

**ROOT AND BRANCH REVIEW**

**APPENDIX 3**

**OLDER PEOPLE IN HEREFORDSHIRE**

**DATE: OCTOBER 2012**

**1. SCOPE**

**1.1 Introduction and Background**

The purpose of this document is to outline the progress made to date during the Older People Root and Branch Review.

A steering group has met to define the scope of the review (Table 1) and the approach to be taken. The root and branch review builds on what is already taking place (Figure 1), makes use of current information and thinking, challenges what is taking place and questions what needs to be done for the future. In order to assist with this Price Waterhouse Cooper (PWC) and KPMG provided free facilitation and input into this review so that challenge was at the heart of the approach.

Benchmarking information was produced to inform the review, and was reviewed at the sessions along with challenge from PWC and KPMG regarding the current strategy, mechanisms for delivery and programmes of work.

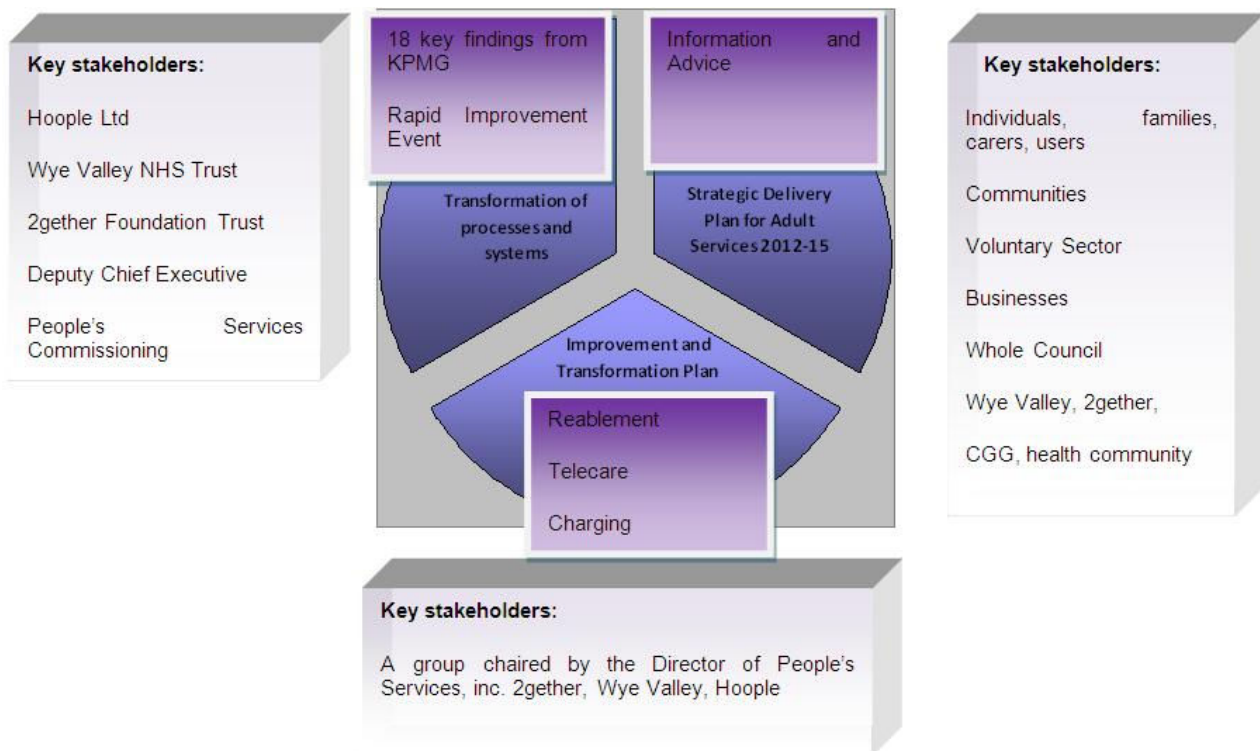
**Table 1**

Older People in Herefordshire		
Scope	Why	Key Issues
Services and care pathway for older people  Assessment, day, community and residential provision across all providers  Links to the Strategic Delivery Plan for the Transformation of Adult Services and the CCG Operational Plan  Benchmarking to inform Service Re-design opportunities	Top priority across Herefordshire  Existing transformation strategy  Major area of spend  Consensus for change across all parties and agencies	Prevention and early intervention  Empower older people to support themselves without reliance on statutory services  Efficient use of resources: changing the way we do things  Enable and support more care at home or in the community  Changing the market  Links to vulnerable people review  Opportunities to build on the existing transformation strategy  Ways to support delivery

## 1.2 Scope

The root and branch review of older people services takes place at a time when a significant amount of work is already underway. Figure 1 demonstrates the key strategic activities currently underway, including key projects and stakeholder management.

**Figure 1**



## 2. APPROACH

### 2.1. Activity undertaken

#### Engagement

To date the Programme Group has engaged with key Providers including 2gether, Wye Valley NHS Trust, Clinical Commissioning Group and internal key stakeholders such as front line staff, through workshops. In addition to this Members have been consulted through Herefordshire Councils Governance Procedures.

## **Benchmarking**

The benchmarking exercises undertaken identified the following:

- A declining trend in the number of older people receiving residential and nursing care services
- Lower than comparator group and all England average, but a rising trend in admissions to nursing care
- Significantly lower share of council's spend on residential and nursing care for all client groups covered by client contributions (7.5% vs 11.6% in comparator group)
