

The Strategic Direction of Travel and Market Development for Adult Social Care Services – Promoting Open Choice

Introduction

This briefing paper focuses on the strategic commissioning and the market development of regulated social care services for people in Cheshire East. It explains how Adult Social Care and Independent Living will help to deliver the council outcomes identified within the three year plan:

- Outcome 1: Our Local Communities are Strong and Supportive
- Outcome 2: Cheshire East has a Growing and Resilient Economy
- Outcome 5: Local People Live Well and for Longer

So what do we mean by the term strategic commissioning?

Whilst there is no one agreed definition of strategic commissioning essentially commissioning is the strategic activity of identifying need, allocating resources and securing provision to best meet that need, within available means.

What are regulated adult social care services?

Regulated adult social care services are the treatment, care and support services for adults in care homes and in people's own homes (both personal and nursing care) which are regulated by the government regulator, the Care Quality Commission (CQC) against the national standards.

Who are we commissioning these services for?

Under the Care Bill local authorities will take on new functions. The Care Bill requires the council to support a market that delivers a wide range of sustainable high-quality care and support services that will be available to our communities. This includes those assessed as having critical' or 'substantial' unmet needs under the 'Fair Access to Care' criteria (both those who are fully funded by the council and those who contribute to their care costs) and those who arrange care privately.

Why do we need to commission services differently?

To deliver the council outcomes identified within the three year plan the council recognises that we need to change the way we commission services and work with social care providers. The number of people aged 65 and older in Cheshire East Growth is forecast to increase by 49% in the next 16 years. The demographic growth will not be matched by public funding. We believe that there are changes needed in the social care market both to respond to the changing demographic and economic environment and to provide individuals with choice and control over the care that they receive.

- The paper explains how by 'doing things differently' we will do more for less to meet the growth in demand. We will encourage innovation and find new ways of delivering services so that people receive quality services which meet their care needs and deliver outcomes for individuals and for the council.
- The paper explains how by 'doing things differently' individuals will control their own care and support and make open choices about how and when they are supported to live their lives.
- The paper explains how by 'doing things differently' we will increase opportunities for local businesses to compete in the market and ensure that people have a varied care and support market to purchase from.

Principles of Commissioning

It should be no surprise that our first priority, in line with our corporate objective, is that people live well and for longer. We want to support people to remain independent for as long as possible, delaying and in some cases avoiding the need for on going social care services. Encouraging people to stay healthy and supporting communities to be strong and supportive is essential as we know that poor health and social isolation are factors that lead people to require social care services.

The Council actively wants to engage with and listen to communities as equal partners to make a difference. By actively participating in finding solutions for how we make stronger communities now and in the future and by building on local working and existing networks and good practice we will help people to understand the role that they have to play in staying fit and healthy and reduce dependency on services which will be reflected in improving self reported wellbeing – satisfied with life (PHOI 2.23i).

Supporting family carers so that they can maintain their caring role is also critical. Universal services such as advice and information services, leisure and recreation play an important role in supporting people's independence. We believe that a proactive voluntary and community sector is key to supporting people in their communities. We also know that interventions such as telecare and assistive technology can provide the reassurance and support that enable people to retain their independence for longer.

Some older people will inevitably require on-going social care support. Again our priority is to support these people to regain or maintain their independence whenever possible. Services will need to focus on enabling people and move away from passive models of support that create dependencies. Reablement, through a focus on recovery, has delivered significant results helping people regain their independence and reducing demand for social care services. Enablement will be a key characteristic for all services we commission.

Our focus on prevention and enablement may seem contrary to our traditional way of working with the market where providers have been rewarded for the volume of care they provide, and not the outcomes they deliver. However we believe this is an area where the social care market can play a much greater role, and we will work with providers to share the benefits of people achieving greater independence and reducing their reliance on social care services.

