeline

The completion of Extra Care units in Stockbridge Village and Prescott in the next few years will increase supply in Knowsley to 416-426 extra care units. This exceeds the projected demand driven by increases in the older population for the next 25 years (see later). It does

¹¹ Knowsley Extra Care Nominations Policy

not however, take into account additional demand from other factors including the planned reduction of placements in residential care.

Future Extra Care provision

The increasing population of older people

The principle driver for increased demand for accommodation-based support for older people is the increasing population of older people. Office of National Statistics (ONS) projections indicate that in the next 25 years the population of older people in Knowsley is expected to rise by 13,933 or 32% for over 54s, and by 5,714 or 49% for the over 74s.

Table 7 ONS Population projections for older people

	2014	2020	2030	2040
Knowsley 55+ year old Population	42,900	47,900	52,100	56,833
Knowsley 75+ year old Population	11,691	12,400	15,799	17,404

Source: ONS Projections to 2015-2037 – 20 year trend applied for 2040 population

While this growth in the older population in itself could be expected to create future need, the situation is likely to be influenced by several local factors for which assumptions have to be made when estimating future demand.

Assumptions for estimating future demand

Estimates of the demand for Extra Care have been based on current supply and the following assumptions:

- 1. Increases in future demand for Extra Care accommodation is mainly driven by growth in the older population and the need to reduce residential care provision**
Public health prevalence rates and projections for people with conditions requiring supported accommodation (physical disabilities or learning difficulties) show no anticipated growth in the adult population of Knowsley for the next 20 years.
- 2. Base population projections do not take account of local policy such as future building developments**
Significant housing developments in the next 15 years are expected to increase the Borough's population by 6%. However, these may not increase demand for Extra Care as developments are targeted primarily on attracting younger families to Knowsley.
- 3. Extra Care accommodation will replace residential care**
A sliding scale of Extra Care support will replace residential care. Future projections of demand should assume the projected residential care population will be supported through Extra Care accommodation.
- 4. The current residential care population will reduce at a similar rate to the 2012-2015 rate**
The average length of a residential care home stay is less than three years. The current population in residential care includes only 10.5% (75) of the care home population at

March 2012. Without further admissions to 2020 the number of residents still in care homes is likely to be lower than 60. (Appendix 3 reasons for leaving care).

5. There will be a limit to the number of nursing care places that can be met by Extra Care

The Nursing Care population of 345 is expected to increase to 522 by 2040. Extra Care support may not be adequate to meet such specialist provision and is excluded from the projections. However, Extra Care may be remodelled to provide some related nursing care provision (e.g. on site registered provision or remodelled visiting nursing provision) and therefore the projected demand for nursing care should be considered alongside future extra care development or remodelling.

6. Current levels of supply are adequate to meet current demand

There is little evidence to suggest high levels of unmet need, with 5% vacancy rates in care homes and low waiting lists for Extra Care units for older people.

7. More people in the future will be supported to live independently in their own homes

Population projections for accommodation-based support will need to take into account the impact of supporting more people to remain in their own homes through homecare packages, community equipment and adaptations.

Projected levels of demand based on current mix of provision

The following table shows how the demand for supported living and residential care might look in the next 20-25 years, based on the existing mix of provision, current levels of demand, and the projected increase in the older population.

Table 8 Need based on demographic change

	2020	2030	2040
Sheltered Accommodation or equivalent	1,240	1,580	1,740
Extra Care	285	363	400
Residential Care	608	774	853
Nursing Care	372	474	522
Total	2,505	3,191	3,515

Applying current supply rates (Table 7) to ONS projections (Table 10) results in an increase in overall demand of 1,168 (or an additional 50% of current supply), from 2,348 to 3,515.

Modelling future demand for Extra Care

To create a model of future demand for Extra Care, commissioners will need to factor the following into the supply rate:

- Proportion of residents in sheltered accommodation who may want Extra Care accommodation.
- Proportion of those in residential care that could be supported to live at home

- Proportion of people in residential and nursing care that could be supported in Extra Care or specialist Extra Care.
- The number of units needed to facilitate respite or short term support i.e. not occupied on a long term basis.

