



THE SHARED LIVES INCUBATOR

CONTENTS

Summary	2
Introduction to the Shared Lives Incubator	7
Performance of the Incubator	13
Lessons and insights from the Incubator	20
What next for Shared Lives care?	27
Annex	29
Acknowledgements	32
Authors	32

SUMMARY

The experience of the Shared Lives Incubator pilot is that the growth of person-centred models of adult social care can make an incredibly important contribution to the wellbeing and independence of vulnerable people, but is significantly harder to achieve than anticipated.

This report highlights some of the lessons and insights from the Incubator pilot. The significant social benefits of Shared Lives are well documented (see sharedlivesplus.org.uk), so our report focuses on the more technical elements of scheme growth and investment.

The Incubator has succeeded in developing the sustained delivery of quality Shared Lives care to nearly 50 vulnerable adults, and in helping the four 'incubated' Shared Lives schemes to achieve ongoing growth in challenging contexts. The schemes have:

- Enabled dozens of people to benefit from living with a family, enjoying both greater independence and interdependence than in alternative forms of care.
- Supported not just those with learning disabilities, but those living with severe mental ill-health.
- Enabled those supported by foster carer to maintain their long-term family support into adulthood.

Shared Lives placements have grown nationally and the four schemes supported by the Shared Lives Incubator have accounted for around 10% of the recent net national growth of long-term placements. Growth in Incubator schemes has been faster than the average among other similarly sized schemes without Incubator support and compared to some similar grant funded programmes,



"THE REGISTERED
MANAGER AND STAFF
WERE HELPFUL,
THOROUGH AND VERY
SUPPORTIVE AND PUT
PEOPLE'S NEEDS FIRST"

although not as fast as a few well-established large schemes covering big geographical areas.

However, long-term placements have grown significantly more slowly than originally anticipated: after four years of Incubator support for two schemes and two years of the other two schemes, 47 new placements had been established against a target of 181. In turn, it has put pressures on the finances of some of the new schemes.

The question raised by this pilot is therefore: why has it been challenging to accelerate the growth of Shared Lives through the provision of funding and support, given that Shared Lives is the form of care most frequently rated good or outstanding by the Care Quality Commission, and that we consider it remains value for money? We need to be cautious about drawing conclusions from just four schemes, but there are still valuable lessons:

- i. We conclude that the original targets were probably over-ambitious, but also that the barriers to rapid growth are even higher than five years ago.
 - Needs are more complex, often requiring carers to have accessible homes, and social workers have less time to spend on the careful arrangement of Shared Lives placements.
 - Against the original financial assumptions, the four schemes would have saved local authorities around £5 million to date; but the feedback from local authorities is that they have reduced expenditure on alternative models of provision and comparative savings and financial incentives for growth are therefore now lower (although still positive).
- ii. Local authorities also need to devote considerable effort, particularly to referrals. In parallel with this paper, the Shared Lives Incubator has worked with Shared Lives Plus, the sector

body, to develop a set of practical tools to promote and aid the growth of Shared Lives care.

- iii. Even with the right support, reaching a critical mass of placements and carers takes time and long-term resource. There may therefore be a stronger investment case in working to expand established providers in an area or region, and supporting providers to offer a more diverse range of formal and informal care.
- iv. The four incubated schemes also reinforce the critical importance of an outstanding scheme manager, with a combination of professional and entrepreneurial skills, to enable rapid growth. One scheme saw 77% of its growth following the appointment of a new manager.

Shared Lives Plus highlight that relatively few areas are currently achieving all of these components of growth in parallel, and are developing strategic advice and support to help areas achieve that.

Given the need for long term support and the alignment of incentives and action across an area, we conclude that:

- Whatever the funding model/source, it will be important to embed a rigorous and flexible approach to growth in order to respond to challenges and uncertainty.
- Future external social investment to support Shared Lives growth should more explicitly share risks with local authorities – investors, and some providers, shouldered too much of the risk in this proof of concept pilot.
- Repayable grant models to support growth may be more appropriate than investment seeking a return.

Finally, for Shared Lives care and other proven, community-focused approaches to health and social care to truly scale, it is the conclusion of the Incubator that change is required at levels beyond that of the

scheme and local area. A renewed national settlement for social care is also essential. Alongside action by central government, funders, commissioners and providers of care across the sector will continue to need to respond with creativity, and at times reach compromise; a process which needs to be built upon putting users of care at the centre of our collective work.

We have written this paper to contribute to that discussion, and look forward to collaboration across the sector to help design and develop vibrant and sustainable person-centred social care.

INTRODUCTION TO THE SHARED LIVES INCUBATOR

What is the Shared Lives Incubator?

