

## **REPORT TO THE CABINET**

25 NOVEMBER 2014

**Cabinet Member:** COUNCILLOR R H WYN WILLIAMS, CABINET MEMBER - CARE

**Subject:** OVERSPEND IN OLDER PEOPLE SERVICES

**Contact Officer:** MORWENA EDWARDS, CORPORATE DIRECTOR

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### **1. Purpose of the Report**

- 1.1 To give further explanation to Cabinet members on the overspend in Older People Services and in particular home care services.
- 1.2 To consider the overspend in relation to the expected demographic changes and demand for older people services. This demographic induced demand includes the expectation of an increase in the number of older people requiring a service and also the level of need. This also of course includes all those living with dementia.
- 1.3 To set out for Cabinet members, for information, the action plan which is in place to respond to the overspend, which includes the immediate action required, and also to highlight the key transformational plans that are taking place which will be critical to respond to the increase in demand in the longer term.

### **2. Background**

- 2.1 As is consistent with many authorities across Wales, Gwynedd is seeing an increase in demand for care services, and this probably as a result of an ageing population. We have been expecting this increase, and the Council has been allocating demographic funding to the Department for a number of years.

However, despite the transfer of this funding, over the last year there has been a clear overspend in older people services.

- 2.2 If we compare our expenditure against other similar authorities, we do see some differences, with home care being comparable, residential care also comparable, but our expenditure on nursing care significantly higher. We are currently looking into these findings in more depth as part of the 'end to end' adults work.

- 2.3 We need to also understand that the issues raised within this report and many of the points highlighted are already being addressed as part of the efficiency saving proposals and the transformational plans within the Strategic Plan. Therefore, work is already underway with all the areas highlighted, examples of the work being the “Ffordd Gwynedd” work / Vanguard, funding of CHC packages, review of double handling etc.

What we need to ensure is that these transformational changes are implemented without delay and that the right culture and capacity to deliver is in place.

- 2.4 It is critical that we ensure that our strategies, systems, structures all align with the vision we have for this area of work. In addition we must ensure that staff have the right skills for a new way of working and that the culture staff work in the right one to ensure success. The transformational changes underway in the department try and ensure that all these aspects are being looked at. An assessment of the additional requirements within the department to respond to the challenges is happening at the moment and will come to the attention of the Cabinet in the near future.

### **3. Considerations within the Older People Service**

- 3.1 We can summarise the increase in demand for older people services into four categories:-

#### **3.1.1 Older People who require short term intensive support to help them return to independence – we refer to this service as ‘reablement’**

We have been providing re-ablement services for over 4 years and we have seen success against the performance measures with approximately 58% of those receiving re-ablement not returning to the service within the first year. In line with this success, approximately £1m savings was taken out of the older people budget, as part of efficiency savings. This figure was based on an assessment of what would have been the cost of the care to those individuals if they had not received the intensive support.

The argument being that the short term intensive support has avoided them being dependent on services for the longer term. Obviously, it is impossible to prove scientifically what care would have been required without re-ablement, this is a matter of opinion only.

It is apparent from the performance measures that we have that we have succeeded with the re-ablement services, but there is further evidence (John Bolton) which highlights to councils the need to question the validity of using our current "intake model" for re-ablement. It is John Bolton's view that too many "relatively healthy" individuals who would have been able to return home with no additional support and would not have required longer term services have received expensive short term intensive support from us.

We need to look into this matter further to assess if we need to target our reablement services from now on. I have commissioned Glenda Lloyd Evans to do further work on this issue with a view to report back to me by the end of November.

If we discover that it is beneficial and more cost effective to target reablement services for the future, we will inevitably see a worsening of our current performance measures. However, our investment with expensive reablement services would be more efficient and effective.

We also see a pattern emerging that individuals who previously received a reablement service at the outset are now returning years later requiring quite intensive support. For these individuals, receiving reablement again would give us a poor "return" on our investment and it is preferable for these individuals to go on to longer term support straight away. I believe we have evidence (case file audit Vanguard) to support the fact that we have individuals receiving reablement where it is clear that their chances of regaining independence is very low and that we have created a system that does not allow front line staff to exclude such individuals from this route.

To close therefore on reablement – even though at first glance this service looks to be successful, we need to reconsider the principles on which the service has been based, and to look to ensure that we do not give an expensive service free of charge to individuals that do not need it or that will not benefit from it. Also that we do give this service to individuals that are very unlikely to succeed to regain independence.

As noted above, work is underway to this end to establish what we need to do differently, but based on the above it is likely that the savings taken out to date may be too high.

### **3.1.2 People who require longer term support**

Usually individuals who require longer term support have already received the reablement support.

We have been expecting the impact of the demographic increase for a number of years, but until now we have not really seen this played out in the expenditure, and this is probably due to the fact that the 'good health' of older people generally has hidden the demographic increase. However, I believe we are now finding that the oldest individuals are becoming frailer and that this is now emerging.

