CITY OF
YORK
COUNCIL

HASS61

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Meeting of the Executive members for Housing & Adult Social Services Advisory Panel

29 October 2007

Report of the Director of Housing and Adult Social Services

Challenges for the future delivery of social care for Older people

Summary

1. This report sets out
   a) The context – how York's expenditure compares to other, similar councils,
   b) The demographics – what we can predict will be the impact on adult social care in the next 15 years or so, and
   c) Options – a summary of the approaches that could be made to these challenges

   The report seeks approval for consultation to take place with stakeholders on the responses that can be made.

Financial context

2. York has a generally good record in terms of controlling budget expenditure on adult social care. This is in contrast to many local authorities in this region (and nationally) that have experienced significant and sustained expenditure over budget.

How much does York spend in comparison to other councils ?

3. York is a low spender in cash terms on social services. Based on 2005/6 budgets York is the sixth lowest spender amongst unitary authorities. This is consistent with the position on most services in York.

4. However, within its overall budget York opts to spend a higher proportion on adult social care (21.69%) than the England average (18.34%). Information from the Audit Commission shows that York also spends proportionally more of its overall budget on social services than its 'family' group of authorities.

Does York spend its adult social care budget any differently to other councils ?

5. York's pattern of expenditure is slightly different than the England average. York spends 60% of its adult care budget on older people compared to an England average of 56%. This means that it spends a smaller proportion on mental health (6% compared to 7%) and on learning disabilities (22% compared to 24%). Proportional expenditure on physical disabilities is higher than the England average (10% compared to 9%).

6. The comparison with the Audit Commission 'family' group is more mixed but shows a generally similar picture.

Section 2 – Demographics

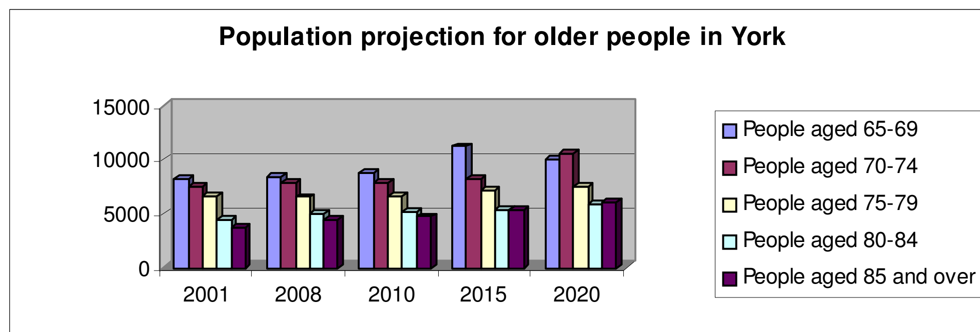
7. Nationally there are projections of significant demographic pressures expected over the next 10 – 15 years with respect to both older people's populations and people with learning disabilities.

Older People

8. York starts with an older population slightly above the average for England. In 2001 15.89% of the population were aged over 65, whilst in York 16.88% were over 65.

9. Information from the York Long Term Commissioning Strategy for Older People (YLTCS) (developed in 2006 with support from the Institute of Public Care) suggests that by 2020 there will be an increase in the over 65 population in York of 31% (from 30,500 in 2001 to 40,000 in 2020), and within this number, an increase in the over 85s of 60%, (from 3,700 to 6,000) . Over 85s are more likely to need support from health and social care services.

Table 1



10. The Long term commissioning strategy looked at what this increase in population might mean for the number of customers needing social care

services over the next 15 years. These projections take into account the prevalence rates of conditions such as dementia in a growing, elderly population. The following table shows the projected annual increase in customers if we continue to provide services in the same way, and at the same level as we do now:

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Table 2 - Customer projections

Service	2005/6 Baseline	Projection at 2010	Projection at 2015	Projection at 2020
Community based services *				
Physical disability	4170	4908	5492	5937
Dementia	162	182	190	221
Total	**4332**	**5090**	**5682**	**6158**
Residential care				
Physical disability	417	491	549	593
Dementia	76	87	91	106
Total	**493**	**578**	**640**	**699**
Nursing Home				
Physical disability	333	390	438	472
Dementia	87	97	101	118
Total	**420**	**487**	**539**	**590**
Combined Residential and Nursing	**913**	**1065**	**1179**	**1289**

(*Community based services will include home care, day care, transport and equipment services.)

11. These projections show the numbers accessing services during a whole year but not the number of people receiving services at any given point in time during that year. We can use these figures to calculate an estimate of the future capacity needed by using 'snapshots' of service usage in 2006 and 2007 and projecting those percentages on to the increase in population. These are set out in Table 4 below.

