

OLDER PEOPLE
DATE: OCTOBER 2012
Introduction and Background

- 1 The purpose of this document is to outline the progress made to date of the Older People Root and Branch Review.
- 2 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, and 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.
- 3 Benchmarking information was produced to inform the review and 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

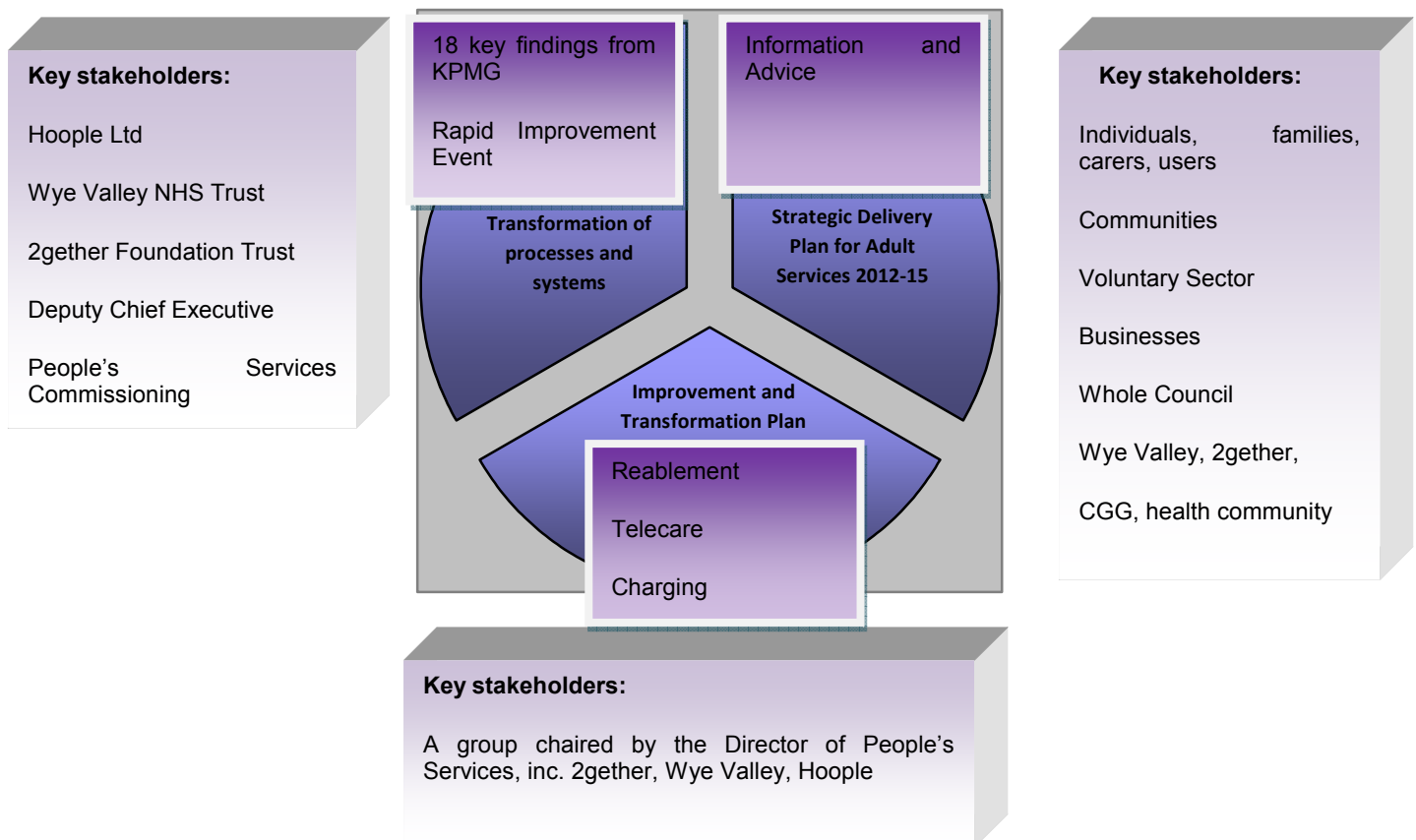
Further information on the subject of this report is available from

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Scope

- 4 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



Key things learned from discovery

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

- 5 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.
- 6 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 and staying in 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.

6. 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%.

Financial Overview

7. In terms of budget the adult social care budget 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.
8. 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.
9. 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 spent.
 - ❖ 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.

Improvement and Transformation Plan 2012 - 2014

10. In year transformation and savings activities, captured in the Improvement and Transformation work plan, 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.

Combined efficiencies

11. 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 and 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.

Transformation of systems and processes

12. 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 areas of bottlenecks in system and process flow and a programme management approach has been deployed to streamline.

Benchmarking exercise

13. 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.

Who has been engaged and how

14. To date the Programme Group have 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.

Fundamental policy changes proposed

15. 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.
16. Proposal to be developed to ensure spatial planning (LDF) and Housing Strategy policy reflect older person's needs. This approach should also include for influencing developers to provide new build properties for private residence by a growing older population and also specialist providers for Extra Care and Supported accommodation.

Proposed core purpose against which we've redesigned

17. 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

18. The review has indicated that a fundamental change to the way 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:
19. **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 supports the 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).
- Encouraging organisations and businesses to think about the whole older people's population, not just those who need support from social care services.
- Active market management and development, including encouraging businesses to meet the needs and demands of people who can fund themselves.

20. 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, including "dementia friendly" communities and support.
- Improving the quality and practice of adult social care

21. 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.

22. Establish a sustainable budget for Herefordshire, that has a sophisticated understanding of

demographic changes and changing patterns of need

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

The proposed benefits resulting from the redesign

24. 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.
- Over time, reducing the demand for and cost of services for older people.
- Establishing a sustainable budget and enabling the whole council and other organisations, plus residents themselves to contribute.

High Level implementation plan and risks

25. 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 make the older people’s agenda at the core of everyone’s work.
26. 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.
27. 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.
28. 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 Hereford. The magnitude of the transformation programme; capacity, commitment and prioritisation will need to be addressed and this will take time to deliver. Plans will need to take into account demographic pressures (reflected in national debate), which are even more acute in Herefordshire.