



**Adult Social Care Select Committee
23rd November 2010**

Public Value Review of Older People Services

Purpose of the report:

To outline conclusions and recommendations as a result of the Public Value Review of Older People's services: to be submitted to the Cabinet in December 2010.

The ASC Select Committee is asked to consider the report and endorse the proposed recommendations.

Introduction:

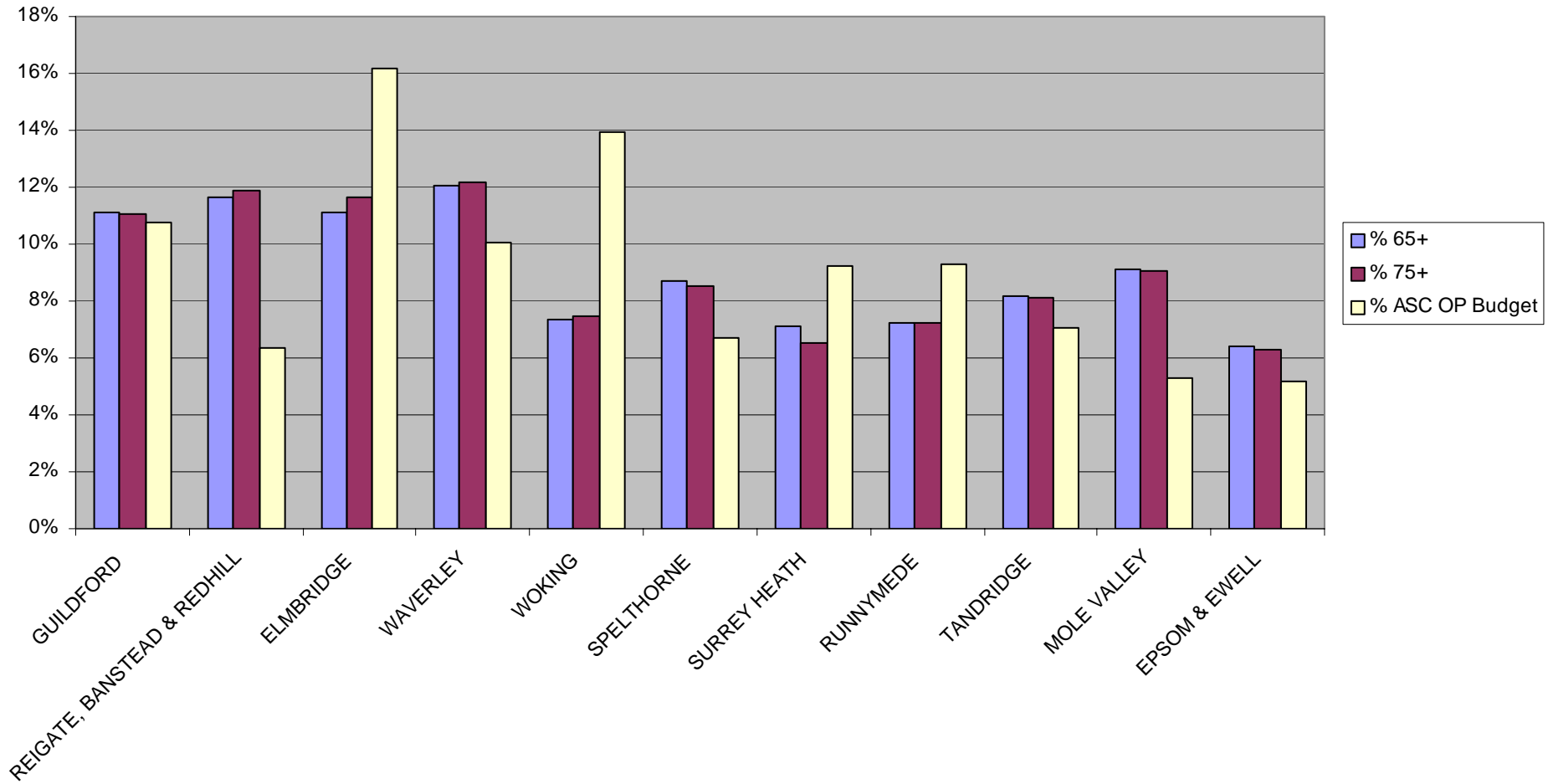
- 1 On 14 July 2009 as part of its consideration of the paper "Leading the Way: changing the way we do business", the Cabinet agreed to undertake a three-year programme of Public Value Reviews (PVRs) to look at all services/functions provided by the Council. The primary objective is to move from being a one star to a world-class authority. The outcomes are expected to be services that place Surrey County Council in the top 25% of local authorities for performance and the lowest 25% for unit costs.
- 2 The Older People's Public Value Review (OP PVR) has taken place in the period April – November 2010, and will:
 - Deliver improved outcomes, value for money, and world class commissioning by reviewing services for older people;
 - Support the delivery of financial savings built into the Medium Term Financial Plan (MTFP) within the 1st quarter of the financial year 2010/2011;
 - Reduce costs, and validate recommendations in the Medium Term Financial Plan for delivering savings of £32 million by 2014;
 - Improve performance by making recommendations for moving to top quartile performance by 2014; and
 - Improve the existing quality assurance system.
- 3 The Review has followed the standard PVR methodology:
 - *challenging* why, how and by whom a function/service is provided;
 - *comparing* performance with others in the quest to be world class;
 - *consulting* widely including with residents and specifically vulnerable groups and communities and with staff;

