

Short-term protection, long-term vision

Summary

As local authorities look for ways to cut spending, while continuing to support growing numbers of older people to stay healthy and active, this briefing makes the case for:

- Building the effects of demographic change into budgets
- Developing a more strategic approach to ageing and improved cross-sector and cross-department coordination
- Protecting the most vulnerable
- Delivery in full on existing statutory obligations and safeguards
- Sustaining prevention
- Placing proportionality and equality at the heart of all decisions

Introduction

Local authorities will be bracing themselves for the worst this autumn, as the Government's Comprehensive Spending Review reveals the extent of the cuts to local government spending. Many councils are already working hard, in anticipation of a severely reduced settlement, to make efficiency savings and re-align and re-focus services. Others, who, for whatever reason, have been less able to prepare, will be facing even tougher times ahead.

People in later life recognise that the services they value will not be exempt from consideration when local authorities look at where to make cuts. However, older residents will want to see that their councils are genuinely engaging with them to find new and more cost-effective ways of providing the services they want and need to stay healthy and active. Older people are substantial providers of support themselves, as carers, grandparents, neighbours and volunteers and will continue to play their part. But they will also, quite rightly, hold their local politicians to account to ensure any reductions in services are made fairly and only after proper consultation.

Meeting the needs and expectations of growing numbers of people in later life, within a climate of reduced public spending, presents a significant challenge for local public sector leaders. High quality sustainable services for the long term will only be achieved through a radical new approach to ageing, with coordination and leadership from the top, and older people at the heart of decision-making. Local authorities, working with other local public sector bodies, companies, charities and community organisations, will need to fundamentally rethink the way services are designed and delivered. In most cases, small scale improvements will not deliver the change needed. Councils will also need to ensure that they are fully meeting their statutory obligations to protect those who are most vulnerable. Over the next few years local authority budget decisions will need to secure a balance between short term protection and long term vision.

85% of older people don't use council care services. They may use other services, such as housing, leisure and adult education that play an important role in keeping them active and independent; and they use the full range of general council services. Under Pressure: tackling the financial challenge for councils of an ageing population, Audit Commission, February 2010

<http://www.audit-commission.gov.uk/nationalstudies/localgov/underpressure/Pages/default.aspx>

Building the effects of demographic change into budgets

Growing numbers of people in later life will have a significant impact on public services in the near and long-term future, both in terms of the contribution they can make to their communities, and the support they may need. Yet most of the public sector is still failing to get to grips with what this means for services across the board, not just those in health and social care.

There are key areas where an 'age lens' needs to be applied - major policy agendas where demographic change is a critical issue, but is often not recognised as such (eg housing and planning, transport, social exclusion, public health and health improvement). Where older people are recognised in these areas, the response is too often 'client group' based, rather than 'whole system' reform.

Local authorities need to consider the recommendations of the Audit Commission study *Under Pressure*¹ to ensure that the effects of demographic change are factored into all departmental budgets and strategies. In analysing the impact of cuts, departments should use a baseline that takes account of population ageing.

Developing a more strategic approach to ageing and improved cross-sector and cross-department coordination

A lack of senior leadership and coordination on ageing issues often results in individually run programmes that chip away at the edges of problems without dealing with them in the round. For example, social care transformation is a major policy programme, which relies on a cross-cutting preventative approach, but is often led exclusively from social care departments in isolation from other services. This leads to budget decisions which undermine good value for public spending as a whole (eg insufficient joint commissioning of preventative services by the NHS and local government) and a skewed perspective on costs (eg when the costs of exercise classes, pavement repairs and good street lighting are not set against the much larger cost to the public purse of increased numbers of frail older people falling).

Local authority budgetary planning needs to establish a process for cross-departmental coordination on ageing issues. We propose that a cross-cutting approach to ageing policy should consider four key areas which could lead to significant savings in public spending over the medium term:

- **Integrated service provision:** silo-thinking prevents roll-out of cost-effective 'upstream' support or integrated service models which are designed to encompass the needs and preferences of older service users.

¹ *Under Pressure: tackling the financial challenge for councils of an ageing population*, Audit Commission, February 2010

- **Social exclusion and the most disadvantaged older people:** exclusion and deprivation in old age are strongly associated with higher health and care needs, so a particular focus here should reap savings.
- **Communication, advice and advocacy:** increasing service user choice often saves money and improves outcomes. But it can also increase complexity and confusion when not coupled with good quality information, advice and support.
- **Attitude change:** as a society we are proving slow in shedding our negative attitudes to ageing, which hold many back from leading a full and active life. Local public sector bodies can do much to lead a positive approach to ageing in their local communities, by promoting active ageing, supporting their older workers to continue working and challenging negative attitudes and behaviours within their own services.