Shared Lives Investments Ltd (‘the Shared Lives Incubator’) is a socially motivated investment fund, launched in 2015 by Social Finance working closely with Shared Lives Plus and Community Catalysts as a proof-of-concept to help to expand Shared Lives care in England.

Four independently-run Shared Lives schemes received investment, and some advice and business support to help to increase the number of individuals supported in long-term Shared Lives arrangements.

Ongoing performance monitoring brings together the Shared Lives scheme staff, the local authority partner and the Incubator team to review and troubleshoot barriers to growth.

Through its exploration of what it takes to grow Shared Lives care in the UK the Incubator is also gathering wider insights into the state of social care options and delivery in the UK, in partnership with sector body Shared Lives Plus.

TABLE 1: KEY ELEMENTS OF SHARED LIVES INCUBATOR

Investment total	c. £950,000
Investments	Four investments of £150,000–£315,000. A proportion of scheme management fees are used to repay investments (a revenue share arrangement) over five to ten years.
Structure	A ‘proof of concept’ impact-first Limited Partnership, comprising the John Ellerman Foundation, Esmée Fairbairn Foundation, Joseph Rowntree Foundation, Big Society Capital as the investors, supported with investment advice and expert operational support.
Term	Fund duration of seven years.
Social Impact	Support for vulnerable adults to access community and family-based forms of care.

What prompted the Shared Lives Incubator?

Shared Lives care has existed in England for a number of decades but has supported relatively modest numbers of individuals. Motivated by the two goals of improving outcomes for vulnerable individuals and of finding cost-effective, high quality care models for local authorities, the Shared Lives Incubator was created in 2015 to test and explore ways of Shared Lives care supporting greater numbers of people, based on the following:

- That outcomes for people supported in Shared Lives care arrangements are consistently positive.
- That long-term care in a Shared Lives arrangement can cost a local authority substantially less than other, 'better-known' forms of care (e.g. in a residential care institution).

The Incubator model – combining social investment and expert support to Shared Lives schemes – was agreed on in partnership with sector body Shared Lives Plus and other sector experts, in order to address the following barriers to growth:

- A lack of upfront investment.
- A lack of Shared Lives care capacity and expertise.
- Limited management capabilities within the Shared Lives sector.
- Contracting models that limit growth.

The Incubator represents one element of a wider strategy by Shared Lives Plus and partners to grow the sector.


What is Shared Lives care?

Shared Lives care is a type of care provision for young people or adults who need care and support. In a Shared Lives care arrangement,

the person who needs care and support moves in with, or regularly visits, an approved Shared Lives carer.

Across the UK, there are currently (2019) over 12,000 people benefitting from different types of Shared Lives care. Over 5,500 people have been recruited and trained to be Shared Lives carers and share their home and family life with someone requiring support.

Shared Lives schemes are inspected by the Care Quality Commission (CQC) in England; in 2018 96% of 132 Shared Lives schemes were rated by the CQC as good or outstanding, making Shared Lives care the highest quality form of care in England.



A 2012 SURVEY OF SHARED LIVES SCHEMES IN THE UK, CARRIED OUT BY COMMUNITY CATALYSTS, FOUND THAT 90% OF LOCAL AUTHORITIES IN THE UK HAVE A SHARED LIVES SCHEME BUT THAT PROVISION IS UNDER-DEVELOPED



“SHARED LIVES
CARE PROVIDES
CONSISTENTLY
POSITIVE OUTCOMES
FOR INDIVIDUALS”

A Shared Lives care arrangement can take a number of forms, an individual can:

- Live in the Shared Lives carer's home full-time (a **long-term** arrangement).
- Visit a Shared Lives carer for **short breaks**.
- Receive care during the day, based out of the carer's home (**day support**).

How does Shared Lives Care operate?

Shared Lives care arrangements are facilitated and supervised by a Shared Lives scheme, which recruits, trains and approves Shared Lives carers, and matches them with someone needing care.

Business models vary slightly between schemes (particularly as the majority of Shared Lives schemes are run from within local authorities) but the financial viability of services depends on effectively using the capacity of small staff teams to set up and oversee Shared Lives arrangements.

Long-term Shared Lives arrangements are a key element of the value proposition for commissioners, and an important consideration for schemes' financial sustainability.

Because long-term arrangements often take less on-going resource to maintain (post-set up) and are often more consistent than short-breaks and day support arrangements, many schemes rely on a core number of long-term arrangements to sustain the scheme (although models vary).

Research over the past five years has shown that Shared Lives care provides consistently positive outcomes for individuals across the different arrangement models. However, in terms of savings for local authorities and other commissioners, it is often long-term arrangements that present best value for money.



