Evaluation of an Extra Care Housing: Initial Cost Findings

Theresia Bäumker

PSSRU at the University of Kent, the London School of Economics and the University of Manchester

Extra Care Conference
Llandrindod Wells 10 June 2009
Context and Costs

- Public funding cuts, need to justify expenditure
- Need to measure costs and outcomes, neither of which straight-forward
- Extra Care Housing
  - A relatively new, limited, but expanding area
  - Is capital expenditure on ECH justified?
  - Is ECH more cost-effective than care homes, than sheltered housing, than care in the community, or other alternatives?

- Findings from two studies: DH & JRF-funded
PSSRU Evaluation (19 Schemes)

- **2004/05**
  - 2 retirement villages: 258 & 270 units
  - 7 new-build: 344 units (38-75)

- **2005/06**
  - 1 retirement village: 242 units
  - 9 new-build/remodelled: 372 units (35-48)

Development Costs I

- Not straight-forward to compare building cost
- Average cost per m$^2$
- Cost per standard flat (i.e. cost per m$^2 \times$ average area of flats across schemes)

In comparison to Tinker et al.’s study
- Remodeling no less expensive than new-build (Methodology: no land, less communal facilities)
- vs. £64,300

Sources of capital funding
- Land subsidy, DH, other grants
- HA private finance
Development Costs II

- Viability: rent-only schemes viable
  - (Cross-)Subsidies: LA land, Sales Incomes

- Impact of current economic climate
  - Sales stalled: housing assets

- Development Cost Overruns
  - percentage of budgeted costs
  - Delays ~ land negotiations, planning consent, construction difficulties, design changes

- But capital costs only one of the cost elements
JRF Bradford study

- JRF-funded; April 2007 for 1 year: before & after study
- Objective: To compare the costs before and after residents moved to Rowanberries

Data collection:
- Residents: Baseline assessment data, Interviews at 0m & 6m, self-completion informal carer questionnaire
- Scheme-level: MHA Capital costs & operating costs at 6 months
- Bradford Adult Services: Local costs and care contracts

Sample
- At moving in: 40 out of 52 residents, and at six months 22
- Before-and-after comparison only possible for sub-sample

Rowanberries:
- Joint project between MHHA & Bradford Adult Services
- Mixed tenure dev. of 46 self-contained apartments; care services on-site provided by MHA
Bradford study I: Outcomes

Outcome Measures:
- Single QoL, Social Care Outcomes (ASCOT): before & 6m
- CASP 19, Self-perceived Health: 0m & 6m ~ recall difficulties

Improvements in social care outcomes
- Reflects decrease in unmet need across all seven ASCOT domains
- E.g. nearly two-thirds reported good social life at Rowanberries, compared to >50% feeling lonely and socially isolated previously

Improved quality of life on seven-point scale
- 68 % reported very good/good compared to 23 % before move

Well-being (CASP 19) and self-perceived health
- Same outcome: Measures did not show any change based on situation 0m & 6m

Also no real change found in abilities in activities of daily living / functional ability before and after move
Bradford Study: Cost elements

Before move
- Informal Care
- Health Care
- Social Care
- Accommodation
- Living expenses
- Personal expenses

After move to ECH
- Informal Care
- Health Care
- Social Care
- Accommodation
- Living expenses
- Personal expenses
Bradford study II: Costs

- Increase in costs: Social Care, Accommodation
  - £130 increase on average: home care, but less unmet need
  - Well-being: support costs, but therefore better QoL.
  - Accommodation: new-build, communal space

- Decrease in costs: Health Care, Informal Care
  - £70 decrease on average: nurse consultations, hospital inpatient
  - Pattern of service use: increased access vs. decreased freq. of use
  - Informal care ~ replaced by formal care

- Like-for-like comparison problematic
  - Increase in costs to public sector ~ 80% falls to public sector

- Level of receipt and costs of services seemed to increase in part due to meeting previously unmet needs

- Overall costs per person (£380→£470) increased but associated with improved outcomes
Conclusions

- People assessed eligible with desire to change circumstances had unmet needs = not surprising
- Hope that situation would change on moving = it did
- Question then is more what are costs of improved outcome, rather than surprise at increased costs (or indeed no saving)

THUS, initial evidence that ECH situated in Q2 of C-E Plane

BUT, could unmet needs have been met in previous homes?
  - Lower costs to public purse (given high initial capital investment)

BUT, do not yet have an ideal comparator:
  - People eligible for ECH but who cannot or don’t take that option, who remain in own home (amended care package) or move to care home