

Decision Maker: Executive

Date: For Pre-Decision Scrutiny by Care Services PDS Committee on
11th November 2014

Decision Type: Non-urgent Executive Non-Key

Title: **OLDER PEOPLE DAY OPPORTUNITY SERVICES INVESTMENT**

Contact Officer: Andy Crawford, Commissioning Manager
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Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

a. In January 2013 the Care Services Policy Development and Scrutiny Committee were asked to comment on the proposed commissioning strategy for older people's day opportunity services and respite at home services. This was to achieve efficiency savings of £0.5m whilst delivering an approach in which individual choice and control is central and Personal Budgets/ Direct Payments the preferred mechanism to fund the support provided by the Council to eligible individuals. Two year transitional arrangements to protect existing service users were outlined and a system for new clients, in which they would receive a Personal Budget allocation instead of a direct service referral, was described. In February 2013 the Care Services Portfolio Holder recommended and the Council Executive approved the commissioning strategy. A one off investment from the NHS Social Care Fund was allocated to the project as Invest To Save to achieve the required efficiencies.

b. The transitional arrangements are reaching the final phase and it is now possible to consider the actual changes against the original projections and to project the likely final outturn on the Invest to Save investment. It is also appropriate to consider the next steps for the day opportunity services to ensure that the momentum of change is not dissipated once the transition period has ended and that services continue to develop in order to meet projected future demand.

2. **RECOMMENDATION(S)**

Care Services Policy Development and Scrutiny Committee are asked to consider and comment on the content of the report.

Executive is asked to approve the investment proposal outlined in paragraphs 3.17 to 3.19.

Corporate Policy

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

1. Cost of proposal: Estimated Cost: £260,000
 2. Ongoing costs: Non-Recurring Cost: Further Details
 3. Budget head/performance centre: 950 806
 4. Total current budget for this head: £1.3m
 5. Source of funding: Social Care Capital Grant
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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 Requirement: 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.
 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 500 individuals are currently funded by the Council in day opportunity services for older people.
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Ward Councillor Views