Incubator business model and scheme targets

By 2017 the Shared Lives Incubator had committed to invest in and support Shared Lives schemes in four English local authority areas with a desire to grow local Shared Lives care.

Ambitious targets were agreed between the Incubator and each local authority, detailing the number of long-term Shared Lives arrangements to be delivered over a defined contract period. Two investments (Manchester and Thurrock) were into new schemes, and two into growing existing schemes (Lambeth and Haringey).

The parties then worked together to procure an independent Shared Lives provider to grow and run the local Shared Lives scheme.

In accepting investment and support from the Incubator, the selected providers committed to passing on a set amount of the per-placement fee received by them from the relevant local authority (in order for the upfront investment to be repaid).

By supporting schemes to achieve targets the Incubator would both demonstrate the potential of Shared Lives at greater scale while recuperating investment and costs.

TABLE 2: OVERVIEW OF INVESTMENTS

	Contract Start	Shared Lives Provider	Contract Term	New Arrangements Target
Manchester	01/05/2015	PSS	5 years	75
Lambeth	01/06/2015	Grace Eyre	5 years	75
Thurrock	18/02/2017	ategi	5 years	75
Haringey	01/06/2017	ategi	5 years	75

GROWTH PERFORMANCE OF THE SHARED LIVES INCUBATOR SCHEMES

Incubator performance: social impact

The four incubated schemes have succeeded in providing over 10,000 weeks of high quality, value-for-money care for people between summer 2015 and summer 2019. All four schemes have been reviewed by the Care Quality Commission and have been rated Good.

Schemes have sought to take a wider range of referrals, such as the Lambeth scheme supporting those with severe mental health conditions.

Schemes have enabled foster carers to continue to support young people with care needs once they have transitioned into the adult care system.

Each scheme has also overcome a number of area-specific challenges to Shared Lives, including:

- **Lambeth:** doubled the size of a Shared Lives scheme that had not grown in over five years and introduced consistent quality and expectations to a variable carer pool.
- **Thurrock:** introduced Shared Lives care to an area with no previous experience of the model.
- **Haringey:** re-introduced robust monitoring and quality assurance processes to an existing scheme.
- **Manchester:** developing a new scheme across a large geographical area.

TABLE 3: GROWTH IN LONG-TERM ARRANGEMENTS COMPARED TO TARGETS AND NATIONAL GROWTH

	Total number of new long-term arrangements (cumulative)								Scheme growth (actual)				Annual growth (average)
	Target				Actual				New long-term arrangements (year-on-year)				
	Y1	Y2	Y3	Y4	Y1	Y2	Y3	Y4	Y1	Y2	Y3	Y4	
Manchester	11	41	75	75	2	11	15	19**	2	9	4	4	4.75
Lambeth	5	29	52	57	0	2	12	18**	0	2	10	6	4.5
Thurrock	9	33			2	4**			2	2			2
Haringey	4	16			3	6**			3	3			3
<i>All schemes* (Engl. - 132)</i>					6090	6290	6420	6630	-	200	130	210	
Avg. scheme					46	48	49	50	-	1.5	0.9	1.6	1.37

* Approximate comparative data - exact dates slightly different. See Shared Lives Plus, Shared Lives in England 2017/18. More detailed analysis also undertaken on dataset provided.



Incubator performance: against targets

The performance of the four incubated Shared Lives schemes – as measured by establishment of new long-term arrangements – have grown more slowly than anticipated. After four years of the Manchester and Lambeth schemes and two years of Thurrock and Haringey, 47 new placements had been established (see orange numbers in Table 3) compared to a target of 181.

All four schemes took more time than anticipated to establish arrangements with a slower growth rate than expected thereafter. Some schemes struggled to recruit, train and approve the targeted number of Shared Lives carers, but the greater challenge has been that local authorities made significantly fewer suitable referrals than anticipated.

While growth has not met targets, all four schemes have achieved sustained growth of long-term arrangements, at a rate which exceeds averages for the sector, and with growth often picking up over time. The 47 placement growth over the initial four/two years represents around 10% of the net sector growth in long term placements in England. Modest growth has continued since then.

Incubator performance: value for money

The original premise of the Incubator investment case was that a typical long-term Shared Lives placement for someone with a learning disability could improve care and save local authorities around £500 per week/£26,000 per annum compared to alternatives. This was based on local authority costs in the years before 2013.¹

1 Social Finance has not been able to undertake a thorough update to its 2013 report 'Investing in Shared Lives', but scheme-level data (where available) and more recent cost benefit analyses – including the PSS Shared Lives and TRIO Social Impact Report – continue to demonstrate that Shared Lives care represents good value for money

If these estimated savings were realised, the Incubator would have delivered around £5 million of savings to local authorities over the last four years.