Table 4

	Baseline Snapshots	% of 2006 annual customers	2010 capacity need	2015 capacity need	2020 capacity need
Community based	2635 Average for last year	61%	3104 packages	3466	3756
Residential	404*	82%	474	525	573
Nursing	249*	59%	287	318	348

home					

*As at 17/7/07

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12. In summary – the long term commissioning strategy projects an increase of over 1,150 in community care packages and an increase of 268 in residential and nursing placements by 2020

13. Its important to note that these projections are based on what would happen if we do not change the way we provide services – which we know is not an option. For example, we have been clear that we would wish to reduce the number of older people needing residential care through the development of other housing and care options. The projections should therefore be seen as a measure of the overall increasing capacity needed for more complex care within the community rather than a precise prediction of the number of residential beds needed.

14. It is possible from these projections to provide some indication of costs that would accrue with the increase in provision needed.

Table 5

	2010	2015	2020	Total
Community Packages				
Additional capacity	+469	+362	+290	+1151
Cost	£2,060,786	£1,590,628	£1,274,260	£4,925,674
Residential Care				
Additional capacity	+70	+51	+48	+169
Cost	£1,368,640	£997,152	£938,496	£3,304,288
Nursing Care				
Additional capacity	+38	+31	+30	+99
Cost	£958,360	£781,820	£756,600	£2,496,780
Total	£4,387,786	£3,369,600	£2,969,356	£10,726,742

15. These are indicative estimates that need to be used with some caution. It is hard to predict the costs of community-based care, given that packages vary greatly and include a range of services.

Options

Option 1 – Increasing the budget for adult social care

16. As stated above, without significant changes in the way that services are provided & commissioned expenditure on the care of older people is likely to increase by approximately £10m by 2020. This would require a major

investment from the council or disinvestment in other areas of social care in order to secure the budgetary provision to meet that demand.

17. Given the comparatively low budgetary base at present it may not be possible to meet this increasing demand without additional budgetary provision. Whilst this would result in an increased per capita spend on older people in York more in line with that of other authorities it would however further distort the balance of expenditure between areas of the social services budgets in York towards older people.

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18. Having said that, there are other actions that can be considered in order to respond effectively to the demographic pressures on resources and reduce the financial risk to the council.

Option 2 - Reducing demand for intensive services

2 a) Preventative Services

19. All the evidence, locally and nationally, is that offering timely practical help, and encouraging health and well being, will keep people active and independent for longer. To achieve improvements in health we would need to work in partnership with the NHS and across council departments.

20. This will need investment to ensure that systemic change can be achieved, and a new model developed to deal with the needs of the growing older population. It is estimated this might require around £400-600k p.a. recurring funding to achieve, but with the potential (if a joint commissioning approach is developed with the PCT) to help release funding from high cost health services, which could then lead to reinvestment in more services closer to home. Developing preventative services is therefore likely to have the impact of reducing demand on services across the health & social care sector.

21. Recent agreements with the Primary Care Trust have suggested there are five areas of joint commissioning and service development* that would have an impact across the system to reduce demand:

- Community and practical support to people and their carers in their own homes
- Improved joined up responses for people with Long-term health conditions
- Improved provision and links between the interim, transitional, fast response and rehabilitative health and social care services
- The linked development of telecare and telemedicine with the associated response systems
- Services for older people with mental health problems

(*These are reported on more fully in a second report to this EMAP – "Progress on the Accommodation and Support and Long Term Commissioning Strategies for Older People".)

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22. For example, if some of the projected additional placements into care (set out in Table 5 above) could be accommodated within extra care housing, using new technology to support risk management, the costs would be reduced. Alternatively, if all 70 additional residential placements projected by 2010 were provided within a community setting, with 20 hours care a week (over 3 times the average package) the difference in cost per annum would be a reduction of around £350,000.

2b) Eligibility

23. The Council has a responsibility to review the eligibility level for services on an annual basis. So far City of York Council has maintained eligibility criteria for funding of services at 'Moderate' and above. (There are 4 levels of need for adult social care – Low, Moderate, Substantial and Critical.) Over 70% of Councils are now operating at Substantial or Critical. One option, in the context of rising demand, would be to focus on those people with the most pressing needs and review and revise York's eligibility threshold to Substantial or Critical need. However there are indications those local authorities that have increased their eligibility criteria above 'Moderate' have only bought time, as the needs of some of the population increase within a year or two as a result of their 'moderate' needs not being adequately met.

24. A review of the potential reductions in expenditure resulting from raising the criteria in York from Moderate to Substantial, based on the services provided in February last year, indicates that this would produce a considerably lower sum than similar exercises in previous years. This is because the recent review of all care packages resulted in much tighter application of existing criteria and has reduced the number of customers within the Moderate band. There is a risk if we were to change our eligibility criteria that many of those who would no longer be eligible for social services would find that their level of need increased as a result - which would be counter-productive in terms of a preventative strategy (see 2 a) above).

