

<b>10 March 2016</b>	<b>ITEM: 5</b>
<b>Health and Well Being Board</b>	
<b>Shared Lives</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key
<b>Report of: Allison Hall – Commissioning Officer</b>	
<b>Accountable Head of Service:</b> Les Billingham – Head of Adult Services	
<b>Accountable Director:</b> Roger Harris – Director, Adults, Health & Commissioning	
<b>This report is Public</b>	

### **Executive Summary**

Thurrock Council wishes to develop a Shared Lives service within Thurrock, to provide a new form of care for adults with support needs and an alternative to residential care and other forms of service. To support the development of the scheme and the tender process Thurrock Council has engaged an external partner organisation, Community Catalysts, experts in this area of work. This report provides an explanation of Shared Lives, how the scheme will work in Thurrock including benefits and risks and the anticipated savings that can be made by providing this additional care provision.

To ensure the successful and sustainable development and growth of a Shared Lives scheme in Thurrock the Council intend to enter into partnership with the Shared Lives Incubator. The Incubator combines Shared Lives expertise with social investment, and is uniquely placed to both help the Council to secure an appropriate Provider and then support the Provider to be able to deliver and expand Shared Lives care in a way that meets the local context and need.

Shared Lives will support the delivery of Thurrock Council's Market Position Statement, enabling people to be connected and contributing members of their community, to stay well and independent and increase choice and control by adding diversity to the market. It will provide lower cost, higher quality and personalised alternatives to residential care and supported living, enabling the council to make better use of its resources.

#### **1. Recommendation(s)**

- 1. For Health and Well Being Board to approve the implementation of a Shared Lives scheme in Thurrock:**

- a) with support from Community Catalysts and the Shared Lives Incubator and
- b) by finding an external Provider to develop and grow the service over the 5 year contract period.

## 2. Introduction and Background

2.1 Shared Lives is the new term for Adult Placement and is a service delivered by individuals and families who provide care or support to people placed with them in their own home by a local authority, after they have been matched for compatibility. Shared Lives can offer highly positive outcomes for individuals, with people reporting feeling settled, valued, and part of their local community. Shared Lives also costs less than alternative forms of care; on average this could be around £26,000 less per year for people with learning disabilities who might be living in residential care.

The key features of Shared Lives schemes are:

- People using Shared Lives services have the opportunity to be at the heart of their community in a supportive family setting, and have the opportunity to be part of the carer's extended family and social networks.
- The relationship between the carer and those they care for is of mutual benefit.
- Arrangements provide committed and consistent relationships.
- Arrangements are made through an organised Shared Lives scheme that approves and trains Shared Lives carers, receives referrals, matches the needs of service users with carers and monitors the arrangements.
- Carers can use their family home as a resource.
- Carers can support up to three people at any one time.
- Carers do not employ staff to provide care to the people placed with them.

A Shared Lives arrangement is an option for a wide range of people, including people with learning disabilities, older people, care leavers, young disabled adults, and people with mental health needs. Nationally the data indicates that currently the majority of placements under Shared Lives arrangements, 82%, support adults with disabilities.

By establishing a Shared Lives scheme in Thurrock we can better support local populations, in line with our strategic plans as well as our responsibilities under the Care Act, in a cost efficient manner.

2.2 Given that Shared Lives is new to Thurrock, the council have engaged an organisation called Community Catalysts to offer support and advice in developing the specification for the proposed scheme. Following on from this it is proposed that the Council enter into partnership with the Shared Lives Incubator which is a not-for-profit organisation with support from the Department of Health to help develop and expand the provision of Shared Lives provision around the country.

With the support of the Shared Lives Incubator, who have experience of establishing and expanding Shared Lives provision, the Council intends to tender for and award a contract to a Provider following a robust tender process to deliver a Shared Lives service in Thurrock.

Based on the experience of the Shared Lives Incubator, Community catalysts and social care good practice, the successful provider would need to demonstrate;

- An absolute focus on a matching process, through the assessment and approval process. This is based on effective UK practice and is central to this model of care. An effective matching process ensures that carers and individuals supported enter an arrangement that meets the needs of both parties.
- The ability and commitment to strongly support and monitor each arrangement.
- High standards of practice, with a strong and creative manager capable of articulating the vision and ability to drive the development of the service.
- Imaginative recruitment strategies to attract potential Shared Lives carers.
- Robust policies, procedures and processes required by Shared Lives Plus which is the UK network for family-based and small scale ways of supporting adults. These are to ensure that approved Shared Lives carers are safe and have the necessary skills, values and attitudes; that matching is done well and carers are supported and monitored.