The Incubator has been unable to secure high quality data on per-placement cost savings in each area to verify this saving (in part because most new arrangements have come via new packages of care rather than people transferring from existing forms of higher-cost care). However, based on feedback from local authorities, we consider that budget pressures mean that typical expenditure on residential care and supported living is lower than before 2013, and so the net saving would be lower than £5 million.

Despite this uncertainty on precise savings, there are still high levels of confidence in the overall value for money secured for each local authority by the greater use of Shared Lives care given:

- Competitive per-placement Shared Lives management fees (in line with the rest of the sector).
- Higher-than-average growth rate (across all four schemes).
- Sustained value-for-money of Shared Lives care in comparison to other forms of care.

In those instances where incubated Shared Lives schemes have been able to accommodate individuals with high needs, we consider that schemes are still saving local commissioners at least several tens of thousands of pounds per year.

Incubator performance: in context

Over the Shared Lives sector as a whole, the Shared Lives Plus Shared Lives In England report indicates that approximately 540 new long-term Shared Lives arrangements were established in the three years between 2014/15 and 2017/18 (9% growth). During this period, the reported number of people supported by day support increased by

TABLE 4: INCUBATOR GROWTH COMPARED TO NATIONAL GROWTH AND OTHER PROGRAMMES

Initiative / project	Shared Lives Incubator	All long term placements (Eng.)	Scaling Shared Lives in Health	Homeshare Partnership
Sites	4	132	7	8
New long-term arrangements	47	540 ('average' analysis based large sample)*	24	28
Period	Jun 15 to Jun 19	Apr 15 to March 18	Jan 17 to Dec 18	Jun 15 to Dec 17
Months	48 (2) or 24 (2)	36	23	30
Average new arrangements / site / month	0.58	0.07 [†]	0.15	0.11

* 'Average' analysis based on a large sample of schemes for which like for like data available over the three years – some of 540 from newly reported sites.

† Analysis limited to specific development schemes – Shared Lives Plus report that the overall Homeshare sector has grown from 100 to 400 placements and 900 people are now using Shared Lives as a health service over the period.

nearly 900 (a rise of nearly 50%) and short breaks fell by around 200 (a 6% decline).²

Similar projects aiming to rapidly accelerate Shared Lives and similar person-centred models of care have also initially struggled to achieve specific ambitions for growth in long-term placements, although have also been accompanied by or supported wider sector growth:

- The Scaling Shared Lives in Health' programme to explore the development of Shared Lives to those with (often complex) health needs in seven areas (£1m).
- The 'Homeshare Partnership Programme' to develop a number of Homeshare schemes (£2m).
- Comparisons are difficult, but analysis indicates some greater growth among Incubator schemes.

2 Shared Lives Plus, *Shared Lives In England 2017-18*.

Instances of high Shared Lives growth: insights

Targets for the Shared Lives Incubator schemes were inspired by achievements in Lancashire in 2012–13, where (with over £665,000 of local authority investment and external professional support) 34 new long-term arrangements were established in nine months.

Schemes in Kent and the South West have also achieved growth on this scale, having increased the number of long-term arrangements in their areas by 15–25 arrangements per year since 2015–16.³

It is however crucial to note two key characteristics of the three schemes in Kent, Lancashire and the South West, which together account for 36% of all long-term arrangement growth across the sector. Compared to the rest of the Shared Lives sector, these three schemes all:

- Measure growth from a base of over 130 long-term arrangements, vs a sector average of 38.
- Provide care in areas with over 7,000 ‘clients accessing long term support in a year’ (aged 18–64), vs an average outside these areas of 1,300.⁴

Substantial growth is not an automatic consequence of substantial scheme size nor of a large local eligible client population, but it is the conclusion of the Shared Lives Incubator that the rates achieved in Lancashire, Kent and the South West are directly linked to these enabling factors.

Discounting the Kent, Lancashire and Shared Lives South West schemes, average annual growth of long term arrangements falls

3 Analysis of Shared Lives Plus State of Shared Lives in England, data from 2013–14 to 2017–18.

4 NHS Digital: Adult Social Care Activity and Finance : England 2017–18, Reference Tables. Table 33: Number of clients accessing long term support during the year, at the end of the year (31 March) and for more than 12 months at the end of the year1 (31 March), by age band, 2017–18.

