

**Decision Maker:** Care Services Policy Development and Scrutiny Committee  
Care Services Portfolio Holder

**Date:** 4<sup>th</sup> September 2012

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

**Title:** Commissioning strategy for older people - day opportunities  
and respite care

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**Chief Officer:** Lorna Blackwood, Assistant Director Commissioning, ECS

**Ward:** Whole borough

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1. Reason for report

- 1.1. This report sets out a commissioning strategy for respite care and day opportunities for older people and seeks Member comments and Portfolio Holder approval to progress the proposals.
  - 1.2. In December 2011 Members approved the extension of the contracts for older peoples' day opportunity services to March 2013 in order to enable debate and discussion about the future direction of travel to take place. In June 2012 Members approved continuation of the respite at home contracts with the current providers to enable the development of Personal Budgets and Direct Payments for respite care.
  - 1.3. Given that one of the primary purposes of day opportunities is to provide respite for carers (the other being to combat social isolation), this report brings together those two areas of service under a single strategic approach whereby Personal Budgets are the primary mechanism to fund support to people who require respite care and/or social contact.
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2. **RECOMMENDATION(S)**

The Policy Development and Scrutiny Committee is asked to comment on the proposals in the report.

The Portfolio Holder is asked to agree in principle the proposed future direction of travel for day opportunity and respite services as set out in paras 3.11 – 3.13 and that a detailed report will be presented to Care Services PDS Committee and the Executive in January/February 2013 for formal approval.

## Corporate Policy

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

1. Cost of proposal: Estimated Cost: To be reported to Care Services PDS & Executive in January/February 2013
  2. Ongoing costs: Recurring Cost: To be reported to Care Services PDS & Executive in January/February 2013
  3. Budget head/performance centre: Care Services – Older Peoples' Services
  4. Total current budget for this head: £1,631,400
  5. Source of funding: Care Services Portfolio
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Statutory. The Council has a duty under s29 National Assistance Act 1948 to provide advice and support services for rehabilitation, occupational, social, cultural and recreational activities and under s2 Chronically Sick and Disabled Persons Act 1970 a duty to a range of services to meet the needs of disabled people including recreational facilities outside the home.

Subject of Government White Paper "Caring for our future: reforming care and support" July 2012

2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are an estimated 51,900 people aged over 65 in the borough, over 4,000 of whom have dementia. Around 800 individuals currently access day opportunity services for older people and approximately 500 individuals over 65 access various forms of Council funded respite.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

#### Background

- 3.1 Given that one of the primary purposes of day opportunities is to provide respite for carers (the other being to combat social isolation), this report sets out proposals for putting in place a consistent approach to the provision of both respite and day opportunities for older people.
- 3.2 Previous reports on day opportunities have highlighted that in future fewer older people are likely to be offered day centre places as the eligibility criteria for services are more rigorously applied. In December 2011 Members approved the extension of the current contracts for older peoples' day opportunity services to March 2013 in order to enable debate and discussion about the future direction of travel. This has taken place in the context of consideration of options to secure savings from 2013/14 from the day opportunities budget.
- 3.3 In June 2012 Members also approved continuation of the respite at home contracts with the current providers to March 2013 in order to allow time to develop more choice in the provision of services and to develop Personal Budgets and Direct Payments for respite care.
- 3.4 The principle of individual choice and control has been established for several years and was the original driver for the introduction of the Community Care (Direct Payments) Act (1996). More recently this was taken forward by the Personalisation agenda (Putting People First, 2007) and the establishment of Personal Budgets and is further developed by the current Government White Paper, *Caring for our future: reforming care and support*.
- 3.5 Personal Budgets are now the accepted way forward for those who require Local Authority support to meet their domiciliary and personal care needs, with people being encouraged and supported to take all or some of their Personal Budget as a Direct Payment. In Bromley in excess of 3,600 people (over 77% of eligible people) have a personal budget of whom over 400 take a Direct Payment.
- 3.6 In 2011 the principle of Personal Budgets was extended to day opportunities services, with the value of the day service (i.e. cost of attending a day centre) now being included in the Personal Budget of each person placed by the Council. The value of other respite services are not yet part of the Personal Budgets regime.
- 3.7 Although people may have the value of services clearly identified in their Personal Budget, both older peoples' day opportunity services and Council funded respite care are currently operated under block contracts and therefore people placed by the Council are at present restricted in their choice about where they spend their Personal Budget as available funds are locked into those contracts.
- 3.8 Given the need to address the fundamental principles of choice and control, officers have been evaluating options for the future commissioning of these services. This has included discussion with both service users and providers.
- 3.9 A review of respite care for older people in 2011 found that carers all want very different types of respite care as well as wanting to use it in different ways to suit individual circumstances and needs. The review also identified that Personal Budgets for respite care would support the exercise of choice and control by carers as well as serving to develop the range of available services through market forces. This has been borne out by recent experience as the ending of the block contract at Kingswood for residential respite care has led to more people making alternative types of respite arrangements, either in other types of care setting or home-based respite, as a result of money that was previously locked into block contracts being available for more flexible approaches.
- 3.10 Discussions have taken place with providers of both day opportunities and respite services about the potential impact of Personal Budgets/ Direct Payments, how they might continue to attract service users who are able to exercise choice and how they might restructure their businesses to attract more people who fund their own care needs in order to ensure