2.3 While successful and self-sustaining once established, the introduction of a new service in an area can be slow to become established and upfront capital and expertise is required to develop and grow the capacity of the service. Whilst this varies from scheme to scheme the average is likely to be in the region of £250,000 for 75 new arrangements. This upfront capital is paid to the provider by The Shared Lives Incubator and is recouped as part of the management fee – see also 2.6. The trajectory of Shared Lives placements over the 5 year contract period is anticipated as follows;

Year	New Shared Lives placements	Total Shared Lives placements
1	8	8 (11%)
2	12	20 (27%)
3	22	42 (56%)
4	16	58 (77%)
5	17	75 (100%)

The Shared Lives Incubator was established in 2013 to respond directly to these challenges and to help with the development and growth of Shared Lives schemes nationally. The Incubator is a partnership between Community Catalysts, Social Finance, Macintyre Charity and Shared Lives Plus and is the sole organisation dedicated to developing partnerships to expand Shared Lives provision across the country.

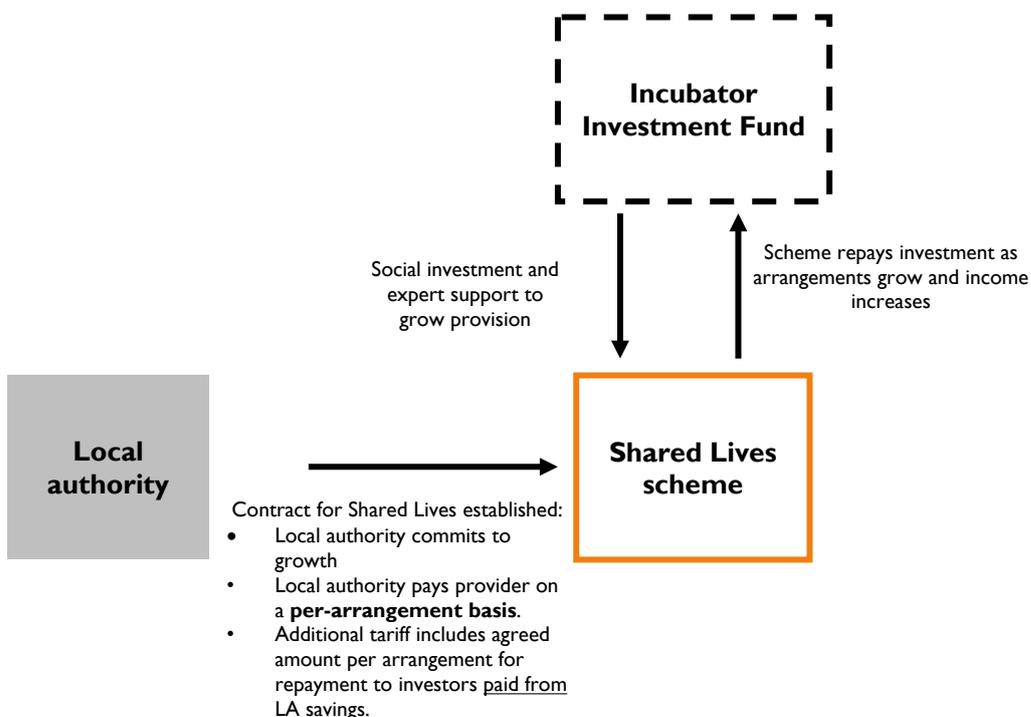
Already working with Councils in London and Manchester to establish new schemes, the Incubator brings a breadth of Shared Lives and social investment expertise to support schemes with capital and organisational support, and local authorities with advice on Shared Lives expansion.

Thurrock Council believes that a partnership with the Incubator will be the most successful approach to establishing a Thurrock scheme, based on their track record of meeting these challenges and successfully establishing new schemes elsewhere.

2.4 The Shared Lives Incubator provides a combination of capital and expertise to enable schemes to grow. Its relationships are with both the chosen Shared Lives Provider and with the Council, providing up-front investment plus bespoke expertise to the former to establish a new scheme, and advice and support to Commissioners to determine how the scheme should look, help develop a service specification and assist in the selection of a Provider to run the scheme.

The Incubator will support the council to appoint a suitable Provider, thereafter, the Council’s key relationship is with that Provider, who receives a Management Fee for each Shared Lives arrangement delivered, in place of residential care/supported living placement options.

Having invested in the Provider, the Shared Lives Incubator investment is repaid over time typically a five year period by the Provider who allocates a small proportion of the Management Fee, received from the Council, to pay back the Incubator.



2.6 Indicative modelling carried out by the Shared Lives Incubator with Thurrock Council suggests that the likely number of long-term referrals into a Shared Lives scheme in Thurrock over five years is approximately 75. This is based on demographic information and pressures within social care.