TABLE 5: ANNUAL GROWTH OF SUCCESSFUL LARGE SCHEMES

	2013/14 scheme size	Four year growth in long-term arrangements (2013/14 - 2018/19)	Average annual growth (LT)	Total number of local authority clients accessing long term support (all forms) during year
Shared Lives South West	284	58	15	8,045
Lancashire Shared Lives	174	68	17	7,425
Kent Shared Lives	131	88	22	7,660
Average SL scheme	38	4	1	1,300

TABLE 6: GROWTH IN INCUBATED SCHEMES COMPARED TO SMALL SCHEMES NATIONALLY

	'Pre-growth' scheme size	Four year growth in long-term (LT) arrangements	Average annual growth (LT)
Manchester	0	19	4.75
Lambeth	18	18	4.5
Schemes with 0 - 18 LT arrangements in 2015 (avg)	11	3.7	1

	'Pre-growth' scheme size	Two year growth in long-term (LT) arrangements	Average annual growth (LT)
Thurrock	0	4	2
Haringey	28	6	3
Schemes with 0 - 28 LT arrangements in 2017 (avg)	18	3.4	1

below two arrangements per year, with just 14 schemes (of a total of 132) managing to achieve growth of more than two arrangements per year.⁵

Comparisons with schemes of similar sizes may enable a more suitable evaluation of the performance of the four incubated schemes.

5 Analysis of Shared Lives Plus State of Shared Lives in England, data from 2013-14 to 2017-18.

LESSONS AND INSIGHTS FROM THE SHARED LIVES INCUBATOR

Observed factors for Shared Lives growth

While it is important to acknowledge that average sector performance has been skewed by a small number of large Shared Lives schemes, this should not discourage attempts to grow smaller Shared Lives schemes and the general provision of Shared Lives care more widely.

The experience of the Incubator has shown that it is possible to increase the rate of Shared Lives growth by focusing on key operational enablers and barriers.

The following sections cover those key observed factors that affect growth, as well as the implications of these observations for Shared Lives providers and local authorities who wish to use and grow Shared Lives care.

In parallel to this report and in response to a perceived gap in practical resources to support local authority staff to engage with Shared Lives care, the Incubator has also collaborated with Shared Lives Plus to develop a suite of tools for local authorities. These tools will be freely accessible on the Shared Lives Plus website; for more information see: www.sharedlivesplus.org.uk.

Local operational factors for Shared Lives growth

Observations from the four year Incubator experience support the following views:

Operational capability and targeting of a service

1. That a proactive Shared Lives scheme manager and operational team is the key success factor for a scheme's performance and reputation with a local authority / area (a change in manager accounts for 77% of growth in one of the four areas).
2. That Shared Lives can be used as a service for individuals with a variety of care needs but that this requires relevant skills and experience from the scheme manager and / or team (in Lambeth, the manager's previous experience working with individuals with mental health needs has enabled the scheme to match a number of individuals with complex needs, including from prison).
3. That Shared Lives care is particularly suitable for individuals transitioning from foster care (36% of the new arrangements established in the four Incubator areas) and that strong links with transitions teams can be important for growth.

Longevity, trust and reputation

4. That most schemes are able to attract new carers over time, who in turn facilitate further carer recruitment. The more carers (and thus diversity) that a Shared Lives scheme has, the more possibilities for growth.
5. That Shared Lives care can develop and grow to achieve high population coverage in an area but that this takes time. For this to happen the Shared Lives care model needs to be understood and integrated into business as usual for referring organisations and the local community more widely. This has implications for the investment model (see annex) – financial risks need to be shared with local authorities and providers also need to fully understand and manage risks.

We have also observed the following common barriers to growth:

Operational capacity and targeting of a service

- a. That the process to set up a Shared Lives care arrangement can be more time and resource intensive than other care services available to social workers, which can put off over-stretched social workers.
- b. That Shared Lives care is an unusual model for social workers and other operational staff, that can take time to understand (and benefits from additional organisational incentivisation).
- c. That the current context of high staff turnover and intense time pressures in referring entities often makes it additionally difficult for Shared Lives care to become embedded.
- d. That cost-pressures on local authorities are driving a higher proportion of referrals for individuals who have complex care needs, in response to which Shared Lives schemes have found it difficult to attract sufficient numbers of adaptable carers and / or carers with ground floor properties.

Longevity, trust and reputation

- a. That once established in a particular care setting, individuals are often reluctant to change environment (i.e. individuals' preference for stability can hinder intended transfers into Shared Lives arrangements).
- b. That a lack of understanding of the Shared Lives model by operational colleagues in local authorities can contribute to a lack of buy-in from families and / or current carers, which can delay and or obstruct use of Shared Lives care.