### **3.1.3 Older People with complex care needs**

The complexity of care needs for older people is increasing and these are some of the factors:-

- People are living longer with complex health conditions and intensive physical disabilities
- Changes in the Health Trust have meant that there has been a shift of provision from acute beds to provision in the community. There has been a significant reduction in the number of acute beds in North Wales over the last few years. In the past, older people would have remained in hospital for a longer period, even though their clinical care would have ceased, but because they just were not strong enough to go home. Local Authorities are increasingly providing intensive packages of care, sometimes with two carers, to support people at home. We have already identified the need to review the number of "double handling" packages of care as part of our efficiency saving proposals.
- There is a huge pressure for local authorities generally to play their part in avoiding delayed discharges of care – DTOCs. There is a great deal of pressure on us to ensure that community support is available to support more and more people and to avoid any delay in getting patients out of hospital. I believe there may well be a link between our

increasing expenditure on home care and the fact that we are consistently a good performer with our DTOCs. We need to ask the question if we can continue with this trend without some investment in community support from health.

- The majority of older people now expect to be able to receive support in their own homes, rather than having to go into a residential home, and this regardless of the size of home care package required. In the past, a large proportion of these individuals would have chosen to go to a residential home. We are certainly responding to what people need and there is no question that this is the best option for them, but there is a cost to this with the most intensive care packages.

In addition, the introduction in April 2011 of the maximum weekly fee of £55 for home care has probably contributed to the number of individuals who chose to live at home, who would otherwise be paying for their own care in a residential home or at their own home. If some of these individuals were in residential care, they would be paying in full for their care.

#### **3.1.4 Older People who require residential care**

The number of individuals living in residential homes has remained relatively constant over the last few years. The expenditure on residential care is also constant, but has risen a little in the last quarter.

Gwynedd's expenditure on nursing care is comparatively higher than other authorities of a similar nature. We are not clear yet why we have a higher spend on nursing care but there is evidence that we have a high percentage of individuals going into nursing care straight from an acute bed. Perhaps there is a higher prevalence of the west discharging individuals to a nursing bed as beds are available. We are also seeing less use in recent years of community hospitals for that convalescence period.

- 3.2 **The most obvious problem in relation to the overspend is in the home care service.** As stated previously, we have taken out nearly £1m due to the success of reablement and a significant amount has also been taken out as a result of savings due to telecare.

We need to ask ourselves, why are we overspending in home care and one obvious question is are we giving home care services to more people?

From looking at the data from 2013 to 2014, we can see that the number of individuals in both years similar, but there is clearly a very different profile on the intensity of the home care packages commissioned.

The tables below give a breakdown of the “snap shot” of the intensity of the home care packages over the two years for older people over the age of 65.

<b>Home Care Provision w/c 28 September 2013</b>		
<b>Hour Bands</b>	<b>Number of Clients</b>	<b>Number of Hours</b>
<5	299	824
5-9	305	2167
10-15	276	4395
>=20	50	1420
<b>Total Hours</b>	<b>930</b>	<b>8805</b>

<b>Home Care Provision w/c 27 September 2014</b>		
<b>Hour Bands</b>	<b>Number of Clients</b>	<b>Number of Hours</b>
<5	285	768
5-9	269	1928
10-15	296	4465
>=20	84	2371
<b>Total Hours</b>	<b>934</b>	<b>9533</b>

The tables show:-

- The number of people receiving home care has remained quite static.
- The number of individuals receiving lower level support has reduced.
- There has been an increase in the number of individuals receiving intensive support – this is equivalent to 68% of weekly hours.
- We have seen an increase of 728 in weekly hours which is equivalent to an increase in expenditure of over £500,000 in a year.

#### **4. General Conclusion**

- 4.1 The Council spends more on older people services than others in the comparator family.
- 4.2 Transformational plans have already been submitted for consideration, and some are underway, which will reduce the expenditure on older people services by around £1.5m over the next 4/5 years.
- 4.3 It is reasonable to expect the expenditure to reduce in the longer term and the transformational plans do set out the areas that need attention to achieve this. I am not going to expand in this report on the details of these plans, but they are available if required.
- 4.4 We have felt for some time that the Health Trust is not contributing as we expect to some of our more intensive packages of care. It is important to remember that on the whole we are a good performer in relation to DTOCs here in Gwynedd. I do believe there is a link here between a higher spend on older people services and this good performance.
- 4.5 To complement the transformational changes underway, we also need to ensure that the immediate budget management arrangements on a daily basis are fit for purpose. I am not convinced yet that the budget management is as robust as it could be and improvements are being made. I will be working with the new senior managers within the structure to ensure that these issues receive their attention. Some of the changes we are putting in place to address the overspend are as follows:-
  - Urgent discussion with the Acting Senior Manager of the service and Area Managers in order to agree any further interventions needed to change the current expenditure profile.
  - Workshop on the required changes has been arranged which will look to improve budget management skills of key workers.
  - Weekly analysis to be shared with me as Director showing that all staff are taking responsibility for the situation.

## 5. Recommendation

**5.1 To accept the above explanation of the increase in intensity of care packages, and also to support the transformational plans in place as well as the plans to improve the budget management arrangements. There is likely to be some degree of overspend with this plan for the current year and guidance from the Head of Finance will be required on how to respond to this.**

6. Reducing expenditure in older people is not easy as a large proportion of the expenditure relates to people in the system. We must ensure that we have the right processes and culture in place to respond to the short term financial problem as well as the more transformational requirements for the long term. Changes to the way the department works is underway as is more fundamental changes that may emerge from the Vanguard work.