Management fees are paid to the Shared Lives Provider on a payment-per-placement basis, by either the Council or the person using the service via a direct payment or self-funded and are approximately £180 per week. Of this, around £30 per placement per week is then paid on to the Shared Lives Incubator to repay the initial investment into the scheme. In addition, a weekly fee from the Council is paid via the Shared Lives Provider to each Shared Lives carer dependent on the level of need. Typically schemes have low, medium and high bandings; these are yet to be determined for Thurrock however average payments are likely to be approximately £350 per week.

The above costs are indicative amounts and the final numbers of placements, management fee amount to the Provider and weekly fee amount for Shared Lives carers will be determined over the coming months prior to the tender being advertised. However by using the indicative modelling as above it can be determined that the likely full contract value of commissioning a Shared Lives scheme is approximately £5 million for the full 5 years.

2.7 Although the impetus behind Shared Lives is to develop more personalised care which helps people stay integrated into their local community, Shared Lives is also a cost-effective form of care and provides an alternative care option to long-term residential care suggesting that there are potentially significant savings to the Council.

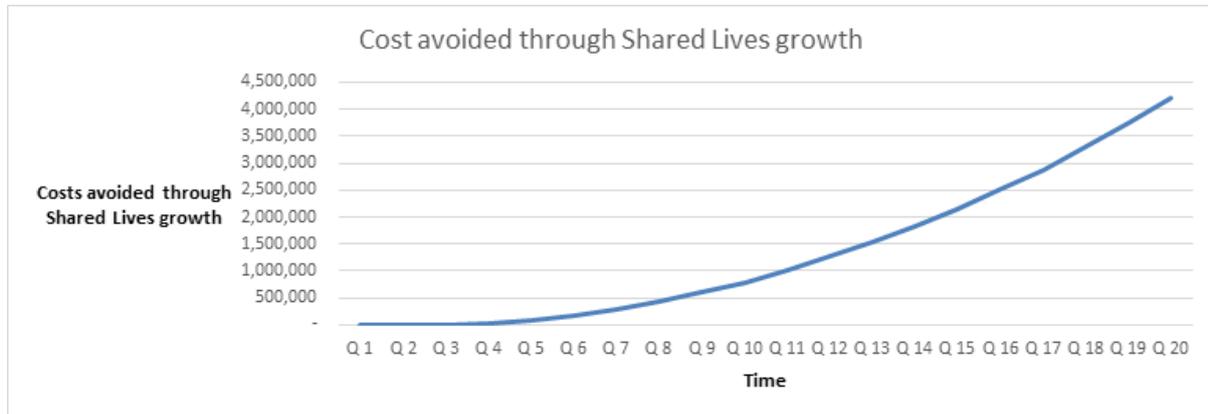
In a previous cost benefit analysis, conducted by Social Finance, they found potential annual savings per arrangement of about £26,000 for adults with learning disabilities and £8,000 per annum for those with mental health needs who access Shared Lives as an alternative to residential or supported living placements.

In Thurrock:

- The current average cost of a long term residential placement for someone with a learning disability in Thurrock is £55,000 per year
- The estimated cost of a long term Shared Lives arrangement for someone with a learning disabled with high support needs is £42,000 per year, therefore **potential savings are at least £13,000 per arrangement per year**
- For an adult with medium needs, the average cost of a shared lives placement would be £27,000 per year, **with savings of at least £28,000 per arrangement per year.**
- If 20% of placements are transferred to Shared Lives, achieving a growth of 75 arrangements over 5 years it can logically be concluded therefore that there would be an anticipated saving of at least £4 million over a five year contract period.

As Shared Lives is more cost-effective than other forms of care, the Council's savings accrue as more people are diverted from more expensive alternate residential care settings into Shared Lives.

The Council only pays if the scheme is successful; the more Shared Lives care that is delivered, the more on-going savings accrue to Thurrock Council.



This has three advantages for Thurrock:

- **Control over contract value.** Thurrock pays only for what it uses.
- **Paying for only what is delivered.** It is challenging to expand Shared Lives. In this model, the Council do not have to risk paying for expansion that does not deliver results. The Council pays only for success.
- **Incentivising growth for the provider.** It is a strategic aim to expand Shared Lives due to the positive care outcomes, savings potential and employment opportunities for local residents. As the Shared Lives provider will be paid more if it grows the scheme, it has an incentive to help the Council meet its strategic goal.

### 3. Issues, Options and Analysis of Options

There are three main risks, which may impact adversely on the development of the service:

1. Difficulty in recruiting suitable carers
2. Social workers and support planners do not refer enough suitable people to the scheme
3. Families are threatened by the model and resist referrals for Shared Lives arrangements

All three risks are recognised by the Shared Lives Incubator, in particular by Community Catalysts, who have helped to support over 30 schemes in the past seven years and are experienced in addressing these risks and challenges. The following draws on their knowledge and expertise.