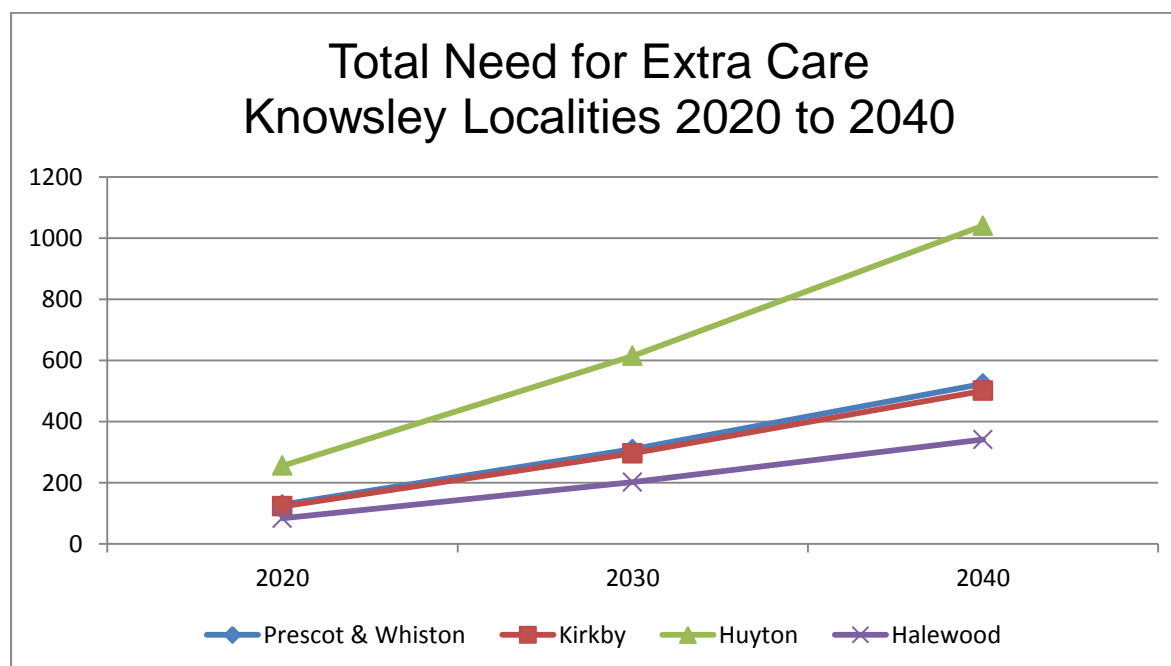
Based on assumptions relating to these, the model predicts future levels of need for accommodation with care/support requirements, as set out in the following table:

Table 9 Level of need for Accommodation with Care/Support/IHM

	2020	2030	2040
In Sheltered Accommodation or equivalent	1,177	1,577	1,839
Extra Care	591	831	983
Residential care	365	310	171
Nursing care	372	474	522
Total	2,505	3,192	3,515

Future Extra Care demand by area

Need per area is calculated by apportioning projected units on the basis of the current distribution of older population across the borough.



The locality with the highest level of need is Huyton with need for 256 units by 2020 and cumulative 425 by 2040. Prescott, Whiston, Cronton and Knowsley Village (PWCKV) require 129 in 2020 and a cumulative 214 by 2040. Kirkby require 123 in 2020 and a cumulative 205 by 2040 and Halewood requires 84 by 2020 and a cumulative 139 by 2040. Figure 2 sets out the total need for Extra Care, for older people in 2020, 2030 and 2040.

Demand for Residential Care and Extra Care combined

If we assume all future residential care populations are to be accommodated in Extra Care then the upper limit of demand in the future will be 1,253 units by 2040. The gap between

planned Extra Care supply of 426 units and projected demand on this basis alone will be 827 by 2040.

These figures assume future potential residential care populations are the main pool for Extra Care provision in the following decades. Accepting a proportion of this pool can be supported from home and that some nursing care need will be met in Extra Care means costing models can be applied to different proportions of each population. Appendix 4 contains population projections tables to support scenario building for different models of support depending upon these decisions.

Table 10 Projected Demand for Extra Care combined with residential care projections

	Knowsley supply rate per 1,000 75+ yr olds	Current supply 2015	Supply 2018	Estimated number of residents requiring support in accommodation or at home		
				2020	2030	2040
Extra Care	23	266	426	285	363	400
Residential care	49	568	568	608	774	853
Total	71	834	994	893	1,137	1,253