There are a number of important new levers that can support a cross-cutting approach to ageing.

- **Public health service:** the transfer of responsibility for public health to local authorities as proposed in the government's health white paper, as well as new functions for joint commissioning and health improvement, offer a real opportunity to bring together cross-department agendas; to see health as everyone's business, from transport to planning to leisure.
- **Removal of ring-fencing:** the removal of ring-fencing is welcomed by councils and offers opportunities to pool budgets to meet shared agendas. However local authorities will need to ensure that older people are equal winners, not losers, in a world of greater budgetary freedom.
- **Place-based budgets:** the Total Place pilots demonstrated that there are real service improvements and savings to be made from public authorities putting the citizen at the heart of service design, and working together to improve outcomes and eliminate waste and duplication. This approach can now be developed under place-based budgets.
- **Public Sector Equality Duty:** from April 2011 this will require all public bodies to 'age-proof' their services and activities to eliminate unlawful discrimination, promote equality of opportunity and promote good relations between groups.

Protecting the most vulnerable

The combined effects of demographic change and spending cuts have very serious implications for care and support services. If local authority care and support for older people is cut significantly many lives will be put at risk. The rapidly rising numbers of people in late old age, who are more likely to need support, mean that even standstill budgets will represent a cut in resources per person. Any reductions in budgets can only be acceptable if they do not risk harm to people – for examples savings arising from investment in early intervention that reduces later need.

Understandably, in a time of intense financial pressure, local authorities will look to where cuts can be made across all departments, including frontline services. We know that some councils are looking to cut adult social care spending by raising eligibility criteria, increasing charges, or reducing unit costs during the transfer to personal budgets.

There are two reasons why further tightening of eligibility criteria does not offer an effective cost-cutting solution. First, as the Department of Health² has argued, raising eligibility thresholds without transformational change is unlikely to deliver the efficiencies that are required. At best it only delivers very short-term savings which store up financial pressure for the near future and pass costs to other parts of the public sector. Second, any changes to eligibility criteria require, by statute, a reassessment of all existing social care users. Not only will the reassessment itself take up resources but it could lead to the identification of increased need. We would, of course, support any process of reassessment that results in the correct levels of need being identified and met, but we would urge local authorities to consider very carefully whether raising eligibility criteria is the right approach to bring about lasting savings for the future.

When considering an increase in charges, local authorities will need to be sure that this will not put people at risk if they subsequently either go without care or arrange cheaper alternatives that are not monitored by the local authority. Measures, such as advice and advocacy services, will need to be put in place to ensure people who fund their own care are protected.

One of the key questions local authorities should be asking themselves is 'What is the impact of personal budgets on our overall budget, and of service users getting the right services to meet the agreed outcomes?'
Use of Resources in Adult Social Care, Department of Health, October 2009
http://www.dhcarenetworks.org.uk/library/Resources/Personalisation/Personalisation_advice/298683_Uses_of_Resources.pdf

There is no evidence that making the shift to personal budgets for older people can consistently deliver the same outcomes for lower levels of spending. While assessment and commissioning costs can sometimes be reduced, there will be additional expenses linked to advice and brokerage. Local authorities must make sure that personal budgets are set at a level that fully enables assessed needs to be met, especially for those with higher care needs whose support services are likely to cost more. In making the transition to personal budgets local authorities will need to work closely with independent providers to sustain and stimulate local markets. Councils will need to focus on supporting the development of social enterprises; maintaining trust with third sector providers, for example by observing Compact principles; and not sacrificing quality for cost through the inappropriate use of reverse auctions in procurement.

It is worth noting that the majority of care and support is provided by unpaid carers. Therefore even a relatively small decline in the availability of unpaid carers would have a disproportionately large impact on the need for state funded or privately purchased care. Support to enable carers to continue in their caring roles without sacrificing their own health and wellbeing needs to be included as part of a wider preventative approach.