- Unit costs for residential care where it appears Herefordshire is spending more on fewer weeks of care compared to some other authorities. Shropshire, for example, commissions 94% more resident weeks than Herefordshire for 80% more spend. So, to achieve the unit cost per resident week of residential care of the "average" council in Herefordshire's comparator group (Shropshire at £470 per resident week) an increase in value for money (i.e., more resident weeks for the same amount of spend) of £862k would be required, a 7.5% change.
- Domiciliary care unit costs which are 10% higher than the mean for nearest neighbours. For example, Herefordshire spends 18% more than Bath and North East Somerset on commissioning domiciliary care services, but for only 5% more client weeks. To achieve the unit cost per client week of domiciliary care of the "average" council in Herefordshire's comparator group (Bath & North East Somerset at £191 per client week) an increase in value for money of £947k would be required, an 11% change.
- Direct payments unit cost appears to be almost three times higher than the all England average. To achieve the unit cost per client week of direct payments of the "average" council in Herefordshire's comparator group (Central Bedfordshire at £179 per client week) an increase in value for money of £605k would be required, a 49% change.

## **Needs assessment**

To be added.

## **Transformation of systems and processes**

This is being driven by rapid improvement events, lean system thinking and is overseen by a Board chaired by the Director of People's Services. KPMG and Price Waterhouse Cooper identified issues within current processes within Adult Social Care. Rapid Improvement Events have been undertaken identifying system bottlenecks and process flow, whilst a programme management approach has been deployed to streamline.

### **2.2 Key learning from this activity**

#### **Current Costs: High Level**

In terms of budget the adult social care allocation is c. £50m, which is 35% of the council budget. The proportion of direct council spend on services for older people would include aspects of leisure, transport and infrastructure, cultural services, housing and other services. Approximately 57% of adult social care expenditure is currently spent on older people services (£35,823k this includes learning disability, physical disability and mental health clients who are now over 65). A 20% savings target would equate to £7.2m.

A critical part of the budget is the sum that can be attributed to cost avoidance. Assistive technologies, including telecare, and reablement services when effective have been demonstrated to achieve significant benefits for adults and also achieved cost avoidance between £1.179k and £1.310k cost avoidance for the council and between £58,296 and £64,774 for the NHS in 2011/12.