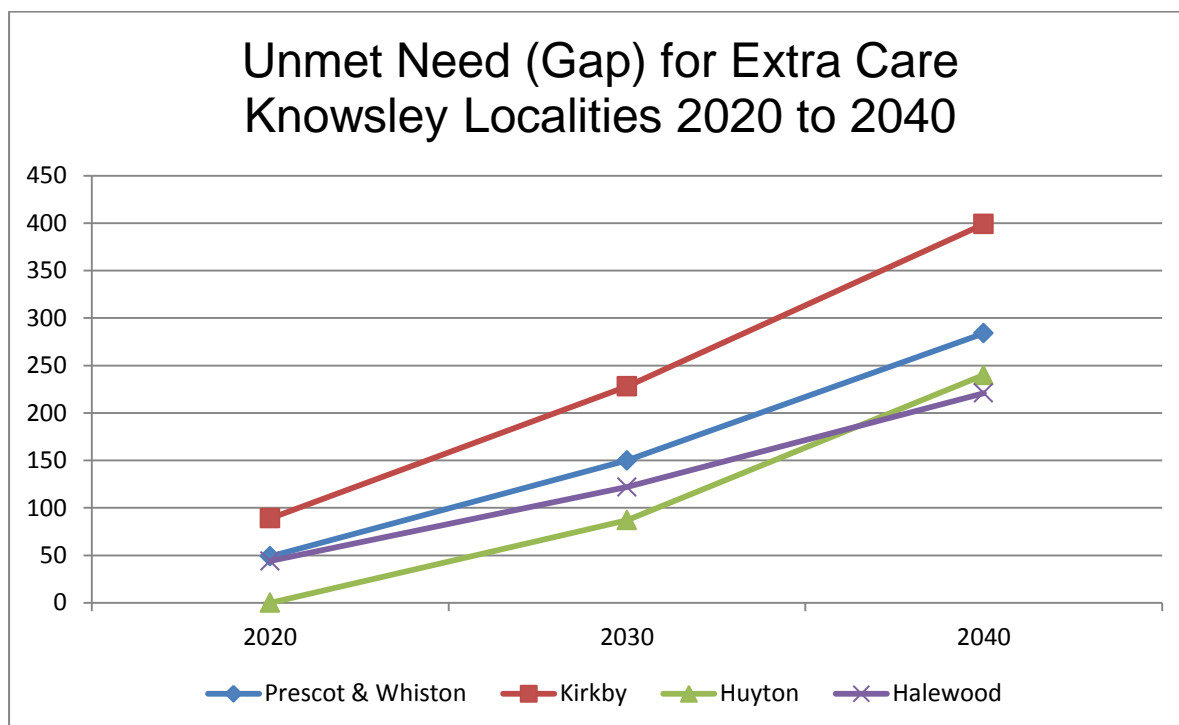
Unmet need for Extra Care (Gap Analysis)

With current supply of Extra Care at 266 units and a pipeline of 160 additional units anticipated before 2020 we can calculate the gap on an area by area basis. (Table 14)

Table 11 Gap Analysis to 2020 to 2040

Extra Care Gap Analysis	Planned Provision by 2020 (inc. pipeline)	2020		2030		2040	
		Need*	Gap	Need	Gap	Need	Gap
Halewood	40	84	44	118	78	139	99
Huyton	272	256	0	359	87	425	153
Kirkby	34	123	89	173	139	205	171
Prescot & Whiston	80	129	49	181	101	214	134
Knowsley Total	426	592	182	831	405	983	557

There is a significant shortfall to meet Extra Care demand within the Kirkby area with a further 89 units by 2020 and 171 by 2040. The next highest gap in Extra Care provision is within Prescott, Whiston, Cronton and Knowsley Village area with 49 more units needed by 2020 rising to 134 units by 2040. Halewood will need a further 44 units by 2020 and 99 by 2040 and Huyton is likely to meet demand by 2020 but will need an additional 153 by 2040.



Expected demand for Adults with Support Needs

The Institute for Public Care’s PANSI projections for adults with learning disabilities and for adults with mental health conditions show no growth in overall numbers between 2015 and 2030 (Appendix 5 in the WLC report).

Unless unmet need is evidenced in the Borough, current prevalence rates and future demographic change will not result in the need for more units for these populations. However, there is a strong case for replacing and or remodelling the current provision of housing with support for people with learning disabilities and mental health problems.

The table below identifies the current number of service users (179) in learning disability supported accommodation provided by the 4 largest providers (AFG, BOC, CIC and Network Homes). It also shows that we have 51 service users in mental health supported accommodation.