Increasingly people who require on-going support are taking personal budgets as direct payments. Providers will need to consider how they will respond to the growing number of people managing their own care via direct payments in order to maximise the potential benefits from this growing market and faster method of receiving payment. We recognise that we will need to work with providers to ensure that people have the information to make informed open choices when arranging and purchasing services for themselves. Improved access to information will be supported by Council investment in a high speed broadband network for Cheshire. The Connecting Cheshire Partnership will ensure that 80,000 (96%) of rural homes and businesses will have access to high-speed broadband by 2016. For others there will still be a need for the council to arrange services on the person's behalf. The council believes that this role could also extend to people who fund their own care, so they can enjoy the same advice and support as those whose services are funded by the council.

We are also clear that personalised care and support is much wider than personal budgets. Personalisation is about how people experience the support they receive on a day to day basis, and the relationships they have with people. We believe that services and support still

have further to go to deliver personalised services which are based on needs and aspirations of the individuals receiving them.

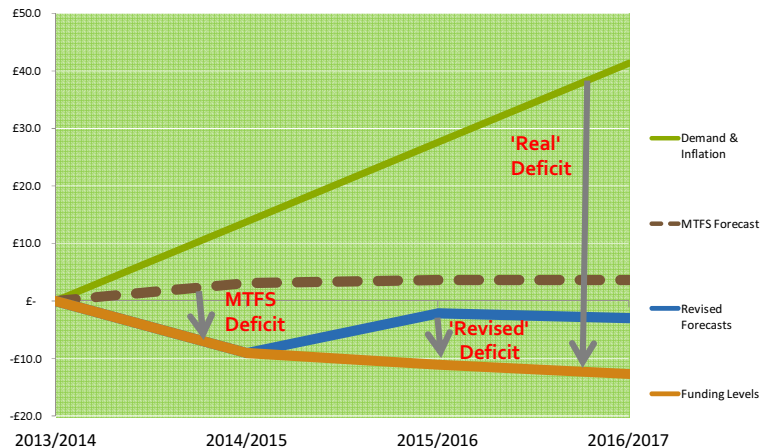
As commissioners we need to ensure that we make best use of the public money we have available to us, and we will work hard to achieve an appropriate balance between price and quality in our contractual arrangements with the market. We see this as being central to our vision of having a sustainable competitive social care market that encourages new and innovative ways of delivering support to meet our corporate objectives that People Live Well and For Longer and that Our Local Communities are Strong and Supportive.

To meet the challenges that we face the future commissioning of all services will mean **'doing things differently'** and will be underpinned by three key principles:

- 1) **Doing things differently – doing more for less** and find new ways of delivering services so that we do not have to reduce services and can where possible increase capacity within our resources to meet increased demand. Qualitative research has found many examples of personal budget users finding new innovative ways to meet their care needs. There are also a range of potential approaches to larger contracts including “gain share” arrangements (the council shares any benefits of package efficiencies with providers) and “payment by results” agreements (providers are rewarded for achieving an agreed set of outcomes) that we will explore with the market
- 2) **Doing things differently – encouraging personalisation** both for those who come through our door and those who arrange care privately. Personalisation means thinking about public services and social care in a different way – starting with the person and their individual circumstances rather than the service. Personalisation means recognising people as individuals who have strengths and preferences and putting them at the centre of their own care and support. The traditional service-led approach has often meant that people have not been able to shape the kind of support they need, or receive the right kind of help. Personalised approaches such as self-directed support and personal budgets involve enabling people to identify their own needs and make open choices about how and when they are supported to live their lives. We need individuals to be self-reliant and take personal responsibility for their quality of life within strong and supportive communities.
- 3) **Doing things differently – encouraging open choice for users** based on the development of a competitive provider market. This is normally seen when, as a result of market stimulation, new providers enter the market, poor performers are taken over or exit the market, and in product and service innovation. The local authority role is changing from one of delivering services directly or commissioning them to one of overseeing local care markets to ensure that they are delivering the required outcomes for individuals and the local population. We want to encourage new entrants, stimulate the development of new products, and promote competition so people have a varied care and support market to purchase from and the market is more dynamic – this will also help to ensure that Cheshire East has a strong and resilient economy. Whilst we will be looking towards competition as a means of controlling costs and improving the diversity of provision, we are also aware of the need to maintain and improve quality. The Council is committing additional resources to ensure that there is effective monitoring and quality assurance of adult social care services for the people of Cheshire East.