- *collaborating* with partners and contractors; and
- *testing* the market to see if the function/service could be delivered more efficiently, effectively or economically.

Service Summary: Older People

- 4 Older People's Service is the largest service within the Adult Social Care (ASC) Directorate of Surrey County Council, accounting for over £138 million of the Directorates overall budget of £241 million for 2009/2010. Surrey County Council directly helps more than 13,000 people aged 65 and more.
- 5 The total budget includes the allocation of grant and contract funding allocations to commission an infrastructure of Borough and District Council services, as well as the third sector services and initiatives.
- 6 The following graph illustrates the 2010/2011 allocation of £3,288 million in total funding for grants and contracts paid to borough councils and the voluntary sector. The primarily focus of this spend is on prevention and promoting independence: services such as day care, befriending, meals on wheels, etc. The graph illustrates allocation on a borough-by-borough basis, relative to percentage of population 65+ and 75+ of Surrey.

Community support services provided through grants and contracts with D&B and VCFS



Zero Based Budgeting (ZBB)

- 7 This PVR has undertaken a strategic review of the whole Older People's Service. The PVR has produced a comprehensive strategic financial model to evidence and map spend on the care journey. This modelling will be used to evidence how financial resources can be moved "upstream" of the care journey in a strategic shift towards investment in prevention rather than long term residential care services.
- 8 The figures from the original care journey model (see Appendix I for the original care journey model) are being updated with more detailed financial efficiencies following the PVR. Specific recommendations through the review of the MTFP and OP PVR Terms of Reference that will help to achieve the above stated strategic outcomes are outlined in Appendix II.
- 9 From a ZBB perspective, an important element has been the unbundling of history behind the complex allocation of grants and contracts which represent the cumulative effect of developments over many years. It also reflects differential financial investment in services by the council, boroughs and districts, and has evolved through multiple geographical and budgetary restructures. The legacy has also been formed by a history of unsuccessful initiatives, and local decommissioning of services in some areas due to local budget constraints.
- 10 The shift to Self Directed Support will impact on all commissioned services including those traditional block contracts, and those provided by borough councils and the voluntary sector. A balanced and phased transition is required, particularly as the uptake of personalised budgets for older people is slower than those in other care groups. It is important that this transition is managed through consultation with borough councils, the third sector, the independent providers as well as older people themselves.
- 11 Through the course of the ZBB it is important to note the unprecedented uncertainty of funding streams that continue to be reviewed by central government. There are also some strategic initiatives that will potentially affect Older People's spend for example investments from the Dementia Strategy to keep more people with high needs at home.
- 12 Additionally in the health economy there is the radical shift in commissioning from the Primary Care Trusts to GP commissioning consortia as well as the publication at the end of October 2010 of LAC (DH) (2010) 6: The Personal Care at Home Act 2010 and charging for reablement: which advises of an approximately £1 million allocation to the Acute sector in Surrey. The Acute sector will take responsibility for the funding of reablement and rehabilitation services for 30 days following hospital discharge.

Consultation

- 13 The PVR has undertaken specific consultation with a range of external and internal stakeholders using the theme of 'Making our money match your aspirations'. The outcome of a survey with people who use our services has been undertaken with the following outcomes:

<p>“Making our money match your aspirations”</p>

<p>Precursor to formal consultation</p>

<p>Nil cost to undertake survey</p>

<p>85 responses</p>

<p>Strong message from Survey – Older People in Surrey want:</p>

<p>Local consultation for local people</p>

<p>Stronger voice within coalition / partnership boards</p>

<p>Diverse needs and opinions of future shape of services – don't define us by age.</p>

<p>Agree with principles of Self Directed Support but want traditional services to remain too</p>

<p>Help to keep us safe and well</p>

<p>Transport is a main priority</p>

OP PVR Outcome and Conclusions:

