

Appendix 7

EIT REVIEW

LEARNING DISABILITY SERVICES

BUSINESS PLANNING

EFFICIENCIES, INVEST TO SAVE AND PROPOSED SERVICE CHANGES

1.0 PURPOSE

To prepare a Learning Disability Service Business Plan that set's out:

- a) Options / proposals for service changes, including their financial implications;
- b) Options / proposals for financial efficiencies / improved VFM.

The intended outcome of the Business Plan will be to set out a range of proposals, including preferred options, which achieve an appropriate balance of improved quality of care for clients and a more favourable financial position for the authority. The work to date has concluded that the range of care does not meet current policy expectations and that the financial position for LDS is unsustainable in the long-term for the authority.

The Business Plan will build on work to date including:

- The development of the client database, which has identified in detail all LDS clients, their care packages and associated costs;
- A desk-top review of all client packages to assess their appropriateness / scope for change based on a positive risk approach and current government policy (in particular Valuing People Now);
- An analysis of future trends in demand for LDS based on available forecasting data, and including expectations of future demand through transitions;
- Analysis of unit costs for both commissioned and in-house services, the benchmarking of those costs and an analysis of the scope to secure greater VFM by further reducing unit costs;

- The netting up of need for services and assessment of scope to introduce better practices in commissioning to maximise the buying power leverage and secure cost effective services.

2.0 KEY AREAS OF ANALYSIS

The following are key areas of analysis that are being developed as preparation for the Business Plan:

3.0 RESIDENTIAL CARE

At a net cost of £5.41m residential care accounts for 48% of total expenditure on Learning Disability Services. The vast majority of residential care is commissioned, accounting for 90% of the total. Note: the only in-house residential care is for 6 beds at Oak Road, which is about to be reviewed. To date, the desk-based review has identified 145 clients who are currently in residential care.

The two key opportunities relating to residential care are:

- a) Move clients (where appropriate) from residential care to independent living. Note: independent living, where appropriate, is better for the quality of life for the client, is aligned to current government policy and is beneficial to the authority in financial terms (as accommodation costs are centrally funded through Housing Benefit). The CSED review concluded that SBC have too many clients in residential living;
- b) Secure better value for money / reduce unit costs for the remaining residential services.

Work is currently progressing in the following areas:

- 3.1 To date 70 clients have been identified that are in residential care within the borough. The desk-based review has concluded that a number of these clients may be more appropriately placed in an independent living setting. Work is currently ongoing to assess these clients, identify what their housing needs would be, estimate the costs to the authority if the client was living independently and identify the potential savings. The recent work on independent living costs at Doncaster Crescent is being incorporated into the work to estimate the costs of independent living. A further aspect being considered is whether or not independent living care plans are too risk averse – resulting in the creation of expensive care packages.

- 3.2 Of the 75 clients identified to date who are placed in residential care out of borough 15 have been identified as potential ordinary residency cases. An ordinary residency case means that the client is assessed as not requiring residential care and should be living independently; furthermore if the client lives independently out of borough then legal responsibility falls to the local authority of residence. The 15 potential cases that fall into this category need to be reviewed with legal services to identify which cases should progress further. Note: to establish ordinary residency the authority will normally need to take legal steps with the authority in which the resident is placed. With the average care package costing in excess of £50k per annum the potential savings are significant.
- 3.3 The remaining 60 residential clients placed out of borough are currently being assessed to identify why it is an out of borough placement and whether there is scope to offer residential care within the borough that is more cost effective and also meets the needs of the clients concerned. Early indications are that the reason a client is based out-of borough is due to the lack of available services within the borough. This is particularly the case with high needs autism clients. As part of this piece of work the scope for netting-up demand for services to create the critical mass to develop services / attract providers to work within the borough is being considered.
- 3.4 In addition to the above work on residential care a detailed case by case review of the high cost residential packages is being undertaken. To date 12 residential placements have been identified which cost more than £100k per annum, which range from £103k to £225k per annum. A detailed review of these cases is currently being undertaken to understand why these placement costs are so high and identify the scope to reduce them.
- 3.5 To enable clients to make the transition from residential care to independent living models will need to be developed to ensure clients develop the skills for independent living. Work is progressing to consider what models of transitional support could be adopted, the number of clients who would benefit from such support and the costs associated with providing it. This is potentially an invest to save option. There is currently a self-contained flat based at Lanark Close (3 places) which is sometimes used for this transitional skills development. The Lanark Close facility is being considered as part of the review of arrangements to develop independent living skills. Independent Living skills are also provided at day services in Thornaby (Lunebeck Walk), Billingham (Riveaulx) and Oasis (as part of transitions service). An emerging issue is that there does not seem to be consistency in approach to this with variations in both client access and the content / approach to skills development.

