Altogether better
West Cheshire

Business Plan
Executive Summary

Ageing Well

NOTE

The following business plan provides a new approach to enable older adults maintain their independence through radical changes to service delivery which involve supporting stronger communities, self care and integrated care teams. As well as enhancing the quality of life for older adults the proposals chart a course for whole-system reform which through joint investment and reinvestment will reduce non-elective hospital admissions by 25-30% and placements in residential care by 15%. This could result in net costs being reduced by £26.1m over the next five years, although this is not likely to fully meet rising demand.

The proposals in this document have been developed jointly with partners. They are based on the collection and review of a large amount of information and data from many sources. They set out new and different ways of working for all Cheshire West partners and as such will be subject to detailed agreement in the future, following further consultation and testing. These proposals will therefore be subject to further development and change.

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Project Information

Project Title:	Altogether Better - Cheshire West - Ageing Well
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1. Executive Summary

The following business plan provides a new approach to enable older adults maintain their independence through radical changes to service delivery which involve supporting stronger communities, self care and integrated care teams. As well as enhancing the quality of life for older adults the proposals chart a course for whole-system reform which through joint investment and reinvestment will reduce non-elective hospital admissions by 25-30% and placements in residential care by 15%. This could result in net costs being reduced by £26.1m over the next five years, although this is not likely to fully meet rising demand.

1.1 The Community Budget Approach

1.1.1 Meeting the needs of older adults and ensuring that they can maintain their independence is not the responsibility of any one public agency, it requires joined up working across a range of organisations. A community budget approach based on the Altogether Better key principles of joint investment, prevention and early intervention and coordinated services built around the customer – therefore has the potential to deliver better results for service users, communities and tax payers. A new approach is needed based on the principles of stronger communities, self care and integration.

1.2 Understanding Ageing Well in Cheshire West

1.2.1 The population across Cheshire West is and has been ageing. The number of people aged 65 and over will increase by 19,500 or 26%, with the number of those aged 85 and over increasing by 41%, an additional 3,000 people between 2010 and 2020.

1.2.2 Demand in emergency admissions is growing at a faster rate than demographic growth particularly in those aged over 85. For example, between 2006/07 and

2011/12 the number of people aged over 85 increased by 18% whilst the number of non-elective admissions increased by over 40% and non-elective bed days by 30%.

1.2.3 In addition to increasing demand there is evidence that the care model across the whole system is sub-optimal, customer experience needs to improve, and a recognition of the significant financial challenges.

1.2.4 The current system of care is not suited to address these demands. Most demand in the system is from those with long-term conditions but the model of care was originally designed to be acute-based and episodic. This leads to a situation where at least 25-30% of older people in hospital, who would not need to be there if adequate alternative models were in place. There is also strong evidence of the system being reactive and disjointed, with agencies not always working together in a planned and coherent way. Finally, the current model of care is often viewed as a deficit based model, in which people are considered as passive recipients of services.

1.2.5 Although, the majority of older people are reporting satisfaction with individual services, they report difficulties navigating the complexity of the whole system; whilst individual customer contacts may be customer-focussed the system as a whole is not (West Cheshire Together, 2011).

1.2.6 In terms of public expenditure reductions, local authorities are making 25%+ reductions in spend and the NHS is required to deliver 4% savings through efficiencies; the combination of these means that public services are facing fundamental challenges.

1.3 The Current Approach

1.3.1 Cheshire West's ageing population means that there will be more people with multiple conditions who have needs that would be better served by an integrated care system rather than singularly by individual providers. The current model of service delivery does not meet this challenge; customers and carers are reporting frustration with fragmented care and limited control.

1.3.2 The current model of care for older people within health and social care in Cheshire West is unsustainable financially. Locally, £133.6m (2011/12) is spent on NHS acute and community care and social care on the over 65s. Local Government is making budget reductions of 25+% and the NHS is on 'flat cash' at a time when demand for acute care for older people is continuing to increase, particularly in the over 85s. The local leadership, consisting of Chief Executive Officers from main commissioners and providers, recognise a local analysis that demonstrates at least 25% of older people in an emergency hospital bed do not need to be there and that there could be 15% fewer placements to long-term care if adequate alternative provision and a 'whole system' approach was in place.

1.4 Towards a New Delivery Model

1.4.1 It is recognised that the solution cannot be one that just involves the integration of health and social care. The leadership team also know that when people are connected, contributing to and leading their communities, it leads to better outcomes and public money goes further. They understand that their role is to connect, and nurture the current strengths and capacity within their communities and develop new relationships with a broader range of service providers in a new collaborative approach to meeting community need.

1.4.2 The Leadership Team has agreed to focus on people aged 65+ who live in Cheshire West who need care and support – or who are at risk. Specifically the intention is to reduce non-elective bed day use by those aged over 65 by 25-30%, accompanied by a 15% reduction of placements into long term care. The initial focus will be on people aged 85+.

1.4.3 Partners know that staying with the current model will require us to have more hospital beds and more complex packages for longer term care– the fundamental economic prize is creating a more sustainable future as services and expectations are changed and this can only be achieved through innovation. Perhaps as important, the evidence does point to clear benefits in the quality of service and citizen experience. From that point of view, this is the right thing to do. Partners will need to build an evidence base as they go to reinforce the case for change.

1.4.4 Finally, the enormity of this challenge is not underestimated. The need for clear collaborative leadership is at the core of success. There are a wide range of barriers to success including the central “community budget” question of moving money around the system and securing system investment, beyond organisational boundaries. Extensive work has been undertaken to explore collaborative funding, contracting and risk management to be able to move money around the system. Other challenges include sharing of information, workforce development and practical issues such as the limitation of Clinical Commissioning Groups (CCG’s) to annual budgets. As these proposals move towards delivery plans, attention will need to be addressed to the active management of the political and organisational development agenda that the challenge poses.