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

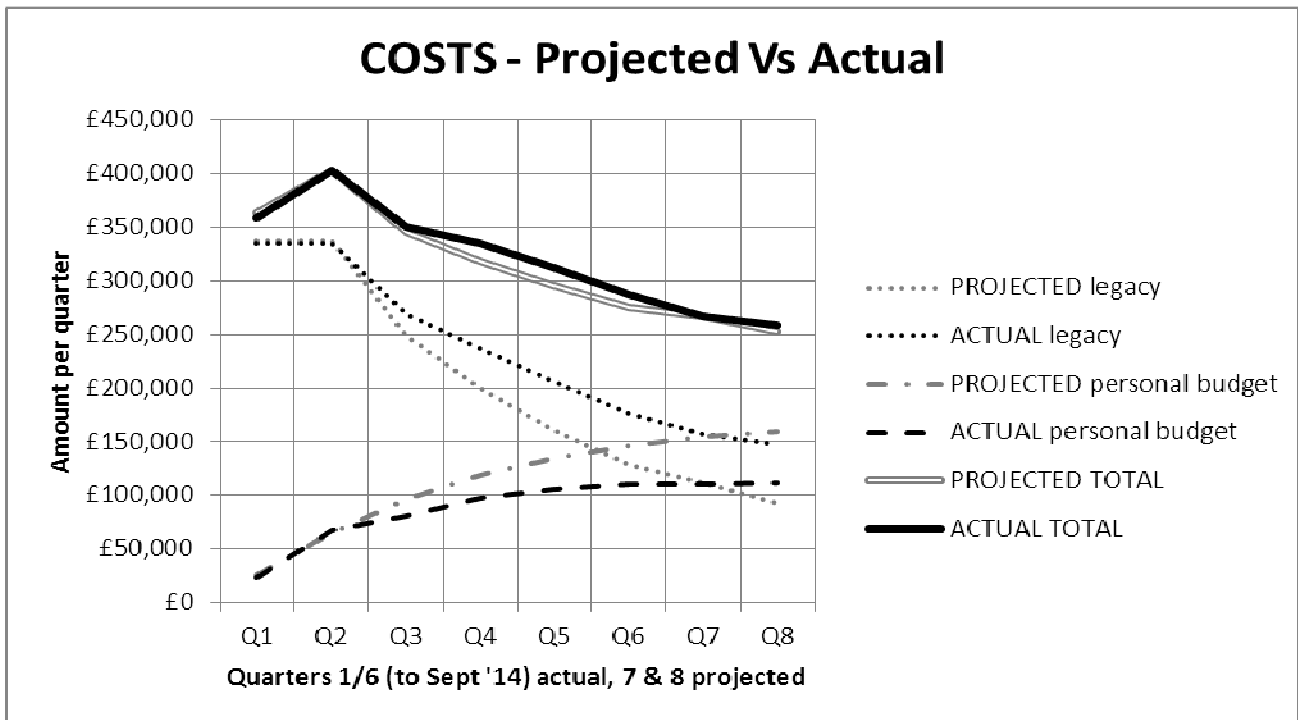
3. COMMENTARY

Background

- 3.1. In February 2013 the Council Executive approved a commissioning strategy for older people's day opportunity services which delivered greater choice and control to individuals by ceasing block contracts with providers and making Personal Budgets/ Direct Payments the mechanism to fund the support provided by the Council to eligible individuals. Savings of £500k were assumed in the 2013/14 budget for day care and the strategy was developed with a view to delivering this saving.
- 3.2. Transitional arrangements to bring about this change were implemented whereby from 1st April 2013 all block contract arrangements with older peoples' day opportunities providers ceased. At that point all existing users of the services had continuation of the service guaranteed by their places being spot-purchased by the Council on an individual basis (referred to as "legacy placements"). As clients have left the service the value of the legacy placement has been withdrawn from the provider.
- 3.3. New clients from April 2013 have the value of their service included in their Personal Budget. Where 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, which enables them to purchase either a day opportunities place of their choice or other forms of respite/day activities (e.g. sitting service) should they so wish.
- 3.4. Transport has remained an essential component of the day opportunities service. The majority of people are transported by the Council's in-house service but three of the organisations have operated their own transport provision with a sum of £200k being ringfenced for this within the transitional funding arrangements.
- 3.5. These transitional arrangements have meant there was an element of double running costs in the first year, providing a good level of early protection for providers by guaranteeing their income for the first 6 months, then giving 3 months' notice, of any funding change thus giving them the opportunity to adapt their services and to attract new clients. It also gave them the opportunity to build up some level of reserve income through new clients in the initial 6 months.
- 3.6. A financial model was developed to estimate the level of future savings that could be achieved and the speed at which they might be realised. It was recognised that these projections would be dependent upon a number of variable factors, most particularly the movement out of the service (ending of legacy placements) and movements into the service (new Personal Budgets). Assumptions were made based on historical changes in the 24 month period October 2010 to September 2012 that demonstrated, for a one off investment out of the NHS Social Care Fund of £875,581, by 2015/16 the council will have delivered savings of £558,303 compared to the 2012/13 budget.

Current position

- 3.7. After six quarters under the transitional arrangements the actual outturn against the projections of the financial model has been very close. Whilst the rate of decline in legacy places has been slightly lower than the model predicted the rate of referrals of new clients with personal budgets has also been lower, serving to balance the expenditure. (See chart below)



- 3.8. Officers have continued to keep in close contact with providers to ensure that not only the statistical information is available but also intelligence is gathered about how different centres and providers are being affected by and responding to the changes.
- 3.9. All providers report an increasing level of need in those people being referred for day opportunity services, mostly people with a diagnosis of dementia, reflecting the local growth in that area, but also people with higher levels of physical frailty. Providers have become much more aware of the need to respond flexibly to the needs of clients and their carers and are at various stages of planning and introducing new services and schemes in response. All have attracted some self-funded clients.
- 3.10. There have been no issues or concerns raised by service users, which indicates that the Legacy arrangements are working as intended in protecting the people who were already using the day centres and that the new personal budget arrangements support people in being able to access the services they want and need.
- 3.11. One of the key intentions of moving away from block contracts and introducing personal budgets was the offering of more choice and control by service users and the development of a wider market, with more options for people in meeting their needs. To achieve this a pilot in Support Planning has been implemented, working in partnership with Vibrance, the Council's existing Direct Payments support provider. The findings are that, given real choice and appropriate support in making those choices, many people want to do things that do not involve a traditional day centre and that they can access different supports and services with their allocated personal budget.
- 3.12. For a one-off investment of £875k the Council has been able to reduce its budget from £1,545k in 2013/13 to £1,045k in 2014/15

Next steps

- 3.13. By March 2015 the number of Legacy clients likely to be still in receipt of service can be anticipated to be between 100 and 150. From 1st April 2015 they will all be transferred over to Personal Budgets. This move can be made with no obvious change or disruption to

service users and only affect the Council in the way in which the services are contracted and payments are made to providers.