#### 3.1. Difficulty in recruiting suitable carers - mitigation

- Demographic profiling of existing Shared Lives carer populations has highlighted some key characteristics of Shared Lives carers. For example: Shared Lives carers are predominantly between the ages of 30 and 64
- the majority are owner-occupiers, although until recently a significant minority were social housing tenants, the 'bedroom tax' has reduced the number of people in social housing with a spare bedroom;
- they are settled and crucially have a spare room.
- Shared Lives carers are drawn from a range of backgrounds but the majority are already employed and work in the census category 'middle managerial, administrative and professions'.
- A significant proportion of Shared Lives carers have been employed as care professionals.
- A ward-by-ward demographic analysis of Thurrock against this Shared Lives carer profile found that ten of the twenty wards in Thurrock had characteristics that suggested they would be likely areas to recruit Shared Lives carers. Of these, three areas Corringham and Fobbing, Orsett and The Homesteads were strongly indicated.

However the demographic makeup of the area is only one of the factors to be taken into account when deciding where to target Shared Lives carer recruitment. A second important factor is the vibrancy and health of the local community. Carer recruitment is most effective through local word-of-mouth which can be generated or amplified by working through community structures and the local people who make that community work well for people. In addition Shared Lives carers tend to be natural volunteers and so an area with lots of volunteers is likely to generate lots of carers. A ward with a favourable demographic analysis but weak community structure is unlikely to generate significant numbers of suitable Shared Lives carers.

Thurrock Council has invested in Local Area Co-ordinators who are embedded in local communities and are the first point of contact for people who need some support and help. The Local Area Co-ordinators concur that all three of the identified wards have positive community structures which will support the good levels of suitable Shared Lives carers. The knowledge and connections of the Local Area Co-ordinators will be a valuable asset to the development of the Shared Lives Scheme

### 3. 2. Social Workers and Support Planners do not refer enough suitable people to the scheme - mitigation

All Social Workers and Support Planners in Adult Social Care are already aware of Shared Lives and have a high level of enthusiasm for the model and a commitment to refer to the new service. The commissioning team will work with operational teams to ensure they are fully informed of progress and seek support from operational colleagues at different stages of the tender process and service development.

### 3.3. Families are threatened by the model and resist referrals for Shared Lives arrangements - mitigation

This is a common response nationally to a new Shared Lives service and we have already met with carer advocates. There is work to be done to win over the hearts as well as the minds of family carers and this will be a key element of the tender process and requirement from the successful Provider.

Social workers and Support Planners also recognise that they have a role in supporting families to understand and engage with the model.

## **4 Reasons for Recommendation**

- The Care Act 2014 introduces a duty to the local authority to promote diversity within the market and promote quality in the provision of services to supporting the market to develop affording an increase in choice for those requiring services. Alternatives to residential care are underdeveloped and a Shared Lives Scheme increases options for the local communities of Thurrock.
- Pressures on social care budgets mean that local alternatives to high cost, long term residential care placements are needed.
- Shared Lives compliments our Building Positive Futures programme which is Thurrock Councils response to the national personalisation agenda, it builds upon our community development work and contributes to the development of resilient self-supporting communities

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Engagement will be a key part of the development of a Shared Lives Scheme in Thurrock. Through our Engagement Group voluntary sector colleagues are aware of the proposals. As the work progresses commissioners will work with carers groups and service user representatives to ensure that those who may potentially use the scheme are part of the development and tender process. An engagement plan will be developed.

Engagement will also take place with wider communities, across the Council and with the market to raise the profile of the scheme.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 As detailed in item 4

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Jo Freeman**

## **Management Accountant – Social Care and Commissioning**

The financial implications are detailed in the body of the report.

### **7.2 Legal**

Implications verified by: **Paul O'Reilly**  
**Projects Lawyer – Law and Governance**

The procurement of the Provider will be undertaken using a competitive Open Procedure. It is anticipated that because of the specialist nature of the services, there is likely to be a limited number of suitable providers who would be available to tender. The final agreement between the Council and the Provider will need to reflect the complexity of the service model and the mutual obligations on the parties. It is recommended that a form of agreement, or memorandum of understanding, should also be entered into between the Council and the Shared Lives Incubator to ensure that funding commitments and other objectives are achieved. The procurement process will take place with full involvement of legal and procurement officers.

### **7.3 Diversity and Equality**

Implications verified by: **Natalie Warren**  
**Community Development and Equalities Manager**

The provision of Shared Lives services in Thurrock will ensure that a range of people continue to be supported with dignity and respect, recognising their diversity needs and offered a significant increase in choice.

### **7.4 Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

### **8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- [http://www.socialfinance.org.uk/wp-content/uploads/2014/04/SF\\_Shared\\_Lives\\_Final.pdf](http://www.socialfinance.org.uk/wp-content/uploads/2014/04/SF_Shared_Lives_Final.pdf)

### **9. Appendices to the report**

- Procurement Report Stage 1

**Report Author:**

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