Available accommodation 2016	Self contained properties	Shared accommodation properties	Total service users
Learning disability	14	51	179
Mental health	45	2	51

Total	59	53	230
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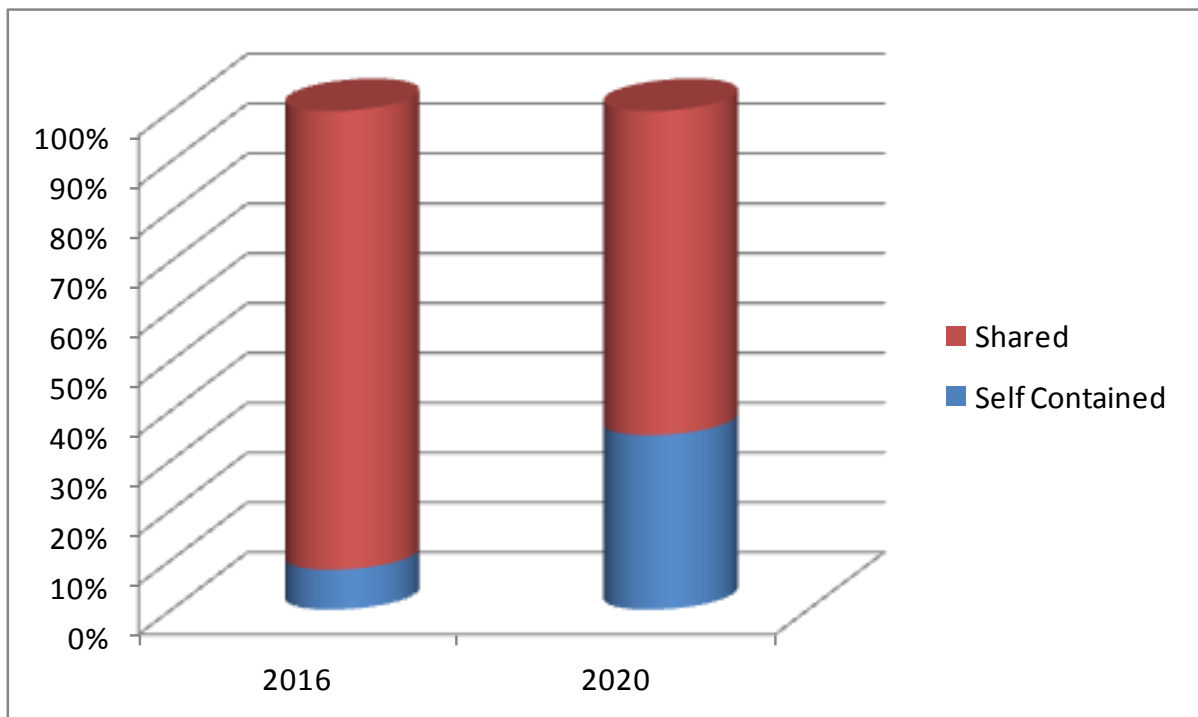
Whilst supported living housing is a home for life, there are substantial considerations about quality and cost:

- All residents sharing facilities lack the privacy and choice of a self-contained home
- The cost model means that social workers have to find “compatible” residents for vacancies as opposed to residents choice
- There is a current need to balance high cost care residents with other residents with fewer needs in order to average out the cost.
- If personal budgets are used the use of ‘shared hours’ in group homes may be problematic
- There is no advantage through volume so costs are relatively high
- Depending on the type of accommodation, as people age, the opportunities to specialise, enhance the service and to have on site built in assistive technology are limited. Older adults are therefore more likely to go into residential and nursing care.

Recommendations would be not to increase but to replace and or remodel shared accommodation by incorporating approximately 16 self contained units in each of the next 3 larger new extra care developments as either a separate wing or purpose built bungalows.

Some of the current provision of 51 shared learning disability accommodation properties could be decommissioned or designed as necessary and based on a current ratio of 3.23 service users per property could lead to a reduction of 15 shared properties.

This would lead to an increase in self contained accommodation from the current 8% to 35% and offer service users more choice and promote independence.



Extra Care services also need to meet the challenge of an increasing profile of older people with dementia-related support needs. This challenge has implications for the way that Extra Care accommodation and facilities are designed as well as the service design. The full WLC report covers this issue in more depth, including projected numbers of people likely to need dementia-related care or support.

