

Background Information to Key Areas of Main Report: Approval of the Procurement Strategy for Contract Extra Care Sheltered Housing

1 Nature of the service

1.1 Current commissioning arrangements

1.2 The Council currently commissions extra care, intermediate care and housing support services from Notting Hill Housing Trust (NHHT). Arrangements are spread across 3 sites within Islington, collectively referred to as 'The Mildmays'.

1.3 NHHT owns the 3 Mildmay properties and under the terms and conditions of the existing contract, they provide housing support, domiciliary care and intermediate care services to individuals placed in the schemes by the Council and the CCG. As the property owners NHHT also provide the landlord and housing management function. The Council has 100% nomination rights to the units.

1.4

Scheme	Units	User Group
6 Mildmay Park	10	Physical and Sensory Disability
	40	Older People and Global Learning Disability
20-26 Mildmay Park	12	Intermediate Care
73 Mildmay Street	37	Older People
Total	99	

The scheme configuration is shown in the table above.

1.5 An analysis of usage and profile of current need has been carried out indicating that the number of support hours specified for delivery within the contract may need to be increased during the contract period. This is because those within the service are developing more complex needs and those being referred into the service often have a higher level of need at entry than would have been the case 5 or 10 years ago. The number of contract hours has not previously been increased to reflect this change. This increase in complexity of need is replicated in care homes and home care services.

2. Need for Extra Care Services

2.1 By 2020 the Islington population aged over 65 is projected to rise by 9% to over 19,000 people and the over 85's from 2,200 to 2,660 people. 62% of our older residents live in social housing, 42% live on their own. The cost of housing means many family members move away as they can't afford to stay in the area. This affects the extent to which older people can be cared for at home when they become very frail and is likely therefore to impact on the demand for extra care provision going forward.

- 2.2 A local policy change in February 2014 was introduced with the aim of reducing the number of residential care placements, making extra care the default position when service users are assessed by care managers as no longer able to manage at home. This action has resulted in high occupancy rates for Extra Care and it is anticipated that the policy is likely to result in an increase in demand for extra care units in borough. Potential sources of, and options for, securing additional supply within existing housing stock in borough have been investigated indicating there is limited supply and significant operational barriers to using it.

3 Value for Money

- 3.1 The service represents good value for money. There is no planned percentage reduction for this service as the Council secured significant efficiencies in 2012/13 at the same time as negotiating a zero percent annual uplift in the new contract.
- 3.2 Any reduction in budget would need to consider the long term impact on spend in other more expensive service areas, since Extra Care is used as part of our preventative strategy, maintaining people in the community, and reducing the numbers going into more expensive residential care.
- 3.3 Benchmarking of extra care services has proven to be difficult to assess. It has been difficult to compare other areas prices because of variation in service criteria, service user groups, and specification of services across local authorities.
- 3.4 The service represents good value for money as the default accommodation based provision for those assessed as no longer being able to cope at home. The alternative would be provision of large, costly and extensive domiciliary care packages, including night time and weekend care, to keep people at home, or the more likely option of placing more people into residential care. The unit cost for LBI of placing somebody in extra care is £400.92 per week compared to a unit cost of £593 per week for residential care and £683 per week for residential dementia care in Islington.
- 3.5 A predicted increase of 9% in the number of older people living in the borough by 2020 suggests an increase in demand for accommodation based support services, and as indicated above extra care sheltered is a significantly cheaper option than residential care.
- 3.6 This procurement exercise should be achieved through available resources and as such should not create a pressure to the Council initially, but as mentioned elsewhere there may be an increase in the number of care hours required to support tenants over the lifetime of the contract as existing tenants develop more complex needs, and those entering the service do so with a higher level of need from the onset.