sustainable funding for the longer term and reduce their reliance on Council contracted business. In this context, providers have expressed concern that introducing changes too quickly could potentially destabilise their operations and that services could be at risk of closure. They are also concerned that a traditional tendering exercise for a reduced number of block contracted places would also place their operations at risk, although for the reasons set out in para 3.7 above, this is not the preferred procurement option.

### **The Way Forward**

- 3.11 The proposals in this report take account of concerns of current providers and service users, meet the requirements of the Council and are consistent with government policy and direction of travel. It proposes a strategic approach for both respite and day opportunities in which individual choice and control is central to the future approach and that Personal Budgets/ Direct Payments will be the primary mechanism to fund the support provided by the Council to eligible individuals.
- 3.12 In order to reach this position, it is proposed that from 1<sup>st</sup> April 2013 when current contracts expire, all block contract arrangements with older peoples' day opportunities providers and respite at home service providers would cease. At that point all existing users of the services would have continuation of the service guaranteed by their places being spot-purchased by the Council on an individual basis (referred to as "legacy" placements). As well as mitigating the impact of the withdrawal of the block contracts and guaranteed levels of purchasing, this would also address existing service users' wishes to continue to attend their current centre. As clients leave the service the value of the spot placement would be withdrawn from the provider.
- 3.13 Future eligible clients will have the value of their service included in their Personal Budget. If the Council manages the Personal Budget on behalf of the service user, the Council can either purchase an individual place at a day centre or another form of respite/ activity according to the individual's choice. Alternatively the service user can take a Direct Payment. This will enable them to purchase either a day opportunities place of their choice or other forms of respite/day activities (e.g. sitting service) should they wish to do so. It also enables service users to "top up" the payment if they wish to purchase an enhanced service from a provider.

### **Next Steps**

- 3.14 Should Members agree to the principles set out above, detailed arrangements will be worked up and reported to members in January/ February 2013 regarding :

A. Value of Personal Budget/ Direct Payment

Further work will be undertaken to develop appropriate values to be included in a Personal Budget that reflect the different service levels in day opportunities services and the complexities of other respite services. This will be carried out by officers from both Finance and Commissioners to establish appropriate market rates and to model the impact on expenditure and income.

B. Legacy placements

The precise mechanism for managing payments to providers for the reducing legacy placements will need to be modelled and agreed so that it operates in a way that mitigates the impact on both the Council in respect of continuing cost commitment and on providers to avoid destabilising existing services. The speed of the reduction of legacy places in day opportunity services will vary from provider to provider depending upon turnover. The current rate of people moving on from the centres over the last 2 years has averaged 50%. This would indicate that the legacy costs could last for around two years although they would be continually reducing during that period. However this includes people who only stay a very short while in the service (who come and go in the same year), is variable between centres

and fluctuates throughout the year. Again, Commissioners and Finance staff will work together to model the impact of legacy payments.