The current budget position for Herefordshire Adult Social Care, (including c.£8m gap) has been built up over a period of years and traditionally has been overspent, year on year, with a succession of grants or investment funds mirrored by reductions in budget on the assumption of savings. Demographic pressures were assessed in 2010 and used to as part of the budget setting process. This is in the context of the wider challenges to the health and social care system, with NHS budgets facing significant challenges to close the budget gap (c.£10m for Wye Valley for example). A recent review of information across local authorities, published by ADASS indicated that

National position for 11/12 was predicted to be 0.6% under-spend on Adult Social Care, whilst Herefordshire was 11.4% over-spend. Statistical neighbours overall are reporting to be on budget with a range of 97% to 105% spend versus budget.

Nationally 82% of demographic pressures have been funded for 2012/13 compared to just 16% in Herefordshire. Our comparator group has funded on average 76% of demographic pressures although this ranges from 100% funding to 41% in York and 46% in Shropshire.

The national average savings target for adult social care in 2012/13 is 6.75% (median

5.63%) versus 15.9% for Herefordshire. Our neighbours are predicting savings across ASC of 6.5% which is in line with the national picture.

## **Discovery Implications**

### **Strategic Delivery Plan for the Transformation of Adult Services 2012-2015**

The Strategic Delivery Plan for the Transformation of Adult Services emphasises that the issues facing adults in Herefordshire are by no means the sole province of adult social care. The ADASS report “Models for Funding Allocation in Social Care ‘The £100 Million Project’ November 2011” notes the importance of councils being clear about changes to one service area having an impact on another, for example the relationship between housing and social care, or transport and day provision. This was reinforced by the findings of the root and branch review of older people so far.

The review thus far identified that the appropriate activities were being planned for in Herefordshire. A number of them would benefit local people and prevent entry into statutory services, but a number of them such as reablement and telecare would produce cost avoidance in budget terms rather than reductions. There were questions over the scale of the transformation agenda, and the contributions as a whole system to the change agenda and how this could be delivered in Herefordshire.

A clear method of approach to transformation is required as the recent ADASS Budget Survey 2012 states that the average national savings target for adult services is 6.75% of budget, for Herefordshire it is 15.9%.

### **Improvement and Transformation Plan 2012 - 2014**

In year transformation and savings activities, captured in the Improvement and Transformation work plan, are designed to achieve c. £8m of savings and cost avoidance within 2012/13. A critical part of the budget is the sum that can be attributed to cost avoidance. Assistive technologies, including telecare, and reablement services, when effective, have been demonstrated to achieve significant benefits for adults and also achieved cost avoidance between £1.179k and £1.310k cost avoidance for the council and between £58,296 and £64,774 for the NHS in 2011/12.

## 3. PROPOSED CHANGE

### 3.1. Key decisions at this point in the review process

#### Fundamental policy changes proposed

Development of a range of policies to establish appropriate social care case and funding decisions, based on the principle of “enough” care and support and funding proven early intervention services.

Proposal to be developed to ensure spatial planning (LDF) and Housing Strategy policy reflect older person’s needs. This approach should also include influencing developers to provide new build properties for private residence of a growing older population and also specialist providers for Extra Care and Supported accommodation.

#### Proposed core purpose against which we’ve redesigned

Delivery against the guiding principles for adult services, approved by Herefordshire Cabinet, endorsed by the Health and Wellbeing Board.

#### What we’re proposing to stop, do differently, internal/external provision

The review has indicated that a fundamental change to how the whole council operates is required, alongside fundamental change in how we work with our citizens and partners. The changes required are set out in four areas:

**Divert demand**, fundamentally changing the culture and approach in Herefordshire, with the public sector enabling individuals, families and carers, providers and the wider market to self support and self fund. This will include stopping the demand for some services, appropriately delaying the need for some services, and:

- Developing a customer contact strategy (see the review of customer services) and implementing the necessary changes for information, advice and guidance.
- Enhancing community approaches within localities.
- Using the Local Development Framework (LDF) to support development in the housing market, which will support an older population’s needs and develop Housing Strategy responses which support mixed developments and the delivery of specialist housing.