- 3.14. Whilst several providers have made significant changes to their services, implementing more flexible service models and offering support to people with higher levels of need, it is clear that there is still considerable scope for further change to develop innovative approaches that provide flexible and cost effective supports, particularly to people with dementia and their carers. There is also scope for further development of services that are accessible to people who wish to self-fund, which will be beneficial to those who do not wish to approach the Council for support whilst providing additional funding to providers that can also offset Council costs.
- 3.15. Most of the organisations are too small or have inadequate reserves to underwrite the risks involved in such developments, with all their funding tied up in delivering the services they currently provide. Whilst the Council does not want to support unsustainable services and service models, it is clear that some level of investment to support continuing change and development in the sector would be beneficial.
- 3.16. It is important that the principles of the changes to date, the ending of the block contracts and the funding of services through personal budgets, are maintained. Any funding support beyond the individual personal budgets must be consistent with this direction of travel.
- 3.17. Officers' recommendation is to establish an Innovation and Development Fund which has defined criteria and to which providers can bid for a grant on the basis of achieving specific outcomes in terms of service development and change which would include:
- meeting the needs of people with dementia and their carers;
 - collaborative working between providers;
 - flexible use of resources that serve to maximise efficiency
 - meeting the needs of people who self-fund
- 3.18. The proposed size of the fund is a total of £260k over 2 years, £125k per annum plus £10k for business support to assist organisations in making grant bids to be provided through Community Links Bromley. The funding will be time limited e.g. up to 2 years and monitored closely to ensure that spend is consistent with the criteria and stated terms. Because of the nature of this approach only those providers that have the business competence to deliver the desired outcomes and change would be successful in achieving the support but this would be an opportunity to further promote joint working between organisations to share expertise and resources.
- 3.19. The proposed source of the funding for the Innovation and Development Grant is the £1.3m Social Care Capital Grant which is specifically intended "To support development in personalisation, reform and efficiency".
- 3.20. This approach will continue to drive change in a sector of the market that is well placed to respond to growth of demand in dementia support. It is consistent with the dementia priority of the Health and Wellbeing Board (one of the top 4 priorities), the JSNA and the Better Care Fund. It also responds to the Care Act requirements for market development and to develop services for carers and is consistent with the Council's Market Position Statement.
- 3.21. Transport will remain an essential component of day opportunity services after the end of the transition period. The budget for transport that is outsourced to providers, £200k in

total, will need to remain as a ringfenced sum post-April 2015 until alternative provision can be established linked through the tender of transport services.

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 support 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 Invest to Save investment will be £870,208 against the projected £875,581 and that the required £500k savings in 2015/16 will be achieved - £522k anticipated against the originally projected £558k (See below)

Expenditure (including transport, utilities,etc)

	<u>Budget</u>	<u>Savings</u>			
	<u>2012/13</u>	<u>2013/14</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
	<u>000</u>	<u>000</u>	<u>000</u>	<u>000</u>	<u>000</u>
<u>Financial model</u>					
Budget	1,545	- 500	1,045	1,045	1,045
Financial model of costs for invest to save			1,656	1,309	986
Costs/(savings)			611	264	- 59
one off invest to save funding			611	264	
Net position			-	-	- 59
<u>Actual delivery</u>					
Budget	1,545	- 500	1,045	1,045	1,045
Actual costs for invest to save			1,667	1,292	1,022
Costs/(savings)			622	247	- 23
one off invest to save funding			622	247	
Net position			-	-	- 23

5.2 The scheme is on track to deliver additional savings of 23k in 2015/16 (against an estimated additional £59 k in the original financial model business case).

5.3 The proposed source of the funding for the Innovation and Development Grant is the £1.3m Social Care Capital Grant which is specifically intended "To support development in personalisation, reform and efficiency".

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 .

7. PERSONNEL IMPLICATIONS

N/A

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none">- Report to Adult and Community PDS, 13th December 2011 and Executive 14th December 2011; GATEWAY REVIEW – DAY OPPORTUNITIES FOR OLDER PEOPLE,- Report to Care Services Portfolio Holder and PDS, 19th June 2012; RESPITE AT HOME CONTRACTS- Report to Care Services Portfolio Holder and PDS, 4th September 2012; COMMISSIONING STRATEGY FOR OLDER PEOPLE - DAY OPPORTUNITIES AND RESPITE CARE- Report to Care Services Portfolio Holder and PDS, 16th January 2013 AND Council Executive 6th February 2013: COMMISSIONING STRATEGY FOR OLDER PEOPLE DAY OPPORTUNITIES AND RESPITE CARE - INVEST TO SAVE.- Report to Care Services Portfolio Holder and PDS, 22nd January 2014; DAY OPPORTUNITIES AND RESPITE FOR OLDER PEOPLE