

## FINANCE COMMITTEE

### DEMOGRAPHIC CHANGE AND AGEING POPULATION INQUIRY

#### SUBMISSION FROM EAST AYRSHIRE COUNCIL

***What is your view of the effects of demographic change and an ageing population on the sustainability of funding for (a) health and social care and (b) housing services and (c) public pensions and the labour force? What public services will individuals increasingly call on and in what way?***

1. The effects of the anticipated demographic changes are monumental in scale, with a projected 85% increase in the number of people in East Ayrshire aged 75 and over between 2008 and 2033 (Source: GRO Scotland 2008-based population estimates for Scottish Areas). Over the same period, the dependency ratio in East Ayrshire is anticipated to grow from 57% to 82%. Demographic changes of this magnitude need substantial consideration at the highest level as it is anticipated that there will be resulting increases in resource demands and challenges for community social care and health services.

2. The production of 10 year Joint Commissioning Strategies and proposals for the integration of Adult Health and Social Care Services in Scotland are key components of the required response. The current spend profile across health and social care services sees almost two thirds of resources being invested in institutional based services, including almost one third spent on unplanned admissions to hospital. A key challenge in reshaping services for older people is to shift the balance of care, through early intervention and the adoption of preventative approaches.

3. In 2006, following wide consultation with older people, East Ayrshire Council adopted a strategic direction for older people services that has a main objective to support older people live at home when it was safe and practical to do so. In practical terms this resulted in the Council commissioning Care Home services from independent sector partners and focusing the Council's direct efforts in care at home delivered through social work community care, preventative support and activities delivered through leisure services and supported accommodation models delivered through Housing and Registered Social Landlord partners. Since that time, through Community Planning our partnership arrangements have developed including with the voluntary sector to provide practical and intergeneration supports and with Strathclyde Police and Strathclyde Fire and Rescue in relation to sustained community safety initiatives.

4. The challenge for housing services is to support an ageing population to stay in their own homes. Given the lack of suitable housing for varying needs across all housing sectors, and the anticipated increasing demand for suitably adapted housing, this is likely to have significant cost implications both in terms of capital investment and care and repair projects across all social landlords.

5. The level of mobilisation and re-structuring/re-alignment of budgets across the public sector is likely to be highly significant and the knock on effects in respect of

financial issues (such as pension affordability) is well documented. The broader engagement of partners and the wider public will also be essential in responding to these demographic changes.

***Further, what planning is being done, or should be done, to address this?***

6. In East Ayrshire, we have recognised for a number of years the challenges of demographic change and have implemented a strategic direction to develop the local health and social care infrastructure to support older people in our communities and reduce admissions to hospital. Progress has been made towards achieving a shift in the balance of care from institutions to community through an integrated approach to strategic planning for older people that is delivering positive benefits and results. The social care workforce has already been resourced to a position where, in advance of regulation requirements, 75% of employees have achieved Scottish Vocational Qualifications. This position is further enhanced with support services based in the community that work across agencies, focusing on individuals in respect of, falls prevention, moving and handling, medication support and by the substantial development of our telecare infrastructure.

7. Our successful partnership work already extends beyond community health and social care services and includes acute and primary health, housing, leisure and other vital stakeholders, including family carers and the independent, voluntary and community sectors. Notable successes include:

- meeting and often exceeding national balance of care targets for older people with intensive care needs;
- consistent achievement of the Delayed Discharge Target over a number of years;
- progression of the East Ayrshire Supported Accommodation Strategy for Older People, including new Council House provision prioritised to older people; and
- partnership arrangements with Independent Care Home Providers to deliver long term care for older people.

8. In working towards the policy aims, to further progress our success and address our challenges, workstreams that have been progressed include:

- Re-ablement, providing care supports to maximise independence rather than providing services that perpetuate dependence;
- Telehealth/Telecare, utilising technology to provide 24 hour access to services;
- Integrated Resource Framework, working to bring public resources together to efficiently and effectively meet community need;
- Single Point of Contact, providing easy access and referral routes to services across agencies;
- Long Term Conditions Plan, developing anticipatory care plans to support people manage their health needs in the community;
- Rehabilitation Framework, promoting recovery of independence;
- Dementia Strategy, providing information, care and support from diagnosis to end of life care; and

- A range of preventative work has also been implemented, including for example Invigora8, a life-changing new exercise initiative for the over 65.