- 14 The recommendations being proposed in this PVR outlined in Appendix III can be summarised under the heading of “Strategic Enablement”. The over 65 age group in local communities of Surrey have historically had negligible direct influence, relative to other care groups, in developing the outcomes and quality of services commissioned on their behalf. The PVR recommends that we develop structures and processes to give real people genuine influence and control over how we personalise our services, to empower them to promote the development of social enterprise and enable them to inform commissioning of best value services.
- 15 There is a strong consensus by Surrey stakeholders, which is echoed in Building a society for all ages (DWP 2010) for the County Council to promote positive images of later life, integrate ageing into the body of all social care strategies, and develop a strategy for prevention and wellbeing relevant to supporting people to live well in later life. Therefore this PVR specifically recommends the following strategic outcomes:

Strategic Financial Outcomes

- 16 **Financial modelling:** Commissioning to develop a financial model to evidence and promote the strategic shift to investment in prevention and particularly reablement: to demonstrate how we are preventing people embarking on the care journey and delaying need for dependency upon high cost county council provided services.
- 17 **Self Directed Support:** Whilst there has been an appropriate policy and strategic intention to shift from residential/nursing home placement activity to more home-based care, there is now a need for commissioning to promote and emphasise the shift to personalised self-directed community care. This is especially important for older people with high support needs, including older people with a learning disability who require support from Surrey County Council.
- 18 **Resource allocation system (RAS):** The future approach to Self Directed Support and a Resource Allocation System for people directing their own support has some limited potential to support improved efficiency in resource use. The quantity of data related to current roll out of the resource allocation system is insufficient to base any extrapolations for savings on. It is important to note however that current guidance from the Audit Commission: Financial management of Personal Budgets; Oct 2010 advises:

“Councils should be realistic about the costs and benefits of introducing personal budgets and their implications for planning. ...Personal budgets

are unlikely to result in significant cost savings for councils. Self directed support can lead to savings in cases where councils have high cost care packages resulting from poor commissioning “

- 19 The RAS in current use has been configured using current costs in OP services and has led to a lower per point allocation for older people. There is an intention to work towards a generic RAS, but, ahead of this, focus will need to be kept on minimising the impact of care group based allocations on choice and control where people have complex needs.
- 20 **Community budgets:** A consistent allocations criteria for grants and contracts must be applied across the county that reflects local needs and demography. This will require a risk management approach in order to avoid a sudden destabilisation of support.
- 21 **Reablement:** It is timely to recognise that the ability to absorb demographic pressure is contingent upon the wider development of prevention and reablement strategies to provide savings that support the delivery of the MTFP. As a result, the current redesign of reablement teams under the Working Together Differently project needs to review existing Surrey County Council financial investment in integrated discharge services and ensure that the monies are targetted effectively for a smooth integrated reablement approach across all points of access with clearly defined accountabilities.
- 22 **Income:** A review of income and charging arrangements and benchmarking with local authorities from our Comparator Group has identified a need to consider opportunities for improving income collection and charging arrangements both in terms of current service delivery and also as services transform and become more personalised (see Appendix IV for details).
- 23 **Residential Care Block Contracts:** Whilst the Medium Term Financial Plan has identified significant savings through reduction in block contracts, the PVR has recommended that this target is reviewed to take into consideration impacts of unintended consequences. This includes the impact of a possible reduction on the PFI agreements as volume of homes decrease. The targets must also take into account the needs of a growing demographic of older people with a learning disability. Any decision going forward must be informed by a wider accommodation strategy as well as considering the outcome from the review of “in house” older peoples’ homes.

Strategic Performance Outcomes

- 24 Building on what works well. Planning for the changing needs of an ageing population as well as those of today without creating over burdensome processes and measurements.

- 25 Identify and model efficiency and activity targets for reablement, self-directed support, telecare and needs-based borough level investment in prevention.
- 26 Review emerging national guidance on measuring outcomes and what this will mean for Surrey and how nationally the council will be monitored through the statutory performance framework and performance indicators.

Strategic Quality Outcomes

- 27 Develop a care governance framework that empowers people to define, monitor and recommend improvements in the quality of the services we provide.
- 28 Through a public service board approach at district/borough level, commission universal services for older people, including preventative services. Identify pilot areas using total place type “community budget” models with an area needs-based resource allocation formula.
- 29 We must agree a model of co-design and co-production across Surrey to empower older people to design how services are delivered in the future. This needs to take account of local solutions; recognition needs to be given to the contribution of older people as taxpayers, not simply as a ‘dependent’ group. A draft model is currently under consultation for engagement and co-design with older people under the heading Ageing Well in Surrey.
- 30 Draft Adult Social Care Quality Assurance Framework is provided in Appendix V.