Delivery in full on existing statutory obligations and safeguards

There are several important duties in force which safeguard the wellbeing of people in later life. Local authorities must make sure that their budgets allow for the full discharge of these duties and compliance with legislation. For example:

² *Improving care and saving money: learning the lessons on prevention and early intervention for older people*, Department of Health, January 2010

- Duty to take steps to safeguard adults at risk of abuse
- Duty to assess individual needs where it appears to the local authority that a person might have care needs that it has powers to meet.
- Duty to meet assessed eligible needs
- Carers' right to assessment
- Right to a choice of care home
- Duty to arrange residential care
- Right to receive a direct payment
- Duty to involve, consult and inform

Additionally, older people who have social care needs will often have impairments and therefore qualify as disabled people under the terms of disability discrimination legislation. From October this year disability discrimination legislation will operate under the terms of the Equality Act 2010. The Act introduces the Public Sector Equality Duty which applies to disability and so will mean that local authorities, when considering withdrawing or reducing services, will have to take account of the extent to which this could impact on disabled people. Local authorities will also need to consider whether any proposed cuts are so severe that they could undermine compliance with the Human Rights Act, which requires public bodies to uphold rights with respect to preventing degrading treatment and maintaining private and family life. There are therefore likely to be limits to the extent to which local authorities will be able to withdraw services which are vital to ensuring that vulnerable or disabled people of all ages are able to participate in family and community life.

Sustaining prevention

As councils look for areas where they can make cuts, preventative services are likely to come under close scrutiny. There will be pressure to make swift judgements about services where it is harder to demonstrate a very rapid return on investment.

However, there is strong evidence for the cost-effectiveness of preventative approaches. Evidence from the Partnerships for Older People Projects³ and LinkAgePlus⁴ pilots has clearly demonstrated the savings that can be made. A literature review carried out by the IDeA in 2009 concluded that “efficiency savings are likely to be produced even in the short to medium term by interventions that specifically target older people’s capacity to live independently. Delaying entry into a nursing home even by a short time for a small proportion of the population may result in substantial savings”.⁵

The evidence of effectiveness is not limited to relatively intensive services such as hospital discharge support and A&E diversion schemes. Low intensity, low cost interventions, such as falls prevention initiatives, footcare services, handyperson services and social contact schemes have also been shown to have a substantial impact.

... small services providing practical help and emotional support to older people can significantly affect their health and well-being, alongside more sizeable services expressly directed to avoiding their need for hospital.
The National Evaluation of Partnerships for Older People Projects, PSSRU, January 2010
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_111240

³ *The National Evaluation of Partnerships for Older People Projects*, PSSRU, January 2010

⁴ *The business case for LinkAge Plus*, Department for Work and Pensions, July 2009

⁵ *Valuing Health: developing a business case for health improvement*, Improvement and Development Agency, 2009

The voluntary sector continues to be well placed to provide a range of preventative services. Local Age UKs and Age Concerns and other local voluntary organisations are key partners in developing and providing cost-effective solutions. When considering where to make cuts, local authorities and their NHS colleagues will need to consider carefully the substantial savings that are realised through these externally-provided services and not simply sacrifice them in favour of 'in-house' provision.

The government's Big Society agenda offers the opportunity to widen the scope of preventative services further, but it will be important to ensure that community and volunteer led initiatives are not just seen as a substitute for existing publicly funded provision. The voluntary sector has a key role to play as they have many years experience of the type of community development work and mutuality which is essential to make the Big Society a reality.

Under the health white paper proposals, local authorities are set to take on the functions of joining up the commissioning of local NHS services, social care and health improvement, including leading on Joint Strategic Needs Assessments. This provides the right platform on which to build consensus on the value of joint investment in preventative services and to develop an approach that builds prevention into long-term strategic development. Local authorities, working with their partners in the NHS, and with the voluntary sector, civil society and the commercial sector, must identify ways to maintain and even increase investment in prevention if we are to achieve sustainable health and social care support for the longer term.

Placing proportionality and equality at the heart of all decisions

While many older people recognise they have to share in the pain of reduced public expenditure, local authorities have a duty to ensure they do not bear a disproportionate burden of any public sector cuts. Councils should consider whether their overall budget strikes an equitable balance, as well as reviewing the fairness of individual measures.

From April 2011 all public bodies will have responsibilities under the Public Sector Equality Duty for eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between people of different ages. From April 2012 it is expected that legislation to outlaw unjustified age discrimination in goods and services will be brought into force. In line with these provisions local authorities will need to ensure that any changes to or removal of services do not disadvantage older people in a disproportionate or unjustified manner. Equally it will be important to eliminate existing, often long term, age discrimination in order to comply with the new legislation. For example social care assessment and resource allocation systems often discriminate against older people, compared to younger people with comparable levels of need. **It will be advisable for councils to carry out age equality impact assessments when considering where to make spending cuts.**

To discuss these issues further please contact your local Age UK or Age Concern or Belinda Wadsworth, Strategy Adviser for Local and Regional Policy at Age UK on 0121 459 8952 or at belinda.wadsworth@ageuk.org.uk

September 2010