9. Clear political leadership has been a key requirement of our approach to date and going forward will be essential to allow for the scale and pace of change required to facilitate substantial service re-framing and achieve the required shift in the balance of care. This will include decommissioning some present service responses that are unaffordable and there may be perceived or real loss associated with these decisions.

10. The East Ayrshire Community Health Partnership is progressing in the development of an Older People Strategy that fully incorporates the Reshaping Care for Older People Programme and associated Change Fund agenda. This will build upon our Strategic Direction of Older People Services 2006/2011 and incorporate the work of other Council services including Housing and Leisure Development. This is being supported by development of a 10 year Joint Commissioning Strategy for older people.

11. The development of the 10 year Joint Commissioning Strategy will provide the vision for integrated health and social care services to deliver the transformational change agenda. This will include plans for the reshaping of mainstream services and use of Integrated Resource Framework data to demonstrate long term, strategic and sustainable change.

12. Within the Housing Service, the work on reshaping Care for Older People Programme is already shifting resources to support care and repair programmes which provide minor aids and adaptations. The Local Housing Strategy also takes cognisance and responds to the anticipated ageing population and the Council's Strategic Housing Investment Plan is focused on increasing the supply of varying needs housing through a phased programme of new council housing.

13. The success of local initiatives need to be supported at a national level, where cross party support and leadership is required to inspire and develop a culture that will continue to deliver real change.

***What weight should be given during the annual budget process to demographic trends and projections?***

14. Budgeting in the current economic climate, where local government funding will reduce in real terms for the foreseeable future, means that difficult choices need to be made about how to utilise the limited resources available. In the budget construction process due cognisance needs to be given to the additional resources needed to continue to deliver current services at current levels. This involves making realistic assessments of cost changes arising from price, demand and legislative issues. Thereafter in closing the inevitable gap between available funding and desired spend, councils must balance relative priorities whilst being clear about what their decisions will mean for service users. Community engagement in the process is vital to ensure that those decisions are well informed and well understood.

15. As longer term forecasts are produced then clearly demography starts to impact more significantly. This therefore becomes an important factor in planning for the longer term. Sustainability of services must consider demographic change whether that be inward/outward migration or indeed age profiling. The latter is a widely understood issue with an ageing population, potentially requiring more care for longer, a known budget pressure. The population swings relative to the rest of the country is also important as government grant funding (GAE) typically fluctuates based on population. The other side of the equation relates to the services we provide and if for example there is a significant influx of young families to an area then the financial implications of schooling for example, clearly need to be considered.

16. The sensitivity analysis around demographic change is important and while not an exact science can highlight areas of potential difficulty at an early stage. Accurate profiling and projections would be very helpful in planning for future service models and therefore the funding models required to support these.

***What data is collected (and what should be collected) with respect to (a) health and social care and (b) housing services and (c) public pensions and the labour force, and what use is made of this (or should be made) to forecast what funding will be needed?***

17. A range of data is collected and published by the Scottish Government, the National Statistics Office, the General Register Office for Scotland, Scottish Neighbourhood Statistics, the Department for Work and Pensions and a number of other organisations which provide the necessary information to inform debate and shape our response to the issues associated with demographic change and an ageing society. These organisations will be best placed to provide information on what data is currently collected and to provide a view on what information will be required in the future.

#### **Health and social care**

***To what extent are preventative policies such as the [Change Fund](#) key to addressing demographic pressures on the provision of health and social care?***

18. The Change Fund has been agreed until 2015, and partners in East Ayrshire envisage that the model for future funding will be to build on a process of review and consolidation of initiatives that are working well. This will provide the opportunity to agree the priorities for recurring funding over the next 3 years as resources are released from institutional budgets, and to support the implementation of the Commissioning Strategy. Our aim is to continue to provide appropriate support to those with the highest levels of need whilst shifting the balance of care towards prevention and early intervention. A range of innovative and creative initiatives designed to respond to local challenges and opportunities were supported by the Change Fund and successfully implemented in 2011/12. Our ambitions in 2012/13 are to build upon early success and it has been agreed that funding should be allocated in support of four key workstreams:-

- Promotion of Community Wellbeing, Including Universal Services
- Sustaining Independence and Promoting Self Management

- Integrated Rehabilitation and Enablement Services
- Intensive Supports

19. Further, details of each workstream are provided in the Appendix attached to this submission. The success of this approach will be crucial in ensuring the continuing effectiveness of our response to increasing demands during a period of decreasing resources across the public sector.