1.5 The New Approach in Practice

1.5.1 Partners are presently approving a Heads of Terms agreement that clearly sets out the agreed direction for the care of older people locally, the key commitment of which is:

The named partners in Cheshire West agree to act together to address the opportunities and challenges in managing the care and support of older people. The work would be targeted to deliver the agreed joint outcomes but would sit as part of a wider public health strategy.

1.5.2 The Heads of Terms joins up and builds upon locally identified priorities in order to produce a coherent five year delivery plan, the core elements of which are:

- A strategy to develop stronger communities in which older people are viewed as assets rather than deficits
- Maximising the number of patients who can self-manage through systematic transfer of knowledge, and care planning
- Integrated locality care teams including social care, community services, allied health professionals and general practice
- To secure the innovation that providers can bring and to manage the risks of large-scale change, the delivery of some elements of the integrated care strand will be premised on alternative funding and contracting arrangements

1.6 Towards a New Financial Model

1.6.1 The leadership team has identified that whilst the outline integration and prevention strategy has widespread support, the evidence base for it to generate savings is weak. Using the best available evidence, the proposals for years 1 to 3 will assist partners to manage expected growth but after that progress will stall unless disinvestment in acute services can be made and community based solutions extended to deliver at scale.

1.6.2 Whilst the demographic growth in demand for resource is anticipated to cost an extra £19.1m by the close of 2017/18, the scaling up of existing interventions will deliver a maximum net efficiency of £4.27m by the close of 2015/16. This is the point when the scaling up of existing interventions reaches the optimal point.

1.6.3 By creating an environment that encourages innovation, non-elective bed use can be reduced by 25-30% in total and the amount of long term care placements by 15%, equating to a further net efficiency of £3.94m and £1.99m respectively achievable by the close of 2017/18. This is based on the assumption that alternative care could be provided at a third of the cost of an acute hospital bed, based on today's costs, and 40% of the cost for long term care.

1.6.4 However, whilst these efficiencies go a long way to contain the demographic growth pressure they do not mitigate growth entirely with the net demand pressure by the close of 2017/18 of £8.9m (cumulative).

1.6.5 If providers and commissioners operate within an environment that creates innovation and promotes preventative measures, further efficiencies are possible through the development of stronger communities and self care models.

1.6.6. The table below provides a summary of the growth pressures facing Cheshire West, the savings achievable in years 1 to 3 (2013/14 – 2015/16) and the potential for further savings achievable through reduction in acute beds and the number of long term care placements.

		Actual spend (£'000)	Forecast spend (£'000) based on 2011/12 cost and population forecast						
	Spend per head 65+	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
NHS acute	£ 1,051	65,654	67,873	70,097	72,007	73,389	75,194	77,262	
Adult social care	£ 1,087	67,903	70,198	72,498	74,474	75,903	77,770	79,908	
Total Expenditure	**£ 2,138**	**133,557**	**138,071**	**142,595**	**146,481**	**149,292**	**152,964**	**157,170**	
Annual Growth (1)				**4,524**	**3,886**	**2,811**	**3,671**	**4,207**	**19,100**
Scaling up of Existing Interventions									
Cost			0	4,344	4,289	6,401	6,401	6,401	
Benefit			0	(5,630)	(6,503)	(10,671)	(10,671)	(10,671)	
Net Cummulative Cost/(Benefit)			**0**	**(1,286)**	**(2,215)**	**(4,270)**	**(4,270)**	**(4,270)**	
Net Additional Annual Cost/(Benefit) (2)			**0**	**(1,286)**	**(928)**	**(2,055)**	**0**	**0**	**(4,270)**
Building a sustaintable whole system model									
Reduction in Non-Elective beds									
Cost of In-patients - non elective			0	0	0	37,428	38,348	39,403	
Percentage reduction (Over and above scaling up existing interventions)			0%	0%	0%	5%	10%	15%	
In patient saving (benefit)			0	0	0	(1,871)	(3,835)	(5,910)	
Alternative provision 33% of in patient cost			0	0	0	624	1,278	1,970	
Net Cummulative Non-Elective beds saving			**0**	**0**	**0**	**(1,248)**	**(2,557)**	**(3,940)**	
Net Additional Annual Cost/(Benefit) (3)				**0**	**0**	**(1,248)**	**(1,309)**	**(1,384)**	**(3,940)**
				0	0				
Reduction in Long Term Care beds									
Cost of Long Term Care			0	0	0	31,492	32,267	33,154	
Percentage reduction (Over and above scaling up existing interventions)			0%	0%	0%	5%	10%	10%	
Long Term Care saving (benefit)			0	0	0	(1,575)	(3,227)	(3,315)	
Alternative provision - 40% of LTC cost			0	0	0	630	1,291	1,326	
Net Cummulative Long Term Care Beds saving			**0**	**0**	**0**	**(945)**	**(1,936)**	**(1,989)**	
Net Additional Annual Cost/(Benefit) (4)				**0**	**0**	**(945)**	**(991)**	**(53)**	**(1,989)**
Total Net Annual Growth Pressure/(Surplus) (1+2+3+4)			**0**	**3,238**	**2,958**	**(1,436)**	**1,371**	**2,770**	**8,900**
Total Net Cummulative Growth Pressure/(Surplus)			**0**	**3,238**	**6,196**	**4,759**	**6,131**	**8,900**	

Table 1 – Ageing Well Cost Benefit Analysis Summary