TABLE 6: OBSERVED GROWTH FACTORS - IMPLICATIONS

Growth factors	Implication for Shared Lives schemes and providers	Implication for local authorities and other referrers
Operational capability and targeting of a service		
<ol style="list-style-type: none"> 1. Proactive manager / team 2. Skills and experience to match complex referrals 3. Links to transitions teams 	<ul style="list-style-type: none"> • Schemes to consider recruitment through non-traditional channels, and the value of higher salaries to attract proactive scheme managers • Schemes to consider how to invest in scheme staff and carers to better enable complex Shared Lives arrangements, e.g. training and support offer, links with local groups • Schemes to focus on building links with foster care / transitions teams 	<ul style="list-style-type: none"> • Local authorities to consider how to recruit / match strong internal staff to Shared Lives management and / or allow sufficient funds to attract good candidates • Local authorities to consider if they can help to support with training and / or local links with relevant groups (including housing colleagues) to enable Shared Lives schemes and carers accept and manage complex arrangements • Local Authorities to enable links between Shared Lives and foster care / transitions teams
Longevity, trust and reputation		
<ol style="list-style-type: none"> 4. Attracting carers 5. Embedding Shared Lives processes into an area 	<ul style="list-style-type: none"> • Schemes to work closely with local authorities to see if future referrals can be anticipated and carer recruitment planned for accordingly • Schemes to make every effort to tailor practice to the local authority / local referrers; e.g. adaptation of referral forms; co-production of matching process to incorporate local authority practice; regular and sustained input to team meetings; regular communications and updates 	<ul style="list-style-type: none"> • Local authorities to try to anticipate and share information on potential future referrals with Shared Lives schemes, to enable targeted carer recruitment • Local authorities to collaborate with Shared Lives schemes to identify possibilities for aligning practice and promoting Shared Lives as business as usual. Ideas include Shared Lives champions in staff teams, co-location opportunities with social work teams

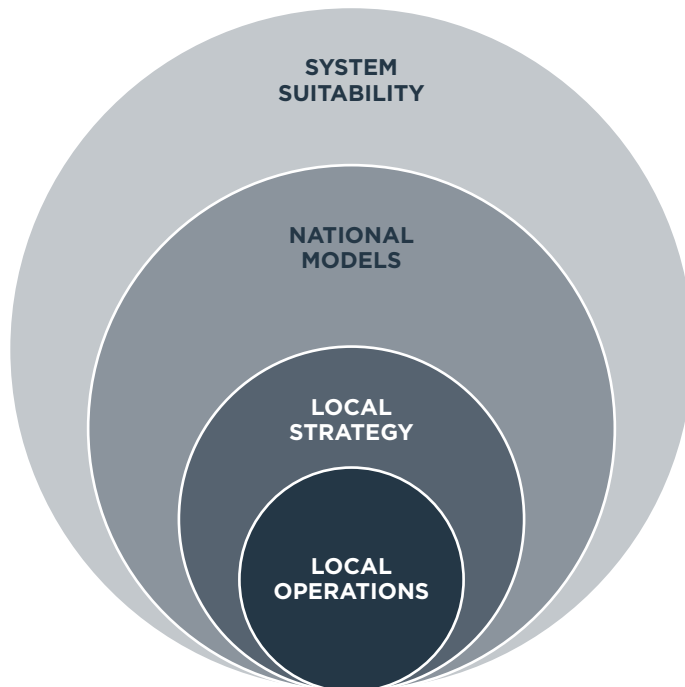
TABLE 7: OBSERVED BARRIERS - IMPLICATIONS

Observed barriers	Implication for Shared Lives schemes and providers	Implication for local authorities and other referrers
Operational capacity and targeting of a service		
a) Time and resource required	<ul style="list-style-type: none"> Schemes to actively manage social worker expectations while seeking to identify ways of minimising social worker resource required 	<ul style="list-style-type: none"> Local authorities to work with schemes to agree on a clearly agreed matching process and allocation of responsibilities in the process
b) Understanding the model		
c) Staff turnover / pressures	<ul style="list-style-type: none"> Schemes to use videos and other compelling communications that ‘bring Shared Lives to life’ 	<ul style="list-style-type: none"> Local authorities to support efforts to embed Shared Lives within the area; e.g. including Shared Lives in staff inductions, rotations, newsletters, intranet etc
d) Complex referrals	<ul style="list-style-type: none"> Schemes to communicate regularly and consistently across commissioners and referral teams, to address churn Schemes to adapt to greater volumes of complex referrals by focusing on recruitment of more experienced / flexible carers and or those with properties that can be adapted 	<ul style="list-style-type: none"> Local authorities to consider how to familiarise and engage staff across all levels in Shared Lives Local authorities to consult with schemes at early stages re. suitability of Shared Lives for individuals with more complex needs, and work with colleagues in housing to consider how to streamline home adaptations
Longevity, trust and reputation		
e) Resistance to change	<ul style="list-style-type: none"> Schemes to consider how to build trust in Shared Lives over time; e.g. visits from prospective carers to an existing care setting, Shared Lives short breaks etc 	<ul style="list-style-type: none"> Local authorities to enable a longer-term approach to exploring possible moves to Shared Lives arrangements, to enable the gradual building of trust
f) Lack of buy-in from families	<ul style="list-style-type: none"> Schemes to ensure that Shared Lives is promoted and understood in local communities, e.g. support groups for carers, day centres 	<ul style="list-style-type: none"> Local authorities to support the community-wide promotion of Shared Lives care as an option for families and carers