Future Extra Care demand by tenure

There are four basic Extra Care tenure options:

1. Rented
2. Mixed tenure: outright and shared ownership and renting for a more mixed community
3. Ownership
4. Wholly shared ownership

Option 2 of a mixed tenure would be the recommended model as it will be almost impossible for Knowsley to fund future development without some outright ownership sales. Grant allocations (if any) could realistically only be expected to meet a fraction of the cost. Low value properties and less well-off older owner-occupiers in properties in poor repair indicate shared ownership could be a useful element in future scheme development. The lettings process of earlier Extra Care developments in Knowsley indicates that there was demand for Extra Care for sale. Furthermore, there may be a lack of awareness amongst potential owners of Extra Care. A participant of the Co-production Panel indicated that as a current homeowner she thought she would not be able to rent and was not aware of previous shared ownership opportunities. Effective marketing of Extra Care for sale is likely to help to generate demand.

Appendix 8 of the WLC report – ‘Housing LIN note on Market split 24/09/2014’ – indicates that the proportion of leasehold/owned Extra Care is 25% (75% rented) in the most deprived areas and up to 80% owned in more affluent areas. For the purposes of projecting the need for Extra Care for rent and for sale the assumptions in Table 22 have been adopted.

Table 12 Rates of Extra Care for Rent and for Sale

Extra Care Gap Analysis	% for Rent	% for Sale
Halewood	75%	25%
Huyton	75%	25%
Kirkby	75%	25%
PWCKV	50%	50%

Table 13 Need for Extra Care for Sale and to Rent in localities

Extra Care Need	Rent 2020	Rent 2030	Rent 2040	Sale 2020	Sale 2030	Sale 2040
	Need*	Need*	Need*	Need*	Need*	Need*

Halewood	63	89	104	21	30	35
Huyton	192	269	319	64	90	106
Kirkby	92	130	154	31	43	51
PWCKV	65	91	107	65	91	107
Knowsley Total	412	578	684	180	253	299

Table 14 Gap analysis based on tenure

Extra Care Gap Analysis	Supply Rent	Supply For Sale	Rent 2020	Rent 2030	Rent 2040	Sale 2020	Sale 2030	Sale 2040
			Gap	Gap	Gap	Gap	Gap	Gap
Halewood	40	0	23	49	64	21	30	35
Huyton	243	29	-51	26	76	35	61	77
Kirkby	34	0	58	96	120	31	43	51
PWCKV	72	6	-8	19	35	59	85	101
Knowsley Total	389	35	23	189	295	145	218	264

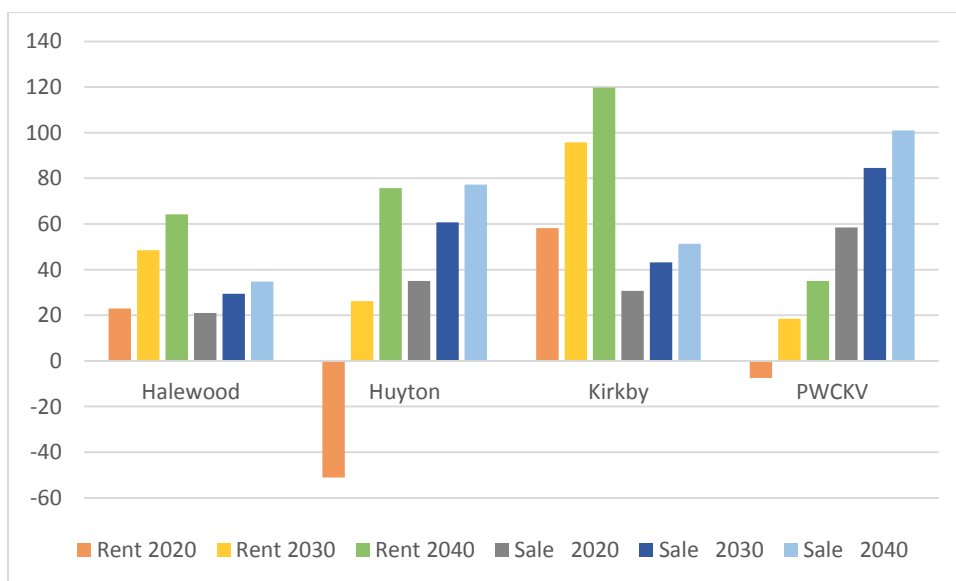


Figure 1 Extra Care Gap by Tenure per Locality 2020 – 2040

The analysis set out in Table 23 suggests that there is demand for 180 Extra Care units for sale by 2020 and up to 299 for sale by 2040.

Table 24 and Figure 5 show the gap for rent and sale. There are 35 units for shared ownership in Knowsley. The gap is forecast to be 145 units in 2020, 218 in 2030 and 264 by 2040.

Most of the gap in Extra Care for sale will be in PWCKV by 2040 (101 units).

