

ANGUS COUNCIL

SOCIAL WORK AND HEALTH COMMITTEE - 24 FEBRUARY 2015

**DAY CARE SERVICES FOR OLDER PEOPLE –
CHANGES TO FUNDING ARRANGEMENTS**

REPORT BY MARGO WILLIAMSON, STRATEGIC DIRECTOR - PEOPLE

ABSTRACT

Self-directed support (SDS) changes how local authorities deliver services and how service users arrange and pay for services. Inevitably, it impacts on the way that Angus Council organises and commissions services from providers. Ideally, through the implementation of SDS, services should be available to be purchased through individuals' personal budgets on a "spot purchase" basis, and for most care at home services this is an effective arrangement.

As a Council we must now implement a transition towards SDS whilst maintaining a close eye on best value. Following a review of day care service provision, designed to take into account the impact of SDS and the necessary reshaping of the funding of services so that they remain affordable and sustainable, it is recognised that to move to an all "spot purchase" arrangement presents problems of predictability of demand on which centre-based services are reliant, and consequently can present a viability risk to day centres who are currently paid by "block funding". It is proposed that the Council should move to a combined "block and spot" funding arrangement to support day-care providers and maintain continuity of service, whilst meeting our duties under SDS.

1. RECOMMENDATION(S)

It is recommended that the Committee

- (i) approves the proposal to change the funding arrangement for voluntary day-care providers to "block" and "spot" funding as identified in this report, in order to support the transition to SDS,
- (ii) approves the proposal to review and adjust the "block" and "spot" funding arrangement for voluntary day-care providers annually.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- 2. Angus is a good place to live in, work in and visit
- 5. Individuals and their families are involved in decisions which affect them
- 9. Individuals are supported in the communities with good quality services
- 10. Our communities are developed in a sustainable manner

3. BACKGROUND

The Scottish Government published a ten year strategy for self-directed support (SDS) in 2010. The strategy is the Scottish Government's plan to address personalisation in social care with the aim of promoting greater choice and control and improving outcomes for individuals with eligible assessed needs. This become legislation in 2014 and is in the process of being implemented throughout Scotland.

Angus Council is committed to transforming the way in which social care services are provided. This includes a commitment to develop, through SDS, a more personalised system of support that better meets the challenges of the future and is more responsive to the needs of individuals and/or their carers who need support. SDS makes provision for supported people with assessed needs to purchase services through personal budgets to meet pre-determined outcomes; this is known as “spot purchase”. As people are increasingly given more power to make choices in their service provision, traditional methods of commissioning of services will become less appropriate and more flexible arrangements need to be introduced.

Reference is made to savings target identified in Angus Council Provisional Revenue Budget Report 2014/15 (84/14)

4. CURRENT POSITION

In May 2014 the 6 providers of day-care services in Angus were advised that savings targets of £26,000 for 2015-16 and a further £26,000 for 2016-17 had been identified. They were also advised that the contractual arrangements would be reviewed in light of SDS implementation and invited to participate in a working group to consider these matters.

The group included managers and committee representatives from all 6 voluntary day-care providers. It met on three occasions and considered the impact of self directed support, the demand for day-care, how the service could be best marketed as a positive option for older people, and opportunities to achieve best value for money. This included options for charging service users for aspects of the service; however, it was quickly established that this is not practicable where SDS requires there to be an ‘all-inclusive’ unit cost for the service.

The group found that the traditional “block funding” arrangement of funding day-care does not fit with the ethos of SDS. This has up to now been based on the Council funding day-care providers for a number of places per day, irrespective of the actual attendance. It was recognised that this arrangement is very supportive to providers but is inflexible and not sustainable for the Council. Essentially, as people have greater choice on how their outcomes can be met, there develops a very real financial risk to the Council if it commissions services that people may not choose to spend their personal budgets on.

Ideally, through the implementation of SDS, services should be available to be purchased through individuals’ personal budgets on a “spot purchase” basis, and for most care at home services this is an effective arrangement. It was however, recognised that to move to an all “spot funding” arrangement would present a viability risk to day centres, as the infrastructure costs to providers could not be readily scaled up or down depending on the variable choices of service users. This in turn would present an operational risk to the Council in that the availability of provision would be variable and might lead to shortfalls in availability compared to demand.

5. PROPOSALS

The group proposes that the Council adopts a transitional approach to “block and spot” funding to support day-care providers and maintain continuity of service.

In order to minimise the risk to providers that people do not choose to spend their personal budgets on day-care services, the reduction in the “block-funded” places has been kept to a minimal level, which effectively guarantees that income irrespective of actual attendance. However to ensure that the Council achieves value for money additional “spot purchased” places will only be paid where that minimum level of daily attendance is achieved in the first instance.

The proportion of “block” and “spot” purchased places will be reviewed annually to ensure that this reflects the level of attendance and use of personal budgets, and that it provides value for money to the Council and an acceptable level of security to providers.

6. FINANCIAL IMPLICATIONS

“Block funding” essentially guarantees a minimum payment for places irrespective of attendance rates. Payment for places under spot-purchase will only be for actual attendance in excess of that covered by the block funding. Individuals may use their SDS assessed budgets to spot purchase day-care places. The level of this activity will be monitored alongside use of block-funded places.

Currently all day care centres are funded for 100% attendance. Data indicates, on average, only 85% attendance is achieved. However, reducing block funding to that level is thought to be too severe at this time, and difficult to apply equitably. As such, the proposed reduction in ‘block funding’ will be to 91%. Any places used in addition to 91% can be funded on a spot purchase basis. Block funding at this rate will be kept under review for future years as SDS becomes more embedded.

This enables flexibility in the service to implement SDS and meet the agreed savings (Angus Council Provisional Revenue Budget Report 2014/15 (84/14)). Any over/under recovery in savings will be monitored and reported in the usual way.

The following table gives an overview of the ‘block funded’ places for 2015 – 16.

Day Centre	2014-15 Block funded places per week	2015-16 Block funded places per week	2015-16 Reduction in block funded places per week
Forfar	120	110	10
Kirriemuir	120	110	10
Montrose	120	110	10
Brechin	100	90	10
Arbroath TM	80	75	5
St Mary's	40	35	5
Total	580	530	50

7. OTHER IMPLICATIONS (IF APPLICABLE)

N/A

8. CONSULTATION (IF APPLICABLE)

The proposals to change funding arrangements have come through a working group in full consultation with the providers of the services and the SDS implementation team.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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