

ASSESSMENTS OF 18 – 64 YEAR-OLDS' FUTURE NEEDS AND SERVICES: MENTAL HEALTH AND PHYSICAL DISABILITIES

PROGRAMME AREA RESPONSIBILITY: SOCIAL CARE ADULTS AND HEALTH

CABINET

24 JANUARY 2008

Wards Affected

County-wide

Purpose

To make proposals for the development of high-performing health and social care services by 2012 to meet the expected future needs of 18-64 year-olds in Herefordshire with mental health problems and physical disabilities.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

It was not included in the Forward Plan, however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

Recommendation

THAT

- (a) the proposed patterns of high-performing mental health and physical disability services be approved and put in place between April 2008 and March 2012;**
- (b) it be achieved by means of detailed joint commissioning plans of the Council and the Herefordshire Primary Care Trust; and**
- (c) it be taken into account in setting budgets for future years.**

Reasons

Notwithstanding additional investment in recent years and some improvements, in important respects Herefordshire's services for mental health and physical disability are not performing as well or as efficiently as those in a number of comparable parts of the country; neither do they provide a sound or sustainable basis for meeting future needs.

Considerations

1. To provide a sound basis for the continuous improvement of adult health and social care services in the county, a programme of assessments of future needs and the patterns of efficient and effective services required to meet them has been carried out with the Herefordshire Primary Care Trust (PCT) over the past two years. Last year Cabinet approved the recommendations of assessments in respect of older people and adults with learning disabilities, which are now being implemented.
2. The suite of assessments has now been completed with those in respect of 18-64 year-olds with mental health problems and physical disabilities. The completed assessments are attached at appendices 1 and 6. Each begins with a short summary.
3. In respect of **mental health**, no significant increase in demand is expected by 2012 from those with the most serious disorders, such as schizophrenia, or those with the most common disorders, such as depression. However, there may be a need for some more services for those with eating or personality disorders. The nature and extent of these cannot be determined until some time in 2008; in the case of eating disorders in the light of the findings from a piloting of local services in the County, which is currently taking place; and, in the case of personality disorders, until the Government publishes promised guidance.
4. Although no significant increase in the needs of those with either the most serious or most common mental disorders is expected over the medium-term, the pattern of services needs to change significantly. In particular, there is a need to rely much less on residential and nursing home placements, including out-of-county; to provide much more support for people in their own homes and communities; and to give users and carers considerably more clout in the planning and delivery of services.
5. In respect of **physical disabilities**, an increase of some 5% is expected by 2012 in the number of people needing services. This is largely because the prevalence of some physical disabilities increases with age and the number of people aged 55-64 will increase as that of younger age groups decreases.
6. Once again, the pattern of services needs to change significantly; and, again, the core changes are to make much less use of residential and out-of-county provision; to do a lot more to enable people to live as independently as possible in their own homes and communities; and to give users and carers a good deal more influence in the planning and delivery of services..
7. In respect of **both mental health and physical disability**, it will be important to:
 - (i) conduct a further review of needs and services by 2012 in light of better data and of actual demand for modernised services;
 - (ii) integrate the joint commissioning plans with the management of in-year overspending against budget;
 - (iii) maximise the contribution of GP commissioning;
 - (iv) be prepared to adjust the balance of social care and health funding within pooled budgets to achieve shared commissioning targets for users, with the balance of the respective funding contributions of the Council and the PCT to be negotiated as part of the development of the joint commissioning plans;
 - (v) work with the third sector to mobilise voluntary and community resources; and

- (vi) ensure, through an associated programme of organisational development, that those managing and providing care have the right skills, behaviours and shared systems to deliver the modernised services successfully.
- 8. The arrangements for funding and accounting for joint expenditure to deliver the changes by means of joint commissioning plans will be made under the powers in Section 75 of the National Health Service Act 2006. There are no other legal implications.
- 9. The Joint Health and Social Care Commissioning Board of the Council and PCT has considered the assessments and agreed that improved services should be developed along the recommended lines. We are advised that no further approval is required from the PCT until such time as the detailed commissioning plans to give effect to the assessments, together with associated proposals for expenditure, have been prepared.

Financial implications

Mental health

Bearing in mind the apparently higher number of people with serious mental disorders in Herefordshire than would be expected on the basis of national prevalence, and with Herefordshire's combined health and social care unit costs higher than the comparator authorities but lower than those for England as a whole, the assessment recommends that the total PCT and Council spending in 2006-07, maintained in real terms, is the minimum necessary recurrent funding. This includes the £1.3 million overspending against budgets. It is important to note that the level of over-spend against the mental health budget will need to be managed in the context of the overall cash allocation agreed for adult social care for 2008/09 and beyond when Council approves the budget in March 2008. The draft financial strategy allocates additional cash resources to social care services compared to other services in line with corporate priorities. Financial capacity needs to be supplemented with increased external funding, for example where even greater use could be made within the eligibility criteria of the national *Supporting People* programme.

The assessment suggests that non-recurrent bridging finance, peaking at £300K a year, will be needed to help develop the new services before existing services that will not be required in the future can be de-commissioned.