There is an oversupply of rented Extra Care in Huyton and PWCKV by 2020 and a gap in Extra Care for sale of 26 and 19 units respectively.

The analysis suggests that there may be demand for Extra Care for sale but further research and marketing would be required to determine assumptions of the level of rent/for sale in localities.

There are also opportunities for home ownership for adults with support needs. Some Registered Providers (Home Buy Agents) may offer to purchase a property the disabled person would like to buy and then sell part of the property to the disabled person with the option to buy more of it in the future. Advantages include security of tenure, choice of property with the landlord responsible for maintenance. However it can be complicated and a mortgage may not be possible as well as additional costs like legal costs, to pay. This option may be suitable for people who have their own money or a Discretionary Trust.

Location of new Extra Care for Older People

Targeting future need

Careful design and location of schemes and economies of scale can help ensure the accessibility and viability of Extra Care. The objective must be to provide an inclusive service which is integrated within the local community rather than isolated from it.

The WLC study identifies that in 25 years there will need to be an additional 557 units of Extra Care in Knowsley to meet demand. This need may be met through a number of options:

- New development on local authority sites identified in Local Plan and Strategic Housing Land Availability Assessment (SHLAA)
- Areas of local regeneration
- Remodelled sheltered accommodation
- Remodelled residential and nursing care

New Development

A number of sites owned by the local authority have been identified as potential for Extra Care new development and are listed in Appendix 10 of the WLC report. The Co-production Panel supported the development of an evaluation tool to identify and prioritise the most suitable locations. The evaluation matrix can be found as Appendix 11 of the WLC report. The tool should be used in collaboration between commissioning (lead), housing and planning to help identify the best possible location where there are a number of options of sites available.

Local Regeneration

The North Huyton 'Revive' Regeneration programme was established in 2005 collaboration between Knowsley Council, Knowsley Housing Trust and North Huyton Communities Future). Keepmoat, Gleeson and Lowry were named as preferred developers to build at least 1,450 new homes in the area. There has been investment into leisure and shopping facilities in this North Huyton regeneration area and there may be scope for the inclusion of

an Extra Care development in this area. Extra Care may also be a key part of the regeneration of Kirkby.

Remodelled Sheltered Housing

The analysis of sheltered accommodation above demonstrates that there are some existing sheltered housing schemes with relatively high levels of domiciliary care required. It may be possible to redevelop existing sheltered housing into Extra Care. Notably the schemes in Kirkby owned by Anchor and Riverside may have potential for joint working to create core and cluster model of provision and the schemes owned by First Ark including Frederick Lunt Avenue, Cross Street and Quebec Court may also offer potential for a core and cluster model.

A Kings College London report on remodelling Extra Care¹² offers some comments on remodelling of sheltered housing including

- Architecture - Remodelling is not straightforward. Two major issues include unforeseen structural/ construction problems on site and tenants remaining in situ made it necessary to phase the remodelling process.
- Accessibility - Compliance with accessibility standards in Part M of the building regulations can be difficult. E.g. lack of space for wider corridors or larger lifts. The impact can mean an increase of staff support and reduction in socialization. Poor accessibility can potentially lead to falls and other accidents.
- Social aspects - It is common for tenants to need less paid care after admission. On the other hand, some people admitted needed a very high level of care. Tenants admitted to an Extra Care scheme since remodelling are generally enthusiastic about what a scheme offered but tenants remaining in situ during the remodelling process can be angry that their home had become an Extra Care scheme.
- Costing - It cannot be assumed that remodelling is a cheaper option than new build.

Housing LIN has a factsheet¹³ which provides a framework in decision making for developing Extra Care Housing from ordinary sheltered housing.

Remodelled Residential and Nursing Care

It may also be possible to remodel existing residential or nursing provision to provide Extra Care. Some care home providers have expressed an interest in exploring this option. Further assessment of the potential for this in Knowsley is required.

Threats and barriers to Extra Care

Reducing level of Capital Subsidies

Existing Extra Care in Knowsley has had an emphasis predominantly towards social or 'affordable' rent and capital grants from central Government, including the Department of

¹² 'Remodelling Sheltered Housing and Residential Care Homes to Extra Care Housing' Kings College London 2007

¹³ Refurbishing or remodelling sheltered housing: a checklist for developing Extra Care 04.01.2005 Factsheet no. 10

Health (DH) and Homes and Communities Agency (HCA). However, in recent years there has been a shift away from this way of grant funding. Alternative funding sources may contribute to the growth in private market provision of housing with care, along with consideration of the newly emerging additional routes to funding that can be accessed for both the social and market versions of this form of housing.