***To what extent are the pressures on health and social care a consequence of an ageing population as opposed to other health challenges such as obesity?***

20. The pressures on health and social care are clearly the consequence of a range of issues that are creating demand problems, including preventable issues such as obesity, tobacco and alcohol related demand, and demand associated with ageing and demographic change. These are also linked issues – for example, we will have higher numbers of older people with alcohol related brain damage in future years.

21. As we look to the future, the prevention and early intervention agenda will be critical in addressing and responding to the issues presented by the challenges of obesity and alcohol abuse; and to improving the health and wellbeing of the ageing population through community based programmes which allow them to remain in their own homes.

**Housing**

***What is likely to be the main pressures on both the public and private housing stock arising from demographic change and what action should government and other public bodies be taking now to address this?***

22. The challenge for the housing sector is to ensure an adequate supply of the right housing in the right places to meet the demands of an ageing population. Affordability will be a major issue for Council and Social Landlords who require to fund the required investment in their housing stock through rental income or borrowing. Borrowing is in many cases restricted by historical debt burdens and coupled with the current economic challenges and the effects of the planned welfare reforms, which are as yet unrealised, the issue of financing the required investment in relation to minor adaptations, major refurbishment programmes and new builds is likely to present many difficulties. In the private sector, adaptations are largely self-financed or assisted through grants but as the proportion of older people living in owner/occupier properties increases, it will be essential to ensure either access to resources for adaptations and/or availability of alternative suitable accommodation in the private sector with support to move where required.

23. The availability of additional resources to invest in new build and adaptation of existing housing stock would be welcomed and a recognition of this within Government policy is essential.

***What adaptations will be required to the existing housing stock to provide long-term care and to what extent should the design of new builds take into***

***account the possibility that the home may be used for care purposes in the future?***

24. All new Council houses are built in accordance with the Housing for Varying Needs Standards and a similar approach is taken across the social housing sector; however, as a result of the additional cost of building to this Standard, private developers do not in general build new homes that meet the Housing for Varying Needs Standards. A duty or incentive to encourage private developers to build to this Standard enforced through planning or building control regulations would be welcomed.

25. In addition to a range of minor aids and adaptations designed to meet the additional needs of older and frail residents, there has been a significant growth in the use of Telecare and Telehealth Care initiatives which allow for remote monitoring and assist individuals to stay in their own homes. This increasing use of new technology should also be reflected in new build properties with broadband provided as a core service.

#### **Pensions and labour force**

***What is the likely impact on the public finances within Scotland of demographic change on public sector pension schemes and what action is required by the Scottish Government and other public bodies to address this?***

26. This is an area of significant public interest with widely reported views on how this may be addressed. Clearly an ageing population will lead to greater demand on pension schemes and there will be a need to ensure affordability and to ensure that finances are in place to meet contractually agreed payments. The main issue with the existing schemes when demography is considered is the projected longevity compared to the retirement age of members. The obvious answers to this are to increase retirement age (pension payable for less time and member pays more towards it) or to increase contributions. Both have already been done for some schemes. The ongoing challenge for public pensions will be to ensure future liabilities (i.e. pensions) can be supported by current members contributions and assets.

27. Local government schemes are funded and care needs to be taken to maintain funds at an adequate level. However, in this regard, significant changes have already been applied to the schemes to ensure that this is the case.

28. Where pensions are not funded and met from Government expenditure, for example in respect of the Civil Service and the teaching profession, long term forecasting is required to ensure that appropriate budgeting can take place.

***What should be the balance within public policy of support for older people who wish to remain in employment versus creating opportunities for youth employment?***

29. While respecting the changed legislative position removing compulsory retirement age, it is considered that the position of older workers wishing to remain in employment is a matter to be resolved between the employer and the individual. Public policy in this case should be restricted to setting an appropriate legislative

framework. On the other hand, it is considered that creating opportunities for youth employment, particularly in economic downturns, should have high priority.

30. Public policy should focus on a co-ordinated approach across the public sector, working with the private sector, to generate opportunities for our young people. It is considered that it is in the national interest to maximise opportunities for young people to engage in the labour market. Appropriate funding to support initiatives in this area should continue to be made available and be increased should this prove to be necessary.