Combined approach of eligibility and prevention

25. A composite approach is another way forward - which is to link the review of eligibility criteria to the development of alternative preventative services. This will mean that if the council did need to restrict access to council funded care services there would be other affordable options available for customers, which could potentially provide support to a wider range of people than are currently receiving social care services within the moderate

category. Such services are likely to be provided via voluntary or not-for-profit agencies or through community support networks, although some could be commissioned by the council from private companies to 'sell' to people. There would have to be a positive decision to commission such services to ensure they were available for citizens to access.

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Option 3 - Greater efficiency in use of resources

26. There is a strong drive for efficiency within the social care sector. We also know that some of the services that CYC can be inefficient in respect of the level of service provided against the level of service commissioned and of a higher cost than alternative services purchased from the independent sector. This means that there are opportunities to provide a greater level of service to more customers from the same level of funding as at present. The following paragraphs consider this option within home care and EPH care.

Home Care

27. It is estimated the current home care contracts and Service Level Agreements still have capacity within them to deliver extra hours. If the efficiency targets set in December 2006 for the in-house services were to be fully achieved in the next 18 months this could mean that approximately 360 additional customers could be supported within the current budgets.

28. An alternative approach to achieving cost efficiencies would be to outsource more home care provision to the independent sector. Calculations carried out in June 2006, suggested that up to £700k per annum could potentially be saved if the independent sector were able to provide all the specialist home care services currently provided by the in-house team because of lower hourly costs.

29. Any further changes to service configuration would need to be supported by an investment in some dedicated project management and there would be an ongoing need to invest more in contract management, to ensure the quality of service for customers is monitored and maintained.

Elderly Persons Homes (EPHs)

30. We know that most older people would prefer to remain in their own homes for as long as possible. We also know that the number of supported residents being placed within residential homes has been decreasing over the last 6 years as alternative provision has been offered to people with physical frailty or disability. Demand for residential care is now mainly for specialist dementia care or for those with higher dependency physical needs - and there continues to be demand for nursing care.

31. Over the last 5 years we have been able to reduce admissions to permanent residential care from 113 a year to around 59 a year – one of the lowest levels in the country. If this level of admissions is maintained (the national evidence is that admissions are now starting to rise in line with demographic changes), and we can develop further the housing options and successful preventative services that will allow older people to remain in their own homes for longer, we could further reduce the demand for 'standard' residential care.

32. City of York Council provides 9 EPHs directly (a significant proportion of the overall market locally) and is now unusual among local authorities as a major provider of residential care. However, it is important to note that due to some decline in the independent residential care market the demand for the council's EPHs remains and as supply is an issue we would need to be clear about the volume and types of residential care the council needs to commission to meet future needs. The long term commissioning strategy and the information it contains is crucial to this understanding.

33. A Best Value Review of the needs of Older People for 24 Care resulted in a number of changes to the council's provision and it was always intended to revisit this work in the light of the recent long term commissioning strategy. It was agreed in December 2006 that feasibility work be undertaken to review the future use of the Council's Elderly Persons Homes (EPHs) and, in particular, the options to deliver the specialist care we believe will still be required over the next 15 years. Two homes have been converted to EMI care in the last two years and there is more than sufficient demand to suggest that a third could be considered for conversion.

34. However, it is important that the council also looks at the long term sustainability of providing high quality care directly as a provider. Changes to more specialist care would require capital investment to ensure the buildings are fit for purpose and is likely to increase unit costs to ensure the required staffing levels. There is no capital currently available within the CYC capital programme set aside to undertake this work. It also needs to be recognised that the unit costs of directly providing residential care are generally higher than the cost of care provided in the independent sector. If alternative care were commissioned from the independent sector at the level currently provided by the council there would be significant revenue savings which could be invested in alternative or preventative services to meet future, increasing demand.

35. This suggests that the way forward would continue to be a mixed market approach. In order to ensure resources are made best use of there is a need to be clear about what provision needs to be commissioned to meet anticipated future capacity and to keep an open mind about which providers are best placed to meet that demand.

36. Another approach would be to review our estates and services jointly with the PCT who also have a vested interest in developing effective community based services for older people. The PCT have now expressed a desire to work actively with CYC on the Long Term Commissioning Strategy.

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37. Clearly, should it be decided that there will be any changes in the level of direct provision of registered care by the council this would be a major undertaking with enormous sensitivity. To deliver such a change would require complex planning to develop the market and ensure capacity was available, and to manage the impact on staff and customers. This would require dedicated investment in project management and take several years to complete.

Corporate Priorities

38. Ensuring the most appropriate way to deliver care services in a variety of ways will contribute to Corporate priorities;

- Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest
- Improve efficiency and reduce waste to free-up more resources.