Challenges and Opportunities

As you will be aware the council is facing unprecedented challenges. Cheshire East Council receives lower levels of funding from central government than other comparable councils and the budget available to the council for social care is diminishing. At the same time we are forecasting growth of 49% in the number of people aged 65 and older in Cheshire East in the next 16 years. The demographic growth will not be matched by public funding meaning that the current pattern of services and investment is unsustainable. This challenge is illustrated in the graph below.



Graph 1 – illustrates how demand from demographic growth will not be matched by public funding meaning that the current pattern of services and investment is unsustainable and must change

Basically unless things change dramatically the demographic change – more children, more older people – will soak up every penny the authority has with the council unable to provide any services except adult social care and children's services. No libraries, no parks, no leisure centres – not even bin collections. To effectively manage the forecast growth in demand in Cheshire East we will do more for less by stimulating the market to encourage innovation and find new ways of delivering services. By jointly developing services with the people that will use them we will increase choice and ensure that people receive personalised care. We will encourage individuals and communities to take responsibility for themselves where they can. By ensuring that people know how to stay well and healthy and where to go for early help and advice we will help people to stay in their own home. When services are needed we will ensure that these are available irrespective of whether we support people financially or if they are a self funder. We will ensure that our resources are targeted specifically to need and risk – those who are most in need will be prioritised in terms of budget and resources.

Although our budget may be decreasing, the wider social care market still presents considerable growth opportunities. We will continue to work with our partners, such as health, housing, education and employment services, sharing our solutions and areas of focus to identify and meet service user needs and outcomes whilst ensuring that they are appropriately safeguarded. As we commission more services in partnership with partners, we will coordinate our planning and activity to ensure that budgets are used in a coordinated way to make the collective pot go further and still achieve key outcomes. This will potentially open up wider funding streams for social care providers. Demographic forecasts suggest that the number of people funding and purchasing their own care will also increase. Throughout this document we have chosen to describe the issues that we face rather than prescribe the solutions. This is because we believe that the residents of Cheshire East and the social care providers of Cheshire East know what works and what doesn't and will use their knowledge and expertise to innovate and evolve services to better serve our community. By focusing on new opportunities to deliver services in a different way we will improve outcomes for people at the same time as delivering efficiencies.

Current and Future Demand

Cheshire East has a population of 372,000 and an area of 116,638 hectares. In addition to Cheshire West and Chester on the west, Cheshire East is bounded by the Manchester conurbation to the north and east, and Stoke-on Trent to the south. It contains the major towns of Crewe, Macclesfield, Congleton and the commuter town of Wilmslow (population above 20,000). There are also a number of other significant centres of population (over 10,000) in Sandbach, Poynton, Nantwich, Middlewich, Knutsford and Alsager. With few large conurbations the borough otherwise comprises a mixture of smaller market towns and more isolated rural villages. This mixture of rural/urban presents particular challenges in delivering cost-effective services close to individuals and their neighbourhoods.

In 2010 there were 83,300 older people aged 65+ in Cheshire East (Office for National Statistics indicative population estimates 2010). Estimates suggest that in 2012 5,234 (6%) older people were living with dementia and 33,154 (40%) with a limiting long term illness. The population of Cheshire East is forecast to grow modestly over the next 30 years rising from 362,700 in 2009 to 384,000 in 2029, however, the age structure of the population is forecast to change significantly with a 8% reduction in young people (0-15), a 12% reduction in working age people (16-59 Female, 16-64 Male) and a 42% increase in people of retirement age (60/65+), with the number of older people (85+) increasing by around 92%. As the prevalence of dementia increases with age, the number of older people with dementia is anticipated to increase by 28% by 2020. The significant changes in demographic in Cheshire East will have direct implications for adult social care.

Currently Cheshire East Council supports 5635 older people with social care needs. This is defined as people having difficulty with or requiring help with domestic or personal care tasks. There are estimated to be a further 3500 older people with care needs who are supported by family and friends, or who are privately funding their own care.