Financial and value for money implications

DRAFT OP PVR Outcomes - Mitigating Savings (Full Year effect)

	Full Year Effect of Saving	Notes
	£	
Third sector grants and contracts	145,000	Ongoing
SW Voluntary grants	45,000	Ongoing
Other Grants and Contracts	111,000	Ongoing
Charging and Income	100,000	Ongoing
DP Cards (tbc)	0	
		Review of current placements and then ongoing negotiation to maintain the
High Cost Placement Review	400,000	savings in future years
Review of Joint Services statutory requirements	600,000	Ongoing
Contracts, In House Residential Care Home Care (tbc)	0	
Total	1,401,000	

Equalities Implications

- 31 The main beneficiaries of the OP PVR are people over 65 currently using the services provided by Surrey County Council; people who, as they age, may become users of the services available; and carers and families of older people. There are many equality, accessibility and social exclusion issues to consider throughout the Equality Impact Assessment, as well as potential barriers.
- 32 An Equalities Impact Assessment (attached as Appendix VI) has been completed and will be reviewed by the ASC Directorate Equalities Group on the 24th November 2010. It includes the following recommendations to address any potential impact:
- To begin identifying and implementing further Equalities Impact Assessments for the individual recommendations from the PVR.
 - To work with other services within Adults on strengthening Equality & Diversity monitoring arrangements.
 - To scope areas of potential joint commissioning with local health partners in Surrey.
 - To research and identify any future and/or current legislation regarding Human Rights that may impact on the OP PVR and the subsequent recommendations.

Risk Management Implications

- 33 The main risks relating to implementation of the recommended actions are:
- a) "Equity & Excellence: Liberating the NHS" White Paper and the impact of Practice Based Commissioning: GPs taking more control of allocating health resources within consortium areas.
 - b) LAC (DH) 6 on Personal Care at Home Act and Charging for Reablement and its impact on Older People's PVR recommendations.
 - c) District & Borough Councils' review of their own community services, with expected reduction of services and/or increase in charging, running in parallel to the Older People's PVR and the overall impact on older people.
 - d) Adequate IT infrastructure to support the delivery of the proposed recommendations, in timeframes to meet the identified savings.
 - e) Long-term contractual obligations with certain providers which makes the review of block contracts challenging to deliver strategic outcomes identified in this review.
 - f) Impact of the outcomes of the Comprehensive Spending Review to implementing recommended actions.
- 34 The identified risks will be managed and mitigated by:
- Early engagement with Districts & Boroughs;

- Developing a commissioning strategy that sets a medium term strategy for older people's services and the market;
- Through Adults Leadership Team project management.

Implications for the Council's Priorities or Community Strategy/Local Area Agreement Targets

35 This PVR has played an important role in determining and tracking delivery against the Council's priorities and the Community Strategy/Local Area Agreement targets.

Recommendations:

It is recommended that the Select Committee:

- (a) Consider the report and endorse the proposed recommendations and the related Action plan (Appendix III), in preparation for Cabinet report.

Next steps:

24 th Nov	PVR Steering Board
29 th Nov -	CLT
29 th Nov	OP PVR Members Reference Group meeting
09 th Dec	Final report to Cabinet
21 st Dec	Presentation to Cabinet
Jan 2011	Moving to Implementation phase

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Sources/background papers:

This list represents only the most salient selection of guidance, circulars, reports, and legislation related to the PVR, the full list of resources used in this PVR is extensive.

Leader's report to Cabinet, (29 June 2009)
 Leading the Way: changing the way we do business,(Cabinet 14 July 2009)
 Public Value Reviews methodology, SCC (July 2009)
 Public Value Reviews methodology – SCC updated, (March 2010)
 Equity & Excellence: Liberating the NHS White Paper, DOH (2010)
 LAC (DH) 6 on Personal Care at Home Act and Charging for Reablement, DOH (Oct 2010)
 Research & Briefing on the Housing-Related Support Needs of the LGB population in Surrey – SCC, Supporting People Team
 Surrey Draft Accommodation Strategy: (2010).

Care Closer to Home updated guidance, DOH, July 2010.
Use of resources in adult social care: A guide for local authorities, DoH (2009)
Financial Management: Personal Budgets – Audit Commission Oct 2010
Intermediate Care: Half Way Home updated guidance. (DOH July 2009)
Surrey Carers Commissioning Strategy 2008 - 2011
OP PVR Data Pack, SCC 2010.
Gender Variance in The UK: Prevalence, Incidence, Growth & Geographic
Distribution (GIRES)
Surrey Rural Strategy
As We Grow Older – A Study of the Housing & Support Needs of Older
Lesbians & Gay Men - POLARI 2005
Joint Strategic Needs Assessment 2009
POPPI <http://www.poppi.org.uk/>

<u>List of Appendices</u>

Appendix I: The Care Journey Model
Appendix II: Draft Financial Recommendations
Appendix III: Proposed OP PVR Final Recommendations & Action Plan
Appendix IV: Benchmarking Income & Charging
Appendix V: Draft ASC Quality Assurance Framework
Appendix VI: Equality Impact Assessment