

# Costs and outcomes of an extra-care housing scheme in Bradford

Findings  
Informing change

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There is a systematic lack of evidence about the potential, the costs and benefits, and consequently the cost-effectiveness of extra-care housing. This study aims to assess as accurately as possible the comparative costs before and after residents moved into a new extra-care housing scheme, Rowanberries in Bradford.

## Key points

- Overall, costs rose as a result of moving into the extra-care housing scheme. However, the residents also experienced better social care outcomes and quality of life.
- On average, it cost £380 per person per week before moving into Rowanberries, compared with £470 after moving. This cost was based on comprehensive estimates for each of the broad cost components (health care, social care, accommodation and living expenses).
- This increase in cost was primarily associated with higher costs of accommodation, social care and support in the extra-care scheme. But health care costs were lower.
- Informal care costs fell, from an estimated £80 per person per week before the move to £25 per week afterwards.
- Approximately £360 of the cost per resident per week after moving into the extra-care scheme was the responsibility of the public sector, taking into account benefits that the residents received.
- The improvement in social care outcomes for residents, when comparing their perceptions before moving and six months afterwards, reflected an improvement in reported levels of met need.
- On the same basis, residents also reported improved quality of life. However, perceived functional abilities of residents had not improved during this period.
- There was no change in self-perceived health and psychological well-being, when comparing residents' reports six months after moving with their views shortly after they moved in.
- Reductions in residents reporting unmet need appeared to reflect the impact of the increased level, and cost, of resources. The decrease in health care and informal care costs did not seem to adversely affect outcomes.
- The researchers conclude that some methodological challenges need to be met before a comprehensive evaluation of the cost-effectiveness of extra-care housing can be conducted.

## The research

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# Background

The importance of extra-care housing in the current policy context is illustrated by the level of financial investment: each year since 2003, the Department of Health has provided capital funding to support the development of extra-care housing to increase the range of options available. However, there is a systematic lack of evidence about the potential, the costs and benefits, and consequently the cost-effectiveness of extra-care housing. The principal aim of this study is to assess as accurately as possible the comparative cost before and after residents moved to extra-care housing. This study was conducted in one extra-care scheme, Rowanberries in Bradford, a 46-unit joint project between Methodist Homes Housing Association (part of the MHA Care Group) and Bradford Adult Services.

## Costs

The findings suggest that the costs associated with living in Rowanberries were higher than when people received services in their previous homes. The increased social care and support costs were, however, associated with better outcomes for residents: results showed improvements in both reported quality of life and in social care outcomes, compared with residents' experiences in their previous homes.

### *Social care*

The increased costs were mainly attributable to a two-fold increase in the cost of home care, and the additional cost of support services provided to residents at Rowanberries. Overall, the weekly cost per person for social care was £193 per person per week, compared with £65 per week before moving in. The cost of home care was, on average, £89 per person per week in the six months since the move, compared with £40 per person per week in the six months before moving to Rowanberries. The cost of providing social activities and staff providing 24-hour cover was reflected in the well-being charge to residents of £51.60 per person per week.

### *Health care*

Overall, health service costs fell from £121 per person per week before the move to Rowanberries, to £53 per person per week afterwards. The greatest single difference was in relation to nurse consultations at home: an average reduction of £37 per week after the move. While the number of residents who were visited by a nurse had more than doubled, the average number of visits per resident had decreased from approximately 22 to 11 visits in a six-month period. There was evidence of a change in the pattern of accessing health care resources (such as a nurse and/or general practitioner): more residents accessed the services, but less frequently, after moving to Rowanberries. By comparison, the proportion of residents accessing hospital services such as accident and emergency, outpatient appointments and inpatient stays, was slightly lower in all instances after the move to Rowanberries.

### *Accommodation*

The method of costing accommodation resulted in estimates of £110 per person per week for their previous accommodation and £141 per person per week in Rowanberries. These estimates were calculated as the total of the sum of:

- capital cost converted to a weekly equivalent cost;
- housing management and maintenance costs; and
- utility (water, heating) costs.

One effect of a person relinquishing their current dwelling to move to extra-care could be to release housing for use by others. If the resident's previous home could have accommodated more people, potentially there was an opportunity cost to society from the inefficient use of housing resources. Only two people who had previously lived alone were categorised as under-occupying their homes, according to the agreed measure. This suggests a limited degree to which there was an overall net increase in housing stock as a result of the moves into extra-care.

### ***Informal care***

The average cost to the carer was calculated as approximately £80 per week before the person they cared for moved to Rowanberries, and £25 per week after the move: an average cost reduction of £55 per week. The method for costing informal care incorporated direct financial expenditure on goods and services which would not have been purchased in the absence of caring, travelling costs and time, and the opportunity cost of waged or non-waged time spent caring. Accommodation costs were not relevant as all carers lived separately from the person cared for.

### ***Funding***

It was estimated that in total the average cost to the public sector for each Rowanberries resident was approximately £360 per week. This figure included:

- estimates of subsidised capital cost;
- housing benefit payments towards rent and the service charge;
- care package funding by social services; and
- the average amount of benefits/allowances received.