31. Around 4,500 people are already employed in social care services in East Ayrshire and, paradoxically, the growing needs of an increasing number of old people will create further employment opportunities for our young people in the care sector.

32. Public policy should also recognise the positive effects of an ageing population which will provide a real opportunity for older people to utilise their skills, knowledge and capacity to contribute within local communities.

## APPENDIX

### **EAST AYRSHIRE CHANGE FUND COMMISSIONING STRATEGY FOR INVESTMENT PRIORITIES 2012/13**

**Workstream One - Promotion of Community Wellbeing, Including Universal Services** - This approach is founded upon community development and asset based principles in recognition that the majority of older people do not receive or require direct social care services. We are working to build community capacity including:

- increased support to carers, through both direct and indirect supports;
- development of Leisure/Lifestyle/capacity building services;
- support to voluntary organisations/social enterprises to build future capacity;
- development of Well-connected & Befriending Project, with the Voluntary Sector;
- the Practical Quality Assurance System for Small Organisations PQASSO training for voluntary organisations;
- further investment in Care and Repair – to provide minor adaptations to support housing needs of older people;
- preventative Community supports; and
- community transport.

### **Workstream Two - Sustaining Independence and Promoting Self Management**

We are developing our services to make sure that when older people require support this is made available through models that are personalised to promote independence and are planned and delivered respecting the views of and with full participation of individuals. Through Reshaping Care this includes investment for:

- Community Pharmacy to support medicine management for home carers, and informal carers;
- additional telehealthcare capacity, including equipment and technician;
- Self Health Management training for patients and staff;
- Ayrshire wide equipment commissioning with a partner appointed (Cordia) to scope development of an integrated service;
- Dementia Strategy Training Officer appointed to work across partners;
- increased support for Advocacy Services, including additional investment from Local Authority;
- Ayrshire wide Falls lead post to develop integrated prevention and management services;
- development of falls screening services linked to community alarms;
- Invigor8 programme, building pathways for fallers within East Ayrshire;
- Nutritional Education in Care Homes;
- additional support to GP practices to support Anticipatory Care Planning, using social workers and nursing staff; and
- further development of Out of Hours nursing service.

### **Workstream Three – Integrated Rehabilitation and Enablement Services –**

The partnership are working together to establish a multi-agency hub at Kirklandside Hospital, which will support the co-location of a wide range of community health and social care staff and encourage a single, co-ordinated approach to service delivery. To compliment this there will be a smaller hub within East Ayrshire Community hospital. These Integrated Care and Enablement hubs will initially include:

- Reablement Services for older people;
- Community District Nursing;
- Social Work and home care staff, including out of hours mobile home care services;
- Allied Health Professionals;
- Community based Geriatrics service;
- Community pharmacy support for hubs, including medication reviews; and
- a community ward with dedicated clinical team.

Using the opportunities presented by co-location of staff, the partnership will develop:

- integrated targeted support and services linked to condition, age, geography, falls or risk prediction such as SPARRA (Scottish Patients At Risk of Readmission and Admission), and practice profiling data;
- close working relationships established with individual GP practices to support integrated case/care management approaches, anticipatory care planning and multi-disciplinary team working;
- close liaison with GP practices to support delivery of reduced emergency hospital admissions;
- improved integration and effective working between day time and out of hours health and social care services;
- improved integration with Elderly mental health services, through dementia liaison nurses;

- clear links between out of hours services and ambulance services (unscheduled care); and
- improved links with Voluntary and Independent sector.

#### **Workstream Four – Intensive Supports –**

In achieving positive outcomes for older people through effectively delivering on workstreams 1 to 3 we require to utilise the full resources, skills and knowledge of Social Work and Health professionals. To support this we are developing arrangements that will link specifically with the Hubs and will include:

- Multi-agency team approach to work with care homes to develop and continue good working practice. This will include social workers, district nurses, dementia liaison nurses and pharmacists;
- provision of specialty services in the community (e.g. Chronic Obstructive Pulmonary Disease), through Managed Clinical Networks;
- provide support at times of crisis in an appropriate setting, including working with Scottish Care to develop models for care home bed use; and
- additional geriatric sessions to develop community infrastructure.