C. Securing prices for individual placements

As all respite and day opportunity services would be purchased on an individual basis in future, the value of those placements will need to be established and agreed with providers. This would be achieved through the establishment of Framework Agreement arrangements with day opportunity and respite service providers to establish agreed prices for individually purchased places as well as a quality threshold. These agreements would enable places to be purchased at agreed prices but would not commit the Council to a particular level of business.

D. Assistance to providers to develop their "offer"

One of the issues for day opportunity and respite providers has been their historic dependence on Council funding. The proposals in this report represent a potential risk to their business if they are unable to attract either the service users with Personal Budgets/ Direct Payments or other business from people who self fund. However the success of the choice and control agenda is dependent on the existence of a healthy market of available services for people to purchase.

Some current day opportunity and respite providers already offer their services to people who self fund and are well placed to further extend this approach to a wider market as well as to those using their Personal Budgets and Direct Payments. However for most providers this is only a small element of their current business. Council officers have been working with providers over the last 2 years to encourage them to think about ways in which they can develop their services and potentially attract people to their services who self-fund or, in the future, have a Personal Budget and/or Direct Payment.

It is proposed that as part of the reconfiguration of services, the Council should provide support to assist providers to develop their financial planning, business development and marketing will be made available. Officers have facilitated workshops to enable providers to explore innovative approaches both within and outside Bromley and access to marketing advice to assist them to think of ways to open up their services and to attract new people. There is a huge disparity between the number of people currently using the day centres, just 800, relative to the number of older people in the borough; 51,500 over 65, 28,000 over 75. This represents a potentially huge market of older people in Bromley who may benefit from accessing a support or service of some description that could be provided or made available in day opportunity and respite services.

E. Transport

The proposal does not address the future approach to transport as this is the subject of a separate piece of work which is being carried out jointly with Bexley and Croydon and which will be reported separately. For the purpose of this report, it is assumed that all current day opportunity services users who are transported to the centres will continue to be so.

#### **4. POLICY IMPLICATIONS**

The provision of support to service users and carers through Personal Budgets meets the Council's priority to support independence, enabling vulnerable people to remain in the community and in their own homes and by providing breaks for carers that them to continue in their caring role, in a way that enables personal choice and control over the support they receive.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 It is anticipated that the initial spend on the legacy placements at the start of the 2013/14 financial year will be equal to the spend on the current block contracts. However the cost of the

legacy placements will reduce over the course of the year; over the same time the number of people receiving support through Personal Budgets will grow. Therefore any reduction in spend will be on a tapered basis and the savings in day opportunity services which were proposed are unlikely to be fully delivered in 2013/14. Consideration could be given to using the NHS Social Care Invest to Save funding to cover the interim costs. A financial model will need to be developed to establish the detailed financial implications of the proposal and will be part of the report to Care Services PDS and Executive in January/February 2013.

## 6. LEGAL IMPLICATIONS

- 6.1 The Council has a duty under s29 National Assistance Act 1948 to provide advice and support services for rehabilitation, occupational, social, cultural and recreational activities and under s2 Chronically Sick and Disabled Persons Act 1970 a duty to a range of services to meet the needs of disabled people including recreational facilities outside the home.
- 6.2 The Council is entitled to determine the threshold at which it considers it will fund the provision of facilities. Effectively a person has to have substantial or critical need for support and inadequate means before state funding will be provided. This funding in terms of a Personal Budget can be held by the Council and used to purchase the necessary support or as is being increasingly promoted by means of a Direct Payment. This allows the individual more choice in their selection of the services they require, subject to the Council retaining an overarching duty to monitor the effectiveness and value for money of the service purchased to meet their assessed need .

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| <b>Non-Applicable Sections:</b>                       | Personnel implications.   |
| Background Documents:<br>(Access via Contact Officer) | - Report to Adult and Community PDS, 13 <sup>th</sup> December 2011 and Executive 14 <sup>th</sup> December 2011; GATEWAY REVIEW – DAY OPPORTUNITIES FOR OLDER PEOPLE,<br>- Report to Care Services Portfolio Holder and PDS, 19 <sup>th</sup> June 2012; RESPITE AT HOME CONTRACTS |