The financial circumstances of the older population will have an impact on the proportion of the social care market that is "council funded" and the proportion that people purchase themselves without council support. 11,130 of older people in Cheshire East were claiming pension credits (Department of Work and Pensions, May 2013). To be eligible for this additional benefit you must be a pensioner with an income of less than £145.40 for single people or £225.05 for couples. These residents are therefore more likely to be reliant on some form of council funding should they need social care services.

90.6% of retired residents in Cheshire East are estimated to be owner occupiers. There will be opportunities for local businesses to develop innovative, personalised, care services for this potential market as more people consider how they can utilise their assets to plan for their future care needs.

Social isolation is a key determinant in people requiring social care support and we estimate that 37% of those aged 65+ and 50% of those aged 75+ are living alone. Whilst living on your own does not necessarily equal social isolation it is an important factor alongside others. The community and voluntary sector has an important role in supporting people within their communities and tackling social isolation. The number of people living alone in large properties also presents opportunities to consider how these assets could be better utilised to support people who feel isolated – i.e. through moving to more communal living environments. Local research tells us that widowhood is often a factor in people entering registered care as people struggle to take on the tasks their spouses used to undertake whilst also coping with their loss. We believe that there is an opportunity for providers to develop services to support people through this difficult period of their life.

Our research also suggests that there is a general lack of knowledge about the services and support available to older people, particularly at the critical stages of their lives. Information and advice needs to be tailored and available at the right time for people throughout their life and be available for all including those funding their own care, and the Council is actively engaged in commissioning such services.

Local Supply and Commissioning

The Council spent £123 million (net) on social care services in 2012/13, of which 88% was spent on the direct provision of care services. This expenditure is similar to other comparable local authorities. £31 million (25%) was spent on residential and nursing care services for older people, £27 million (19%) on learning disability services, £17.5 million (14%) on Care4CE (in house provider services), £14.3 million (12%) on cash payments, £8.2 million (7%) on domiciliary care, £7.5 million (6%) on housing support services and £2.5 million (2%) on transport to and from services. In addition to this Cheshire East spent £3.4 million (3%) on early intervention and prevention services, with community and voluntary organisations in 2012/13. We would like to continue to shift this balance so that a greater proportion of the budget is spent on preventative services and through cash payments, and a smaller proportion is spent on registered care. We are moving into a time where increasing numbers of people are taking cash payments, and joining the substantial amount of “self funders” in Cheshire East to purchase services directly from the market. As a result we need to redefine our relationship encouraging a competitive market that offers greater open choice and control for consumers.

The Council undertook 3838 new assessments for older people during the year 2012/13. The average age on which a service user enters the social care system is 73. The number of older people Cheshire East is supporting has remained consistent over the last three years; however the needs of the people we are supporting appears to have changed with the proportion of people requiring care packages of more than 15 hours per week increasing.

Telecare, equipment and adaptations

- Telecare, equipment and adaptations are critical in supporting people to remain independent for as long as possible and reducing the need for on going care and support.
- 1624 older people received adaptations in 2012/13, of which 431 were self funded, whilst a further 1260 received equipment.
- 1250 customers currently receive telecare in Cheshire East and it is projected that there will be a steady increase to 2,250 customers by March 2016.

Reablement

- Cheshire East has also increased the use of reablement services to help people learn or relearn the skills necessary for daily living which may have been lost through deterioration in health and/or social abilities of daily living which has led to increased support needs.
- Reablement is our first response offer to individuals who access adult social care and is delivered for up to 6 weeks within the persons own home to restore people's ability to perform usual activities and improve their perceived quality of life.
- Over 1,123 older people completed a period of reablement in 2012/13, of which 40% achieved a positive outcome of either needing no support, or having reduced care needs on completion.
- We believe the success of telecare and reablement has contributed to the reduced demand for lower level home care services.

Domiciliary Care

- Cheshire East Council is committed to helping people to stay in their own homes and remain as active and independent as possible.