Wider considerations for Shared Lives success


While a proactive local approach to encourage Shared Lives care can help schemes to grow, suitable conditions need to be considered and facilitated across all the following levels for Shared Lives and other similar forms of person-centred care to truly succeed:

- Local operational level – the ability of a scheme / team to engage and interact with an area.
- Local strategic level – whether the right conditions for success are created (through culture and senior leadership) in an area.
- National operational level – advocacy for and development of the Shared Lives care model at a sector / national level, through Shared Lives Plus.
- National strategic level – whether the social care system in its current form is facilitating or stifling the conditions for the successful use of person-centred, asset-based care.



Shared Lives Plus is looking at how to bring together these different components of change at a local or regional level.

The Incubator experience also highlighted the need to radically change incentives and enablers (including funding) within the national framework for adult social care. There needs to be a greater focus on the outcomes of interdependence and wellbeing if the barriers for commissioners, social workers and providers are to be addressed.



“PEOPLE TOLD US
THAT STAFF... ARE
PERFECT. I CAN'T
THINK OF ANYTHING
ELSE THEY COULD DO
FOR ME”

**COMMENT FROM CQC
INSPECTIONS OF THE
FOUR SCHEMES**

WHAT NEXT FOR SHARED LIVES CARE?

The challenges facing the adult social care sector have been well documented; with the government promising a long awaited Green Paper in the coming months.

The major issues and themes under discussion all impact on the delivery of and future possibilities for Shared Lives care, including:

- A growth in long-term support required by working-age adults.
- A real term reduction in total expenditure on social care by councils.
- An increase in the cost of providing care in nursing and residential homes, and in care at home.
- A decreasing number of care beds available for those who need them.
- High – and increasing – turnover rates in social care roles.
- Decreasing amounts of direct support available for family carers.
- Underinvestment in preventative services.

It is the view of the Incubator that Shared Lives care remains a valuable care option for local authorities and the communities they serve. However, some adaptations may be needed in response to the challenges facing the sector, to enable as many people as possible to access and benefit from the Shared Lives model.

As noted on the previous page, for its full potential to be reached, these developments in Shared Lives will need to be accompanied by more radical changes in national policy. Funding and regulatory frameworks need to better incentivise and enable a re-prioritisation of independence and interdependency and a wider range of wellbeing outcomes across the social care system.

Areas for discussion

The Shared Lives sector has already begun to consider the possibilities for adapted or new models of Shared Lives care. These include:

- How to foster and enable more models where support is provided by the community around an individual, without dependence on significant local authority expenditure (Shared Lives Plus already supports Home Share and Community Catalysts supports community orientated micro-enterprises).
- How to build a Shared Lives model that can support individuals with higher and more complex needs, that balances value for money with quality care and risk management.
- How to grow the way Shared Lives care is provided, and who by, to ensure that it continues to be widely available to those who might benefit from it.

These models would require different management, financial and regulatory approaches. Consideration would need to be given to:

- Which organisations or individuals could oversee, manage and maintain different forms of Shared Lives care, in a way that remains safe and accountable while being proportionate to the care required.
- What payment might be appropriate for different forms of care, from whom and to whom.
- How regulation would need to be addressed; i.e. in what form, and who is regulated (currently the Shared Lives scheme, not the Shared Lives carer).

Our hope is that the experience of the Incubator can help inform discussions of these issues, alongside the practical considerations of scheme growth.

ANNEX:
REFLECTIONS ON
THE INCUBATOR
INVESTMENT
MODEL

INVESTMENT STRUCTURE

The Shared Lives Incubator is a pilot model in two ways: to test whether the growth of Shared Lives schemes can be accelerated and to test a new funding model.

The key 'proof of concept' elements of the investment model included:

- The Incubator working up front with the local authority to plan the growth of Shared Lives prior to the procurement of a provider.
- The Incubator providing investment as a revenue participation 'funding agreement' to providers, under which they did not take out a loan but rather simply agreed to share a proportion of revenue.
- High risk investments in small schemes to diversify the Shared Lives market.
- The Incubator offering some support alongside investment.
- The Incubator explicitly seeking to have a wider systemic impact by sharing learning and experience.