Placing this figure alongside the total mean cost of £470 per person per week in Rowanberries would suggest that, on average, approximately 75 per cent of the formal costs per person per week fell to the public sector. Although a substantial proportion of costs prior to the move to Rowanberries would also have fallen to the public sector, and direct like-for-like comparisons are problematic, it seems that there has been an increase in the proportion of public-sector funding.

## **Outcomes**

For measures of social care outcomes and quality of life, residents were asked to answer questions retrospectively, reflecting on their previous circumstances after they had already moved. The results of the analyses suggested positive outcomes, but people may not recall previous states accurately. As recall was likely to be too unreliable for some questions, such as self-perceived health and psychological well-being, residents were instead asked to focus on their current situation at admission. All measures of outcomes reflected residents' own perceptions.

### ***Self-perceived health and quality of life***

Residents reported that they had a better quality of life six months after moving in to Rowanberries than they had in their previous homes. On the other hand, self-perceived health and psychological well-being, based on reports of what residents felt shortly after moving in and six months later, did not improve.

### ***Levels of met need***

The measure of social care outcome used in this study, 'ASCOT' [Adult Social Care Outcome Toolkit], reflects people's perceptions of their levels of met need. In the first interview, residents were asked about their perceptions prior to moving in, and again six months after moving into Rowanberries. Levels of met need were reported by residents as being higher after the move to Rowanberries than in their previous homes. Responses were measured for each of the seven domains of personal care, social participation, control over daily life, meals and nutrition, safety, accommodation and occupation.

The most notable reported difference was with respect to social participation and involvement: nearly two-thirds of residents reported that they had a good social life after moving to Rowanberries, whereas half of the residents said that they felt lonely and socially isolated in their previous homes. Residents also reported increased feelings of control and safety.

### ***Functional abilities***

Residents did not report improvements in their levels of ability to function, nor did they report that they had lower levels of need for help in activities of daily living in the six months since moving to Rowanberries. It might be expected that people would have lower needs once they have moved to a more enabling environment, but there was no evidence of this in this study.

## Conclusion

The findings suggest that moving into the Rowanberries extra-care housing scheme was associated with both higher costs and improved outcomes, compared with when people were living in their previous homes. The estimates for each of the broad cost components (health care, social care, accommodation and living expenses) resulted in an average cost per person per week of £380 before moving to Rowanberries, compared with £470 after moving. The total average costs per person per week (from a societal perspective) including informal care costs, were £430 and £490 respectively, before and after the move.

Some of the higher costs in Rowanberries were due to higher accommodation costs. These are not unexpected, given the new, purpose-built nature of the scheme, its design features catering for a range of dependency levels, and its extensive communal facilities. All of these factors would be reflected in aspects of the capital cost and the revenue cost.

The increased costs were mainly attributable to a two-fold increase in the cost of home care, and the additional cost of support services provided to residents. It may be that some moves were precipitated by health problems, resulting in a need for the increased levels of home care following the move. However, in this study there was evidence of more than a 50 per cent reduction in health care costs after the move, mainly resulting from a reduction in the intensity of nurse consultations and hospital visits. There was also evidence of a change in the pattern with which health care resources were accessed; more residents accessed the services but they did so less frequently after their move to Rowanberries. This, together with a lack of change in both self-perceived health and functional ability, suggests that the residents had better access to health care resources (such as through staff arranging the appointments or encouraging them to access these services) rather than increased needs.

The fact that health and cognitive functioning were reported as effectively unchanged after living at Rowanberries for six months, was of interest when put alongside the decrease in unmet need across all seven social care outcome domains. This, together with the other findings (including reductions in informal care input), suggests that it is primarily the higher levels of formal support received in Rowanberries which resulted in improved outcomes for residents and carers. Unmet needs associated with people's previous community care packages seemed to have been met by care services and support provided at the extra-care scheme.

## About the project

This study was conducted as an extension to an ongoing Department of Health-funded evaluation of the Extra Care Housing Funding Initiative by the Personal Social Services Research Unit (PSSRU). This research took the form of a before-and-after study: residents were interviewed soon after moving into Rowanberries about their previous circumstances, and again six months after the move. Data was also drawn from residents' assessments prior to moving and from care staff. When informal carers were identified, they were sent a self-completion questionnaire. Data was also obtained from MHA and the Bradford Adult Services Department. Of an eligible 52 residents, 40 agreed to participate in the first interview, but only 22 agreed to participate in the follow-up stage six months later. While there were no statistically significant differences, there were some indications that those who refused to participate in the follow-up stage were more impaired than those who remained in the study. While all fieldwork can run into problems at some stage, there appear to be a number of fundamental problems encountered by the study that would be important to consider in the commissioning and conduct of future research in this area.

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## For further information

The full report, **Costs and outcomes of an extra-care housing scheme in Bradford** by Theresia Bäumker, Ann Netten and Robin Darton is published by the Joseph Rowntree Foundation. It is available as a free download from [www.jrf.org.uk](http://www.jrf.org.uk).

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