- Domiciliary Care is one of the range of care and support services provided in peoples own home to enable them to remain independent. These services can range from a short call to assist with medication up to 24 hour live-in care.
- In 2011/12 995,000 hours of domiciliary care were delivered to 764 service users at a cost of £16.5 million. 97% of these hours were provided by the independent sector.
- In response to customer demand the Council are committed to developing this type of care provision as an alternative to residential based care services.
- As at December 2013 2,464 older people are being supported by 71 domiciliary care providers.
- Of these the council directly commission the care for 1,414 older people
- A further 1,050 people currently receive cash payments to organise their own support, the majority of which are spending their personal budgets on traditional social care services, particularly domiciliary care.
- Having already removed the domiciliary care block contract arrangements and increased the uptake of domiciliary care through the current financial year the Council wants to make it easier for existing and new providers to enter the market and work with us via framework agreements.
- We also expect the amount Cheshire East spends via cash payments to increase together with the demand for a more personalised service offer as the market expands and expectations of future generations change and they move away from traditional care services.

Residential and Nursing Care

- There are 102 care homes with 4032 registered care beds available for older people in Cheshire East.
- This is more than double the rate per head of the population (21 beds per 1,000 people aged 65+) compared to the national average (45.2 beds per 1,000).
- The Council is commissioning 40% the available beds in the market in Cheshire East, and 60% are being commissioned by self funders or other authorities.
- This poses a risk to the authority with self-funders risk falling back on council provision if they run out of money, or if they make poorly informed decisions.
- Historically Cheshire East has had a comparably higher spend on residential and nursing care than the average for similar authorities but our expenditure on registered care is beginning to fall.
- Currently at December 2013 Cheshire East support 1319 older people in residential or nursing care.
- Spend on permanent admissions into registered care for older people has reduced by 3% from £31,910,195 in 2011/12 to £30,963,381 in 2012/13 and there has been a corresponding increase on spend on community services.
- The average age on admission into a registered care setting is 83.

The table below shows the distribution of all registered residential care placements for older people by the locality of the registered care home.

Lap Area	Total number of homes	Total number of beds	Total number of nursing beds	Total number of residential beds
Congleton	27	888	495	393
Crewe	16	591	440	151
Knutsford	7	491	451	40
Macclesfield	24	812	475	337
Nantwich	11	445	297	148
Poynton	10	439	244	195
Wilmslow	7	366	308	58

Table 2 - Distribution of all registered residential care placements for older people by the locality of the registered care home.

Commissioning Intentions

Cheshire East Council is committed to facilitating people to live independent, healthier and more fulfilled lives

We will do this by:

Increasing the percentage of people enabled to remain living independently in the community - we will commission with health partners to prevent unnecessary admissions into hospital. The majority of older people who require intensive social care support have come to us via a hospital admission and we plan now to commission services to avoid this. As a result we will be commissioning many of these services jointly to prevent avoidable hospital admission and services that successfully maintain people in their own homes. We will also commission with health partners services and support that promote an earlier safe discharge from hospital including intermediate care and reablement services.

Increasing the proportion of community-based service users able to stay in their own home - in addition to providing reablement for people leaving hospital we will continue to provide community reablement for all appropriate new people requiring social care support. Over 1,123 older people completed a reablement package in 2012/13 and we are actively exploring how predicted increases in future demand for this service can be met. We have been successfully promoting assistive technology and are beginning to see that this is having an impact in improving independence and reducing the need for on-going services. We believe that providers should be incorporating assistive technology as part of their offering to service users and will seek provider views on how we can incentivise this approach. We will also continue to increase the proportion of council expenditure that is used to purchase Domiciliary Care, the range of care and support services provided in peoples own home to enable them to remain independent.

Delivering home adaptations for older and/or disabled residents - 1624 older people received adaptations in 2012/13, of which 431 were self funded. We will continue to deliver home adaptations for older and/or disabled residents to enable them to live independent, healthier and more fulfilled lives.