Extra Care housing schemes are relatively expensive in terms of build cost per unit and many of the schemes have been developed with high level of units for social rent and in areas with low property values. The size of the core HCA housing funding programme has been reduced, however there are other significant subsidy funding sources that remain. Appendix 6 of the WLC report lists the potential funding sources.

There has been a shift in Government emphasis away from 'social rents' to 'affordable' and more recently to low cost home ownership. Affordable Homes Programme (AHP) 2016 to 2021 which was launched in April 2016 and currently 'a process of continuous market engagement (CME) will continue to operate for shared ownership bids only'. These changes in the AHP greatly restrict the potential scope for subsidy funding of housing with care when compared with former years.

The barrier of high development costs to the more widespread delivery of housing with care has occasionally been addressed through the use of public land at nil or below market value.

However, it is an expectation in central Government that surplus land is disposed of for the highest achievable receipt. The key term here is the use of the term 'surplus' and the Housing LIN Viewpoint No 31, Collaboration between Registered Providers and NHS Trusts: Building an Asset and the report by One Housing Group, Making creative use of NHS Estate, are both relevant to how reuse of existing health assets can be achieved in particular.¹⁴

Welfare Reform

In 2014 changes introduced by the Housing Benefit and Universal Credit (Supported Housing) (Amendment) Regulation for supported housing created something called "specified accommodation" where help with the rent is excluded from both the household benefit cap or the arrangements for housing costs in Universal Credit.

Extra Care in Knowsley falls within the second category of the exemption. This specified accommodation deals with two developments that have reduced the proportion of supported housing covered by the "exempt accommodation" definition:

- Separate commissioning of the care, support or supervision by local authority and other commissioners from organisations other than the landlord
- Increase in personal budgets where tenants now purchase care, support or supervision from an organisation other than the landlord.

However, there are two *key changes which threaten* these exemptions.

Local Housing Allowance

By far the most significant change and biggest risk to Extra Care is the potential introduction of Local Housing allowance to supported housing. In the 2015 autumn statement the

¹⁴ Housing LIN Funding Extra Care; Technical Brief

Government announced plans to cap housing benefit to relevant Local Housing Allowance levels for new tenancies signed for on or after 1st April 2016 (for supported housing 1st April 2017) to come into effect from 1st April 2018 onwards. Tenancies pre dating April 2016 will not be affected.

On the 1st March 2016 the Government announced that it has decided to put in place a 12 month deferment of the policy for those in supported accommodation to undertake a research project and policy review before a final decision is made.¹⁵ However, the continued threat that a crude LHA cap might be imposed in the future means substantial uncertainty remains. If the LHA cap is applied to Extra Care and supported housing this will have a much more significant and lasting impact which will not be mitigated by the deferral to limit rent rises.

Table 15 Knowsley Local Housing Allowance Rates 2015/6

Number of bedrooms	Homes in Huyton, Kirkby, Halewood and Knowsley Village	Homes in Whiston and Prescott	Homes in Cronton
Shared accommodation 1 bedroom	£55.55	£60	£49.50
1 bedroom (self-contained)	£91.38	£80.77	£92.31
2 bedrooms	£103.85	£98.08	£109.57
3 bedrooms	£121.15	£114.23	£126.92
4 bedrooms	£150.00	£151.50	£173.08

Table 16 Impact of LHA application to existing Extra Care in Knowsley

Extra Care for Older People	Rent and Service Charge LHA/ rent and service charge difference
Bluebell Park 1 Bed	-27.18
Bluebell Park 1 Bed +	-34.56
Bluebell Park 2 Bed	-32.25
Derby Court 1 bed	-40.12
Derby Court 2 bed	-46.48
Crawshaw Court 1 bed	-21.42
Crawshaw Court 2 bed	-19.80
(Edenhurst) 1 bed flat	-20.40
(Edenhurst) 2 bed flat	-15.13
(Edenhurst) 1 bed bungalow	-3.80
Bailey Court 1 bed	-32.93
Bailey Court 2 bed	-32.87

¹⁵ <http://www.homeless.org.uk/sites/default/files/site-attachments/Confirmation%20of%20Suspension%20Final.pdf>

Table 19 shows the existing rates of LHA in Knowsley and Table 20 provides an assessment of the impact of LHA application to existing Extra Care in Knowsley. This shows that for those people entitled to Housing Benefit, there will be a shortfall of between £3.80 and £40.12 per week for one bedroom accommodation and £15.13 to £46.48 for two beds. It is anticipated that the impact in most of the sheltered schemes will be minimal as the rents are usually below the LHA equivalent (including Intensive Housing Management).

