

Appendix 2

Updated Analysis of Clients at or Below the Moderate FACS Threshold

In the earlier stages of the FACS banding review an analysis of client FACS banding and expenditure on services was completed and reported to Scrutiny committee. It was based on clients receiving services during the six month period October 2008 to March 2009 and led to an estimated annual net expenditure on clients at or below the moderate threshold for services of £1.05m. This report is an updated analysis conducted along similar lines but for clients receiving services over the year October 2009 to September 2010.

This report focuses on clients receiving community based services who are at or below the current moderate threshold for being eligible for services. Its purpose is to provide an estimate of both the number of clients that would potentially be affected by raising the threshold of eligibility for services from "Moderate" to "Substantial" and the net expenditure on community based services for those clients. When considering net expenditure, only clients receiving Day Care, Homecare, Transport or Direct Payment services have been quantified.

Nearly three quarters of all clients receive an equipment/adaptations service and nearly half of all clients receive only an equipment/adaptations service. However, it is difficult to quantify the cost of such services given both the range of equipment/adaptation provided and the difficulty in assessing the cost of maintained equipment/adaptations that may have been installed several years ago. As such these services have been left out of this exercise in terms of trying to identify clients affected by raising the threshold for eligibility. The way the Equipment/Adaptations services are offered or applied needs to be further understood.

Over the year in question Carefirst shows approximately 7,950 clients received a service for at least part of the year. Of these we have ignored any clients who were in 24-hour permanent residential care (and any period of short-term care immediately prior to this) for the period of the year this applies along with any community based service they may also have received during those periods. This was on the basis that such clients will be classed as substantial or critical and not be affected by any threshold change.

There are also some clients for which no recent assessment or review event is recorded within Carefirst. These have also been left out of the analysis on the basis of needing to positively identify assessed clients only. In all, that left approximately 5,800 clients receiving community based services during the year which formed the basis of this analysis.

For these 5,800 clients, around 1,850 did not have a FACS banding recorded in Carefirst. However, the vast majority of these were clients receiving equipment/adaptations services only and are therefore to be left out of the analysis anyway as explained above.

Of the clients in the analysis 749 had a FACS banding at or below the moderate threshold at one or more periods during the year, often the whole year, and were receiving some combination of Day Care, Homecare, Transport and Direct Payment services during those periods.

The estimated gross expenditure on these services for the 749 clients during the year was £1.47m and Table 1 shows the analysis over the year.

Table 1 Potentially affected clients by service with gross expenditure

	Clients	Gross Expenditure
Day Care (In-house)	140	£286,064
Day Care (External)	8	£54,502
Transport	93	£80,931
Direct Payments	84	£262,663
Ind Homecare	587	£698,431
LA Homecare	7	£88,898
Total	*749	£1,471,489

Note the total of clients for each service add up to more than the total affected clients * because some clients receive more than one service.

A key aspect to remember for in-house Day Care services is that actual expenditure is for places in the authority-run day care centres. The above analysis is on assumed take-up of places. It should also be noted that the gross expenditure of £375k shown against in-house homecare and day care services for moderate and low banded clients will only be achieved if an internal review of those services takes place. There are specific costs related to each of these services e.g. Employees, premises costs etc. which will continue even if the number of clients using the service reduces. A restructure of these services would be required that should take into account any changes in service provision before savings would be generated. Therefore any changes to the Moderate band would need to be taken account of and reflected in the implementation of the EIT review of Adult Operational Services, and any future work on adult social care provision.

The above service costs for the FACS bandings below the moderate threshold gives a total gross expenditure of £1.47m. However, this is ignoring a further £0.28m expenditure against the clients where FACS is "Not Recorded". If a simple re-apportionment of the "Not Recorded" expenditure for each service in the same proportions to the expenditure for known FACS bandings is applied then a further £0.04m might be added to the above gross expenditure saving on Moderate or below making £1.51m in total. How many of the additional 85 clients making up the £0.28m expenditure are likely to be below the moderate threshold is open to question. Proportionally we might expect, say, a further 20 clients but this is not material in the overall scheme of the costs estimated.

Activity in Carefirst for Independent Homecare services is based on planned hours which are significantly higher than the actual hours provided to clients. This can be a result of hospital admissions, holidays etc. The calculation of the Independent Homecare costs based on planned hours has therefore been reduced in line with the proportion of actual costs calculated from external provider utilisation sheets used in the earlier FACS exercise

Before any final estimate of the reduction in expenditure that might be realised through raising the threshold for services can be made, the potential £1.47m or £1.51m above needs to be reduced for the effect of loss of income from client contributions. An analysis of the potentially affected clients and their weekly contributions to services gives a figure of £0.42m leaving £1.05m or £1.09m of potential reduced net expenditure.

This final net expenditure figure is an indicative figure for the potential effects of raising the threshold for services. However, for a variety of reasons it may not be realisable in full. Apart from any decisions on how much should be redirected for signposting/preventative services, this final amount needs to be moderated further to allow for the likelihood of an increase in FACS assessments of "Substantial" if the threshold category is raised. This has been evidenced when other Local Authorities have removed the "Moderate" band. The figures below show what the potential net expenditure would be if there was a shift of 1%, 5% and 10% of clients from moderate to substantial on review of their FACS banding.

- 1% shift would mean the potential net reduced expenditure be reduced to £1.04m
- 5% shift would mean the potential net reduced expenditure be reduced to £0.99m
- 10% shift would mean the potential net reduced expenditure be reduced to £0.94m

Further work around the expenditure around the Adaptations/Appliances service will be required as this will realise additional savings if the bandings were to change.

If the agreement to remove the moderate banding is made there will be transitional arrangements put in as care for the clients affected will have to be reviewed therefore savings will not all be realised in the first year.

Summary

The analysis shows that if the threshold for services was raised to "Substantial" then over the year October 2009 to September 2010 an estimated 749 clients might have been affected accounting for an estimated total net expenditure of £1.05m.

These clients and net expenditure figures only cover Day Care, Homecare, Transport and Direct Payment services. Further consideration and a fuller understanding of how the Occupational Therapy service and associated expenditure may be affected by a change in threshold needs to be gained before further clients and expenditure may be estimated.

The expenditure for in-house day care provision cannot be realised by simply ceasing to provide the service to affected clients. The authority-run day care centres are funded on total places and therefore to realise any savings through reduced take-up of those places would require a review of in-house day care provision as a whole. This will need to be considered as part of the implementation of the EIT review of Adult Operational Services.

Experience from other authorities has indicated that, following a change to FACS band threshold:

- There are some shifts into higher bandings
- Additional programmes such as preventative services and signposting are offered to minimise the impact to the authority.

These elements would significantly reduce the total savings package if a change to the moderate banding were to be made.

Contact Officers:

Phil Kicks, Information Manager, MIS, CESC
Michelle Graham, Senior Accountant, Resources
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