Supporting people with dementia to retain their independence for as long as possible and enjoy a good quality of life – The growth in people experiencing dementia presents probably the greatest challenge for health and social care services. Having a workforce with the skills and knowledge to support people with dementia is therefore a requirement for all providers working with older people. Supporting people in the familiar settings of their own homes can reduce the numbers prematurely entering long term care. Providers can play an important role working alongside health professionals to ensure the early identification of dementia, and the provision of appropriate support to delay and minimise the impact of this condition. For people in the later stages of dementia, registered care settings play an important role in supporting people to live well and with dignity.

Reducing the number of Council supported permanent admissions to residential and nursing care per 100,000 population (ASCOF 2A) – The numbers of older people

supported by Cheshire East in registered residential and nursing care has reduced by 3% since 2012, despite increased demographic pressures, with people being admitted later in life and staying for shorter periods. Whilst we do not believe that we need more residential care we may need to consider the models of care that is provided and how it is distributed throughout Cheshire East. We are unlikely to support planning applications for registered care homes in areas where we believe there is an already an over-supply unless the application is to remodel existing provision to make it more fit for purpose, or the proposed development will better meet specific unmet needs within the area. As part of our on-going engagement with the market we would welcome discussions with providers about their ideas for potential developments so that we can give an early indication about whether we are likely to support an application and hence avoid unnecessary costs to providers at a later stage. We will also seek to utilise residential and nursing care home capacity to provide respite breaks for carers, where this has been assessed as an eligible need through a carer's assessment, or short term placements to avert a crisis or provide a period of recuperation from hospital or illness.

Supporting good quality registered nursing care is available for physically and mentally frail older people who need it –the supply of nursing care will need to match the increasingly complex needs of people requiring registered care. We will look to commission this service in partnership with health colleagues wherever possible.

Increasing the number of social care clients receiving self-directed support - 1050 older people receiving on-going care services are receiving their personal budget via a direct payment and arranging their own care, however the majority of older people are using their money to purchase traditional domiciliary care services and we believe that there is an opportunity to work with the market to increase open choice and to develop a truly personalised offer to consumers. Improved access to information will be supported by Council investment in a high speed broadband network for Cheshire. The Connecting Cheshire Partnership will ensure that 80,000 (96%) of rural homes and businesses will have access to high-speed broadband by 2016.

Increase alternatives to registered care by working jointly with Housing Authorities and the housing market - the Local Plan sets out the overall vision and strategy for planning in the Borough. It outlines how Cheshire East will deliver 'Sustainable, Jobs-led Growth and Sustainable, Vibrant Communities' through the development of 27,000 new homes by 2030 and 20,000 jobs in the longer-term. We will ensure that the supply of homes which meet requirements of those who are physically frail or disabled whilst the Vulnerable Persons Housing Strategy outlines how we will meet the housing needs of specific client groups within Cheshire East.

Improving self reported wellbeing – satisfied with life (PHOI 2.23i) - It should be no surprise that our first priority, in line with our corporate objective, is that people live well and for longer. We want to support people to remain independent for as long as possible, delaying and in some cases avoiding the need for on going social care services. The Council actively wants to engage with and listen to communities as equal partners to make a difference. By actively participating in finding solutions for how we make stronger communities now and in the future and by building on local working and existing networks and good practice we will help people to understand the role that they have to play in staying fit and healthy and reduce dependency on services. One way in which we will measure our success is through improved self reported wellbeing – satisfied with life (PHOI 2.23i)

Improving Carer reported quality of life (ASCOF 1D) - in 2012/2013 we assessed the needs of 2,912 carer. Of those who were assessed 2,252 cared for someone aged 65 and over. Carers tell us that they need a range of support from advice and information; practical help; support to enable them to continue with employment and learning; and breaks that allow them to sustain their caring role. In 2012/13 the Council spent £533,032.65 on carer's services in the voluntary and community sector which consisted of 17 direct access schemes

Appendix 6

focused exclusively on supporting carers. The Council will also seek to increase the use of carer direct payments. The impact of these measures will be reported in improved Carer reported quality of life.

Improve Public Protection and Safeguarding - between April 2013 and March 2016, 90% of safeguarding indicators will be in the top 50% of England.

The background papers relating to this report can be inspected by contacting the report writer:

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