It also suggests that, depending on their nature and extent, it *may* be possible to provide any additional services for those with personality disorders from within these totals. That will need to be determined during 2008, in the light of the additional information that should become available, which is described in paragraph 3 above.

Physical disability

The current gross cost of social care services to the Council is about 12% higher per head of population than the average of the comparator authorities, although the difference is small compared with Shropshire, which is the closest comparator in terms of its demographic and geographical characteristics. Where Herefordshire differs from Shropshire is in raising only about half as much income from external sources, such as the *Supporting people* programme.

Considering together the expected 5% growth in the need for services, the additional costs arising from Herefordshire's uniquely high proportion of people living in sparsely populated areas, inefficiencies in the current pattern of services, and on the basis that Herefordshire

should be capable of generating proportionately equivalent levels of external funding as those achieved by Shropshire, it would seem reasonable to conclude that the aggregate level of spending by the Council in 2006-07 will be needed recurrently until 2012.

The assessment suggests that non-recurrent bridging finance, peaking at £250K a year, will be needed to help develop the new social care services before existing services that will not be required in the future can be de-commissioned.

It goes on to suggest that annual social care savings of some £209K should be possible by 2012-13.

As a result of the way in which information about health care services and expenditure has been required to be collected up to now, there is no ready basis for establishing and comparing the current level of spending on physical disability services by the Herefordshire PCT. But there can be no doubt that it makes, and will need to continue to make, a major contribution, not least in helping people to manage long-term chronic conditions. More work will have to be done to establish the current position as part of the production of the joint commissioning plan to be developed together by the Council and the PCT to bring about the improved pattern of services. Pending that, the assessment assumes that at least the current level of PCT funding will be maintained, in real terms.

Proposed financial provision

The draft financial management strategy that Cabinet will be asked to consider in January 2008 includes an additional £275k modernisation funding for adult social care services in 2008/09 rising to £550k in 2009/10. If agreed, this figure would remain in the base budget for 2010/2011 but be reviewed during the course of future revisions of the financial strategy in the light of the negotiations with the PCT as the joint commissioning plans to implement the improvements are developed, the potential for future savings once the new patterns of services are established and progress with de-commissioning existing services.

Risk Management

There are two principal risks: that the improvements will not be achieved because of inadequate capacity to plan and deliver them; and that the actual demand for services will exceed the levels of future need identified in the assessment.

There are three main capacity issues: money, people and systems.

The financial elements are addressed in the preceding part of this paper; only *non-recurrent* additional health and social care resources, peaking at some £550K a year, will be needed, although the situation as regards the costs of future services for people with eating or personality disorders will need to be reviewed in 2008.

Capacity to manage and deliver major changes has already been improved significantly in Adult Social Care, with the appointment of an additional interim head of service, a change manager and additional contracting and other staff. The development of joint commissioning structures and processes between the Council and the PCT will strengthen capacity further.

Linked and shared systems and procedures, enabled by ICT, in respect of service users and financial and other data are already proposed as part of the *Herefordshire Connects* programme. The health and social care aspects of this will continue to need high priority.

As regards levels of need, it will be important to keep these under review in the light of changing circumstances and the actual levels of demand for modernised services; hence the

proposal above that needs should be further reviewed by 2012.

Alternative Options

The Council's current 1* Commission for Social Care Inspectorate rating for Adult Social Care and the PCT's "Fair" services rating from the Health Care Commission constrain alternative options. In short, unless services are modernised and significantly improved, those ratings would be likely to deteriorate, with damaging consequences for the reputation of both bodies. This would be happening at the same time as the Council and the PCT would be seeking to make a success of closer joint working, under a single Chief Executive, in terms of better services and outcomes for users.

Making the changes over a longer time-span would be a false economy, since not only would costly, inefficient and ineffective elements of services continue for longer but also there would be a danger that a lengthier period of inadequately developed local services would result in even greater use of inappropriate residential and out-of-county care and, therefore, even greater spending pressure against budgets.

There are, therefore, no alternative options.

Consultees

The assessments have been developed taking account of the views of users and carers expressed at specially organised events. These views are summarised in the assessments.

The steering group for the assessments included service managers and staff from the PCT and the Council, as well as two senior people from the third sector with considerable expertise in mental health and physical disabilities. The details are in the second appendix.

The steering group was advised, and the assessments quality-assured, by two distinguished national experts. Their details are in the third appendix.

Appendices

Appendix 1: Future needs and services for 18-64 year-olds in Herefordshire with mental health problems

Appendix 2: Membership of the Adult Care Assessment Steering Group 2007

Appendix 3: Adult Social Care Assessment Report – The Expert Advisers

Appendix 4: Needs Analysis: Adults with Mental Health Problems

Appendix 5: Current and Future Services for Adults with Mental Health Problems

Appendix 6: Future care needs and services for 18-64 year-olds in Herefordshire with physical disabilities

Appendix 7: Needs Analysis: Adults with Physical Disabilities

Appendix 8: Current and Future Services for Adults with Physical Disabilities

Background Papers

None identified