39. If it is ultimately agreed that change the way care services are provided the programme could also contribute to:

- Improving the way the Council and its partners work together to deliver better services for the people who live in York

Consultation

40. It is suggested that the future delivery of social care to older people in York now requires long term decision making, which will have a significant impact on what is delivered and how it is delivered. In order to support Members with the decision making it is proposed that there is a major consultation amongst stakeholders and partners on the options presented and that the outcome of this is referred back to Members in February 2008. (Annex 1)

41. The key issues and questions that would need to be addressed in such a consultation would include:

- Alternatives to those options listed

- Preferred priorities within the options listed
- The preferred future balance between the service provision of the Local authority and that from the independent sector
- Whether joint commissioning with the PCT will support reducing demand and enhanced specialist capacity within the statutory services
- Whether a feasibility exercise is required to test the capacity of the independent sector to provide additional services
- What programme and structure for implementing change is required
- Whether the CYC EPH services need to specialise further in direct service provision and how capital can be released to make necessary investment in further specialisation and general refurbishment of these homes.

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42. Implications

Financial - There are no financial implications arising directly from this report as no specific recommendations are made. However, the report sets out the potential financial implications arising from increased demand due to demographic changes and the possible options for meeting those challenges. The more detailed implications of any resulting proposals will be reported to Members following consultation.

Human Resources (HR) - The Human Resource implications in respect of the future nature of social care delivery will be consulted on with staff as part of the broad consultation process referred to.

Equalities - These proposals will affect vulnerable older people. The impact of the proposals will cause some disruption to current care arrangements whichever option is taken. An impact assessment has not yet been undertaken but will need to be completed.

Legal - Following the High Court ruling that the Human Rights Act does not apply to independent sector providers, any option of outsourcing our residential care homes could remove the protection the Act gives to residents in public sector homes. There could therefore be Human Rights considerations depending on which options for change are taken

Crime and Disorder - There are no crime and disorder implications arising from this report

Information Technology (IT) – The report does refer to the importance of assistive technology in enabling people to remain independent in their own homes but there are no new IT implications arising from this report

Property – Some options in respect of EPH's would have significant implications in respect to property. These are referred to within the main report, but the more detailed implications of any proposals would be reported to Members following consultation.

Other- There are no other implications

Risk Management

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43. The failure to create sufficient capacity to develop & implement the long-term strategy will lead to lost opportunities to develop services fit for future purpose and will lead to unnecessary financial pressures with outdated approaches to delivering social care.

44. A full risk assessment will be undertaken of the primary option chosen in principle before any conclusion is reached.

Conclusions

45. The council faces challenges in order to meet the increased demand for services from older people in the future. Action needs to begin now to work up options for meeting this demand or the council will face very significant increases in expenditure.

46. The report looks at a range of radical options that build on the strategic direction since the last Best Value Review but which challenge the current configuration of services. Given the importance of these services and the sensitivities for customers, carers and staff it is vital that we take time to discuss these issues thoroughly before coming back to Members with more definite proposals.

47. It is therefore recommended that extensive consultation is undertaken with al the relevant stakeholders (including people who do not yet use services) to gauge their views on the best way forward and on the options outlined in this report.

Recommendations

48. It is recommended that the Executive Member note the report and approve the instigation of a wide consultation on the options covered in this report.

Reason: because it is necessary to consider all options for opportunities for savings and reinvestment in line with the Long Term Commissioning Strategy.

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Report Approved tick **Date** *Insert Date*

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Director of Housing and Adult Social Services

Report Approved tick **Date** *Insert Date*

Specialist Implications Officer(s) *List information for all*

Implication i.e. Financial
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Implication re Property

Implication re Legal

Wards Affected: *List wards or tick box to indicate all* **All** √

For further information please contact the author of the report

Background Papers:

All relevant background papers must be listed here.

Previous EMAP reports

Annex 1

Consultation on challenges to future delivery of Social Care to Older people

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The purpose is to consult over the future direction and not any specific change proposal.

The consultation strategy will have three phases:

1. November 07 to December 07

Consultation on the challenges and broad options available for managing the demand for social care within the available resources.

2. January – February 08

Consultation on the programmes that will need to be introduced in order to manage change within the affected sectors

These two phases will involve primarily consultation with representatives of staff, customers, carers, the voluntary sector, statutory partners and any other organizations that may support people who are, or may become future customers. The outcome of these first two phases will be reported back to EMAP in March.

3. March onwards

If as a result of the consultation and Member decision making process there are any specific changes to services that are required then further consultation would be arranged with those people directly affected by the proposals. This consultation would be targeted at those people who may be directly affected by the proposed change, customers, carers and staff. The outcome of this consultation would be utilized within the project plan for the specific service changes.