Of the c.£950,000 invested by the Partners, around c.£130,000 has been returned to date. An estimate of future revenues based on current growth, which is significantly lower than originally anticipated, suggests that investors should expect a further c. £340,000 i.e. receiving in total only around half of the investment back. If scheme growth becomes more rapid or contracts are extended further than expected, a higher proportion would be returned.

At least one of the providers has also had to significantly subsidise their scheme during the incubation process and another scheme has not yet reached financial sustainability.

Lessons from investment model

The investment model has catalysed the development of four schemes and appears to have stimulated greater growth at lower net cost than comparative grant schemes. There have been benefits from combining investment with wider support. However, any future investment model should be refined and, given continued risks/challenges, there is a case for using repayable grants rather than full investment.

Advantages of model	Disadvantages of model	Lessons
<p>Partnership approach catalysed four areas to develop shared lives</p> <p>Revenue participation agreement enabled providers to easily accept investment</p> <p>Has enabled small schemes to reach sustainability (Thurrock not yet sustainable)</p> <p>Support has enabled some sharing of experience, particularly as a third party in the local authority relationship</p> <p>Platform for learning has potential to continue to support sector</p>	<p>The repayment to investors was wrongly calibrated on the expectation of relatively high growth. It has not been clear who is ultimately responsible for growth (LA, provider, Incubator)</p> <p>Some providers were not sufficiently focused on treating the funding carefully and scrutinising targets and costs – leading to losses for investors and at least one provider</p> <p>Model assumed rapid growth in new areas which has proved difficult for providers to support at a distance from core areas and requires quickly reaching a critical mass of carers</p> <p>Given that delivery partners are all existing providers of shared lives, not all technical advice was needed</p> <p>Unlike some investment platforms, insufficient size to cover many elements of sector development</p>	<p>A different financial structure is required given lower growth e.g. a minimum guaranteed payment from local authorities in the first few years (or much higher payments)</p> <p>Structuring as a loan (even with a revenue participation element) would probably have prompted more scrutiny of growth targets and management of costs by providers</p> <p>A more successful model may have been to focus on supporting growth by well-established providers e.g. deepening delivery in existing areas, mergers/takeovers in existing areas or growth into neighbouring areas</p> <p>Incubator should probably have focused more on commercial support and advice and worked with providers to buy-in technical expertise if required</p> <p>Critical mass of projects/investment required for specialist funds unless significant grant funding also available</p>

ACKNOWLEDGEMENTS

We are very grateful to the many partners who have been involved in the development of the Shared Lives Incubator. These include Shared Lives Plus (particularly Alex Fox and Anna McEwen) and Community Catalysts (particularly Sian Lockwood). Manchester City Council, Lambeth Council, Haringey Council and Thurrock Council worked closely with the Incubator and subsequently the providers in developing the schemes, and PSS, Grace Eyre and ategi have led the development and growth of the schemes. Many people across these organisations have played important roles.

The Incubator has been enabled through investment from Big Society Capital, the Esmee Fairbairn Foundation, the John Ellerman Foundation and the Joseph Rowntree Foundation and we are grateful for their support, alongside the guidance of the Investment Committee – Ian Hart, Andrew Balchin and Nathan Elstub.

We are particularly grateful to the John Ellerman Foundation who have provided grant support for this publication and wider learning from the Incubator. We thank Matthew Whittell from the John Ellerman Foundation and Alex Fox, Anna McEwen and Mark Gallagher from Shared Lives Plus who have shared insights, as well as the providers mentioned above who have shared comments on previous drafts. Final responsibility for the content, and any mistakes, lies with the authors.

AUTHORS

Kate Kewley is an Associate Director at Social Finance and led the Shared Lives Incubator from 2016–2019. **Ben Jupp** is a Director at Social Finance and has helped oversee the Shared Lives work.

Disclaimer

This report is not an offering of any investments and is provided by Social Finance solely for informational purposes. Neither Social Finance nor any of their respective affiliates, directors, officers, employees or agents makes any express or implied representation, warranty or undertaking with respect to this Document, and none of them accepts any responsibility or liability as to its accuracy or completeness. Social Finance has not assumed any responsibility for independent verification of the information contained herein or otherwise made available in connection to the Document.

The text in this Document may be reproduced free of charge providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Social Finance copyright and the title of the document be specified.



Social Finance is a not-for-profit organisation that partners with government, the social sector and impact investors to find better ways of tackling social problems and improving the lives of people in need.

Social Finance Ltd

Tintagel House
92 Albert Embankment
London, SE1 7TY, UK

T +44 (0) 20 3963 5151

info@socialfinance.org.uk

www.socialfinance.org.uk

Social Finance is authorised and regulated by
the Financial Conduct Authority
FCA No: 497568