- 3.6 The desk-based review has identified a number of clients who receive residential care (24hr) and day care. A piece of work is being undertaken to ensure that SBC is not 'paying twice' for care in these cases, and that the residential charges reflect the fact that clients are attending day centres.
- 3.7 The final key area of work on residential care relates to benchmarking, unit costs and value for money. According to national data the average cost for SBC for commissioned residential care is £1,001 per week, which compares favourably to the national average of £1,187 per week. However, 40 authorities (the top 26%) achieve an average weekly cost of below £1,000, with an average of £867 per week. If SBC could achieve the top quartile average it would save £843k per annum at current levels of residential placements. A 10% saving on the current average cost would generate savings of £627k per annum at current levels of residential placements. Further work is ongoing to identify the authorities achieving average costs of below £1,000 per week and seek to share information with a selection of those authorities to explore the scope for SBC reducing its unit costs. A further aspect being reviewed is the variation / inconsistency in unit costs – initial findings suggest that this is a consequence of too much individual negotiation with providers (note: this applies to a number of commissioned services – not just residential care).

4.0 DAY CARE SERVICES

At a net cost of £2.99m day care services account for 26% of total expenditure on Learning Disability Services. 64% of day care services are in-house, with the remaining 36% commissioned.

The two key opportunities relating to day care are:

- a) Offer clients (where appropriate) alternatives to traditional day care e.g. access to universal services. At present day care provision is heavily buildings based and traditional in focus. There is significant scope to offer a wider choice of alternatives based on a universal services model that are both better for the client and more cost-effective. Mechanisms such as the bridge building model would need to be developed to enable clients to access universal services as an alternative to day care.
- b) Secure better value for money / reduce unit costs for the remaining buildings based day care services.

Work is currently progressing in the following areas:

- 4.1 Based on the desk top review, identifying the clients who may benefit from alternatives to traditional day care services, assessing what those alternatives

may look like, estimating the costs of such alternatives, and assessing the impact that such a change would have on demand for current day service provision and overall costs.

- 4.2 Further developing the business case for a bridge-building type model to enable clients to make the transition from traditional day service to a universal services model. The business case is considering the number of clients that it will be working with, the costs of the service and the impact, both in terms of outcomes for the client and financial e.g. demonstrating the longer-term invest to save impact.
- 4.3 There are 9 providers of day care provisions that are out-of-borough. Each of these are being reviewed to assess why they are out-of-borough and can services be provided within the borough.
- 4.4 Benchmarking, unit costs and value for money for both commissioned and in-house day services. According to national data the average cost for SBC for commissioned day care is £230, which compares favourably to the national average of £241. However, 38 authorities (the top 25%) achieve an average cost of below £150, with an average of £97. If SBC could achieve the top quartile average it would save £525k per annum at current levels of day service placements. The average cost for SBC in-house day care is £321, which compares negatively to the national average of £277. However, 38 authorities (the top 25%) achieve an average cost of below £240, with an average of £180. If SBC could achieve the top quartile average it would save £1.2m per annum at current levels of day service placements. Further work is ongoing to identify the authorities achieving average costs of below £150 and £240 respectively and seek to share information with a selection of those authorities to explore the scope for SBC reducing its unit costs.

5.0 RESPITE CARE

Demand for respite care exceeds current supply, and is a key theme that has emerged from the phase 1 consultation. Respite is an important preventative measure as it facilitates the ability of carers to continue to manage with clients living at home. Without sufficient respite care there is a risk that carers can no longer cope, and in some cases this can result in the client being placed in residential care. This is often both a negative outcome for the client and financially expensive for the authority.

A key piece of work that is progressing is to review the models for respite care, what are the alternatives, what are the costs of such alternatives, and can the availability if respite be increased. This is being developed as a potential invest

to save intervention. A particular area of service provision in which there is very limited availability is emergency care, which is a critical preventative measure.