- Focusing the role of leisure and cultural opportunities to increase their impact on this agenda.
- Focusing the role and delivery of public health to increase the impact on this agenda.
- Moving from buildings based provision to community based provision (including options for community asset based approaches such as time banks).

**Improvement and transformation** including:

- delivering the work set out in the transformation programme including enhancing reablement and telecare services. Establishing the balance between the council commissioning services and personal budgets/self-funders.
- establishing a joint commissioning approach with the Clinical Commissioning Group to deliver transformation across the health and social care economy i.e. the frail elderly programme, Dementia Services.
- Improving the quality and practice of adult social care.

**Achieving Best Value** including:

- using lean systems thinking to transform current processes and systems, reducing wastage equating to increased efficiencies, hence cost saving.
- addressing unit cost variations as detailed in the benchmarking reports, achieving preventative outcomes, appropriate dignity and safety whilst providing “enough” care, or facilitating individual commissioning within budget goals.
- fundamentally review major contracts to achieve value for money in the context of the future role of the council and budget environment.
- establishing a clear policy framework for care and support.

Establish a **sustainable budget** for Herefordshire, that has a sophisticated understanding of demographic changes and changing patterns of need.

Deliver to the agenda set out in the “Caring for Our Future” White Paper July 2012.

## **3.2 Anticipated Benefits**

### **Savings identified**

The following areas are key objectives within the Strategic Delivery Plan for the Transformation of Adult Services 2012-2015 and the Improvement and Transformation Plan which are expected to realise efficiency savings:

- More frequent reviews to ensure appropriate levels of care for the correct length of time.
- Reductions in block contracts to minimise voids and reduce costs.
- Market development with more flexible contract models.
- Use of care funding calculator to ensure initial packages are set at appropriate level.
- Consultation on increasing charges for those that can afford to pay.
- Using assistive technology to keep people independent longer.
- Ensuring equity and quality of support to carers.
- Increase use of supported accommodation rather than residential placements.
- Delivery of local, preventative support through neighbourhood teams and multi-disciplinary approaches.
- Develop a preventative approach including information, guidance and sign posting to individuals and importantly families, future carers and carers, and approaches such as adaptive technologies, reablement.

### **Non cashable benefits**

The proposed benefits will:

- improve the experience of adults, their families and carers in organising their own futures and care and in doing so deliver the vision for health and wellbeing in Herefordshire.
- Enable us all to be clear about what the core purpose of the council is and what can be expected from council services, including those that are commissioned.
- provide cost effective services that make the most of public money.



- establish a sustainable budget and enable the whole council to contribute to this agenda.

### **3.3 Investment required**

To be added.

## **4. RISKS, HIGH LEVEL NEXT STEPS AND TIMELINE**

### **4.1 Risks**

Current risks for this area of council work includes the financial implications that affect the whole council budget, not just adult social care, alongside the effects on the health and social care system in Herefordshire. There are associated risks in terms of service delivery, quality, and in relation to expectations of the people of Herefordshire. These will need to be addressed as part of the detailed implementation plan.

### **4.2 High-Level Next Steps**

A number of activities are already established and are progressing, as detailed above. Others are part of other root and branch reviews (for example the contact strategy). However, there does need to be a fundamental change of approach for the Council to position the older people's agenda at the core of everyone's work.

An overall implementation plan will be established. The next important piece of work to undertake is to establish the detailed financial modelling for the totality of proposed activity, covered in diverting demand, improvement and transformation, achieving best value, and establishing a sustainable budget.

Financial modelling will include both cost avoidance and cost reduction and some of this was considered as part of the review. This work will therefore set out what can be achieved in budget terms and what the potential gap might be in relation to the current base budget. Implications to address this gap will be set out so that a considered view can be given regarding budget setting for the medium term and inform the actions that will take place as a result of this review.

### 4.3 Timeline

To be added.