The Government has stated that it may increase Discretionary Housing Payment budgets by £70m in 2018/19 and 2019/20 to help affected tenants but nationally landlords have expressed concern that this would be insufficient.

Rent Reductions

The Welfare Reform and Work Bill makes provision that housing association rents (excluding service charges) are to be reduced 1% per year for 4 years starting in April 2016. As the Bill stands the rent reduction applies to supported housing falls under the specified accommodation definition. (An amendment to remove Specified Accommodation from the rent reduction was removed after the Government pledged to vote against it). Government said they were putting adequate safeguards in place as a matter of course, were working with housing associations to make the legislation effective and already acting on their promise to protect vulnerable people. The Government also stated that a specified accommodation exemption would be unfair on tenants in supported housing who were working and paid their own rent, especially older and disabled people. The response from Registered Housing providers as yet is unknown, however, it is anticipated that service charges may increase (as they are not included in the cap) as rents are reduced.

More recently, the Government has announced that supported housing will be excluded from the 1% rent cut for 2016/17. All the exceptions will be confirmed in regulations.

Increases in the level of rent for supported housing will be limited to CPI +1%. During the exemption period the intention is that providers will be able to set new rents at 10% above the 2015/16 formula rate up rated by CPI+1%.

Right to Buy

In terms of the potential impact of Right to Buy (RTB), recent analysis of Knowsley Housing Trust (the main affordable housing stock holding RP in Knowsley) have 3,457 (26.4%) tenants who pay their own rent (i.e. are not in receipt of Housing Benefit). This is not a precise guide but it is feasible that they may all consider and be able to afford RTB.

Typically a tenant living in a property for five years may gain a 35% discount. Using an average property price of £95K the discount will take the purchase price down to around £60K therefore even at 5% interest rate with a 25 year repayment mortgage the monthly cost would be £363 which is within the cost that they would be paying in rent.

Clearly not all tenants will exercise their RTB but the potential is considerable. Therefore it is also feasible that some tenants living in Extra Care accommodation after fulfilling the

qualifying period may also exercise their RTB. Those who are paying their own rent may certainly do so.

Social Housing Size Criteria

The Social Housing Size Criteria (Bedroom Tax) means that Housing Benefit claimants living in social housing may have the amount of that help reduced if they are considered to have more bedrooms than their household requires. The deduction is based on the amount of rent that is eligible for benefit. The amount of the deduction is 14% of the rent eligible for benefit for one extra bedroom and 25% for two or more extra bedrooms. There is a separate system for restricting help with rent for private tenants according to the size of their household but it uses the same formula for deciding how many bedrooms the household should have. It applies to people of 'working age' and in this context, working age means below women's state pension age.

Claimants living in "supported exempt accommodation" are not affected by the "bedroom tax". However, all the existing Extra Care in Knowsley falls in the second definition of specified accommodation and therefore the bedroom tax criteria applies. This may have a significant impact on Marston Gardens as all the tenants are 'working age' and there are a number of 2 bedroom units there.

Further if the target of reducing the level of dependency on residential care is to be achieved, more effective measures may be required to ensure that people are referred to Extra Care before residential care is considered. Perhaps Care Managers could be required to explain why Extra Care is not suitable prior to Residential Care placement? Further research is required to identify the barriers to Extra Care (including waiting lists).

Concerns have been expressed as to whether facilitating the Extra Care Nominations Panel (currently handled by the WLC Team) may more effectively sit outside the council with the housing/care provider, who are better placed to assess need and priority. The applications could then be brought to Panel with recommendations from the provider and/or landlord. The Panel could retain the final veto on nominations. Performance information on nominations should be provided to the commissioner.

Appendices of the full WLC report

The full WLC assessment report includes a series of 11 detailed technical appendices which contain substantive background detail to all aspects of the Extra Care sufficiency study:

Appendix 1: Co-production Terms of Reference

Appendix 2: Maps

Appendix 3: Reasons for leaving Care

Appendix 4: Population Projections

Appendix 5: Demand Projections for Adults with Care and Support Needs

Appendix 6: Sources of Capital funding

Appendix 7: Design

Appendix 8: Market Split

Appendix 9: Assistive Technology
Appendix 10: Local Authority Sites
Appendix 11: Site Evaluation Matrix