

Decision Maker: **Adult and Community Portfolio Holder
For pre decision scrutiny by the Adult and Community Policy
Development and Scrutiny Committee**

Date: 10th April 2012

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **ADMISSIONS AVOIDANCE SERVICE**

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Chief Officer: Lorna Blackwood, Assistant Director Commissioning and Partnerships

Ward: N/A

1. Reason for report

The paper provides an update on the Admissions Avoidance service which has been jointly commissioned by Bromley Primary Care Trust (PCT) and the Council. The service has been delivered by Bromley Healthcare since December 2010. The cost of the service is £543k of which Adult and Community Services contributes £261k (£221k budget), the remainder by the PCT. The business case for the service was built on the basis of savings in hospital tariffs, with the risk and benefits being shared by the by the two organisations.

Although the activity levels for the service in 2011/12 have resulted in avoided admissions (and therefore notional reductions in cost), the PCT has experienced an overall increased spend on emergency acute activity this year and is not in a position to reimburse any funding to the Council.

As a result it is proposed that the Council should withdraw its funding for the service.

2. **RECOMMENDATION(S)**

The Policy Development and Scrutiny Committee is asked to :

a) Note and comment on the proposal to withdraw funding from the Admissions Avoidance service;

b) Note that consultation with staff and their representatives commenced on 23rd March;

c) Note that, subject to the comments of the Policy Development and Scrutiny Committee and the outcome of the consultation with staff and their representatives, the Portfolio Holder will decide on the future funding for the service; and

d) Note that, should the Portfolio Holder agree to withdraw funding from the service, the human resources implications will be agreed in consultation with the Chief Executive.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: N/A The proposal is to cease funding the service
2. Ongoing costs: N/A.
3. Budget head/performance centre: Expenditure : 835-0180; 825-0100; Income : 825-8123
4. Total current budget for this head: £261,400 expenditure; £260,200 Income

Source of funding: ACS older peoples' budgets

Staff

1. Number of staff (current and additional): 7.6 FTE
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 500 people per annum
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

Background

- 3.1 The development of the Admissions Avoidance Service was agreed by the Adult and Community Portfolio Holder in November 2010 (report no ACS10066) and has been in operation since December 2010. The service was jointly commissioned with the PCT to be delivered by Bromley Healthcare. The objective was to focus on the groups of patients where admission can be avoided completely or where patients can be supported to return home from hospital within one day. The new service was designed to generate savings in the tariffs charged by the South London Healthcare Trust (SLHT) to the PCT.
- 3.2. The cost of the Admissions Avoidance Service is £543k. Adult and Community Services agreed to contribute £261k to cover the cost of 8 care workers (7.6 FTEs) and a care manager (1 FTE) in a new Admissions Avoidance team. The care workers are employed by the Council and seconded to Bromley Healthcare. The PCT contributes £282k which covers community therapists, district nurses and case finders.
- 3.3 The business case was built on the premise that savings to the PCT would be generated by achieving short-stay tariffs or avoiding admissions to hospital altogether. A risk/ benefits sharing arrangement was agreed between the PCT and the Council based on acute emergency activity. This would be compared to actual performance and the difference between the baseline number of hospital admissions and the actual position would be the available savings to be shared. The business case prepared by the PCT indicated that the service should at least be cost neutral.

Activity since December 2010

- 3.4 The service has been in operation since 1st December 2010. There were delays in recruiting the full complement of care staff and the service ran with 5.6 FTE care staff from December 2010 until June 2011, with 8 employees (7.6 FTEs) in post from July 2011. The agency worker covering the role of Care Manager has been in post since December 2010.
- 3.5 During 2011 the level of activity has steadily increased but has still not produced sufficient in the way of successful outcomes for the service to reach break even point. In addition the Director of Commissioning at the PCT has advised that overall emergency activity at South London Healthcare Trust has increased against the baseline this year, resulting in only a notional reduction in costs rather than real saving.
- 3.6 Although the Council had initially supported the PCT in testing the concept of the admissions avoidance service, the lack of the Council control over emergency activity at SLHT presents a significant risk to the Council's investment. Therefore it is proposed to withdraw fully the Council investment in the Admissions Avoidance Service.
- 3.7 The PCT has indicated that the health related elements of the service will continue for the present; the PCT will not be funding the social care element of the service. The relevant impact assessments have been undertaken to inform the proposal to withdraw LBB funding, including an equality impact assessment which demonstrated that changes to this service will not negatively impact on current service users. However, all aspects of caring for older people in the community and the services required to support this will be the focus of the joint health and social care PROMISE (Proactive Management and Integrated Services for the Elderly) programme which will be developed during the next 2 - 3 years for which funding has been set aside.

- 3.8 If the decision is made to withdraw funding, there would be a significant impact on the 8 employees (7.6 FTEs) employed by the Council who would either need to be redeployed or made redundant. The Care Manager in the Admissions Avoidance team is an agency worker and as such there are no redundancy implications for this individual. The staffing implications are set out in Section 7 below.

4. POLICY IMPLICATIONS

- 4.1 The service was designed to support the Council's objective to help people remain independent in the community.

5. FINANCIAL IMPLICATIONS

- 5.1 The 2012/13 budget assumed savings in admission avoidance of £75k increasing to £150k in 2013/14. The Council budget for this service is £221k relating to staffing costs. Income from the PCT of £146k was assumed within this budget to cover some of these costs, with the balance of £75 and £150k in a full year being met from savings in the services that the PCT would realise and share with the Council as outlined in section 3.3 of this report. Therefore, the net implications are summarised below:

	2012/13
	£ ,000
Cease funding 7.6 ftes	221
Loss of income from PCT	-146
Net saving	<u>75</u>

- 5.2 Employees currently working in the Admission Avoidance team are all redeployees that were redeployed into the team following previous restructures elsewhere within care services. Had these staff not moved into the Admission Avoidance team and if alternative redeployment had not been possible at that time, it is likely that the Council would have been liable for redundancy costs anyway.

6. LEGAL IMPLICATIONS

- 6.1 The funding agreement with the PCT enables the Council to terminate the agreement at any time should the service not be delivering the anticipated savings.

7. PERSONNEL IMPLICATIONS

- 7.1 As noted above, there are 8 care workers (7.6 FTEs) employed by the Council who would be directly affected by this proposal and at risk of redundancy. Informal discussions commenced with the staff and their representatives on 17th January 2012, once it became apparent that terminating the current arrangements for the joint service was a real possibility.
- 7.2 Formal consultation, for a period of 30 days commenced on 23 March 2012 and staff and their representatives were advised that a proposal would be put to the Portfolio Holder that funding be withdrawn. Subject to comments from the Policy Development and Scrutiny Committee and the outcome of the consultation with staff and their representatives, the Portfolio Holder will decide on the future funding of the service. Should the Portfolio Holder agree to withdraw funding from the service, the human resources implications will be agreed in consultation with the Chief Executive.

- 7.3 The Council has a policy of avoiding compulsory redundancies wherever possible and would manage staff matters in accordance with its HR policies and procedures for managing change in the workforce.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Report ACS10066 2 nd November 2010 Proposed developments in intermediate care services