Currently respite care within SBC is provided at Lanark Close. Lanark is a respite facility based in Stockton. At present only 6 beds are utilised, although it has 11 beds in the facility. It is registered for 16 beds. The reason only 6 beds are utilised is staffing levels – i.e. there is only enough staff / budget to accommodate 6 clients at any one time (although in emergencies up to 8 beds are used – although this is only provided ad hoc and current staffing levels would not enable 8 beds to be utilised long-term). The respite facility is open 24/7 and provides care for anything between 1 night to a number of weeks. The facility only closes 3 days a year – Christmas Day, Boxing Day and New Years day. Due to the physical layout of the building only one bed is wheelchair accessible (the remaining rooms are too small). Most of the stays are booked in advance – although they do try to accommodate emergencies at short notice this is extremely difficult – demand for the service is so high it is always booked up therefore holding a bed free for emergencies is hard to justify. As demand is so high beds are booked on a first come first served basis. Once they are full, carers/clients have very limited options e.g. older persons homes sometimes offer beds for respite (although in the last financial year only 1 client used that option). If the respite is for 1 night only the hours of service are 4.30pm to 9.30am – however when more than 1 night a full 24hr of care is provided (unless the client goes to a day centre) – day time care at the respite centre includes lots of activities including trips out, pictures, bowling, pub, etc – the centre has a people carrier for this. It should be noted that registration rules mean that whilst they can provide day care to respite clients they are not allowed to have non-respite clients come and use the facility during the day.

The service development opportunities being developed include increasing staffing levels to enable full capacity i.e. 11 beds – review booking system / allocation system to explore potential for increasing emergency respite space – provide after-care (as with Oasis model in transitions) e.g. using sun room, for carers who are working, etc. The business case to support this is the high demand for respite care with current demand not being met – clients with assessed need not being provided with respite that they are entitled to – clear message from consultation i.e. current respite care very good but need more of it.

Analysis currently being undertaken includes:

- What is the assessed need for respite care for all clients (i.e. netting up of need = total days)?
- What is the current capacity for respite care (i.e. 6 beds * 362days = 2,172 days)?

- What is the gap between need and current capacity (in days)?
- What would the capacity be if increased to 11 beds (i.e. 11 * 362 = 3,982)?
- What would the gap be between need and the 11 bed capacity (deficit / surplus days?)
- How much would it cost to increase capacity to 11 beds?
- What is the demand for after-care?
- How much would it cost to provide an after-care service?
- If operating at 11 beds what mechanisms could be put in place to accommodate emergency respite?
- What is the current unit cost?
- What would the unit cost be if fully staffed / utilised?
- Is there scope to reduce costs?

6.0 OTHER KEY AREAS OF ANALYSIS BEING UNDERTAKEN

- 6.1 **TEVW Management Costs** – SBC pay TEVW (NHS Trust) management costs for the in-house day services. The budget for this in 2011/12 is £118k. An evaluation of this arrangement will be undertaken as part of review.
- 6.2 A specific review of the number of clients with **elderly carers** is being carried out to assess the impact that this has on demands for services and whether or not more preventative measures can be introduced to avoid what is often the default position of clients entering residential care when carers die / or become unable to care for the client.
- 6.3 The **transport costs** within LDS are significant and include the in-house SBC transport service, transport costs for in-house services with their own transport arrangements and commissioned transport, including mini-buses and taxis. A specific cost review of transport costs is being undertaken to identify the scope for efficiency savings.
- 6.4 At present there is limited use of **assistive technologies** across learning disability services. A review is being undertaken to assess the extent to which greater use of assistive technologies could be introduced, including both the cost of introducing them and the savings that they would generate.
- 6.5 The forecasting and netting up of future needs, together with proposed service changes, will mean that the level of demand for existing services should fall. In particular, it is expected that the required number of placements for both residential care and day care services will be less. This may mean that some provision becomes unviable and there may need to be some consolidation of existing buildings based services. The business plan will include proposals to address such changes in service requirements, including **options regarding existing in-house and commissioned services**.

7.0 EVALUATION OF WORKING PRACTICES

The development of the business plan is in parallel to progressing work on the evaluation current working practices. Many of the opportunities for service improvement and financial efficiencies are arising due to underlying weaknesses in current working practices. The separate working practices report aims to address these underlying issues, ensuring mechanisms are put in place to ensure ongoing service development and value for money, e.g. positive risk in assessment and care packages, emphasis on independent living rather than residential care, strategic planning of needs and commissioning (forecasting and netting-up needs), unit costing and value for money, performance management of in-house services (as business units).