

FINANCE COMMITTEE

DEMOGRAPHIC CHANGE AND AGEING POPULATION INQUIRY

SUBMISSION FROM ROYAL COLLEGE OF NURSING

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? What public services will individuals increasingly call on and in what way?

1. The demographic change underway in Scotland has significant implications for the funding of health and social care. The Scottish Government states that, if the current model for the provision of health and social care were to stay the same and demand increased in line with the growth in the older population, “we would require an annual increase in investment in health and social care services alone of £1.1 billion by 2016”¹. Clearly, given the current economic position in both Scotland and the UK, continuing with current models of care is not a viable option.

2. The success of enjoying a longer life is often accompanied by the reality of living with one or more long-term conditions, such as diabetes or heart disease. Whilst 35% of adults under 65 in Scotland live with one or more long term condition, this figure almost doubles for all those aged over 65 (66%), with the prevalence rate continuing to increase with age².

3. Given the projected increase in over 75 year olds expected in the Scottish population, if all other variables remained the same, the number of people with one or more long-term condition in this age bracket could increase by 80% between 2011 and 2035, from around 289,000 to just over 519,000 individuals³. Exact cost figures that would accompany such possible changes are hard to estimate, but The Kings Fund recently stated that those with physical long term conditions are two to three times more likely to also experience mental health problems, which can increase total healthcare costs by at least 45% for each person⁴.

4. Scotland, like most other developed nations, will have to radically re-think how we prioritise, provide and fund services in this very new landscape. The better integration of health and social care is clearly a focus for the Scottish Government in achieving a step change in provision, focused on older people. The RCN supports the Government’s 20:20 vision to provide increased, integrated care at home, but we urge caution at an assumption that integrating care will result in reduced costs. We

¹ The Scottish Government *Reshaping Care for Older People: a programme for change 2011-2021*, 2011

² Scottish Health Survey: *Older People’s Health Topic Report*, 2011

³ Data from: The Scottish Health Survey, *Topic Report: Older People’s Health*, 2011; General Register Office for Scotland, *Mid-2011 Population estimates for Scotland*, 2012; and General Register Office for Scotland, *Projected Population of Scotland (2010-based)*, 2011

⁴ The King’s Fund Centre for Mental Health, *Long term conditions and mental health: the cost of co-morbidities*, 2012

simply do not yet have the data to support such an assertion. The recent evaluation of the Integrated Resource Framework test sites, reported:

Within the timescale of the evaluation, the IRF did not provide evidence of integrated work resulting in the release of resources or of significant changes to fixed costs⁵.

5. This mirrors an earlier literature review which noted a lack of robust evidence that financial integration improved health outcomes or cost savings⁶.

6. Health and social care services will certainly have to make savings through well considered service redesign to cope with increased pressures. This will require brave decision making on the part of employers and politicians. But escalating and increasingly complex health needs will come with significant new costs. Not all those with poor health in older age will require formal help, and increased self-management and disease prevention may reduce the proportion of those with health needs requiring state support. But the sheer rise in expected numbers of people living into older age with health and support needs, as well as increasing costs for some new drugs and technologies, will still place both capacity and financial pressures on health and social care services.

7. It is not yet clear that we have adequately robust data, or clear enough future modelling of need, to ensure we can make the best sustainable decisions to provide high quality, safe and equitable health and care services through this period of radical demographic change.

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

8. The care required for older people with escalating and increasingly complex health needs, often requiring multiple treatments, can be highly complex. This, in addition with the drive to provide far more care close to home, means that older people must have access to staff beyond the hospital setting that can address the chronic nature of the current and future older population's health needs, and the coexistence of multiple diseases requiring well co-ordinated treatment and intervention. Plans to integrate and shift the balance of care will not mean simply providing more low level interventions to prevent illness; it will also require providing more high quality, specialist community health services.

9. Clinical Nurse Specialists (CNS) provide comprehensive information to patients with specific illnesses; support patients to make complex treatment decisions; advise them on the effective management of side effects; and provide emotional and psychological support, helping to maintain patients' independence. They play a key role as the co-ordinator of care in a patient's pathway. Advanced Nurse Practitioners (ANP), in addition, bring highly specialised Master's level skills

⁵ The Scottish Government, *Evaluation of Integrated Resource Framework Test Sites*, Scottish Government Social Research 2012, p.1

⁶ The Scottish Government, *Financial Integration across Health and Social Care: Evidence Review*, 2010.

and knowledge to the team. Multiple studies have shown such nurses to provide highly effective and cost-effective care⁷.

10. Clearly, it is imperative that we plan now to ensure that we have enough CNSs and ANPs in place to work alongside a greater volume of patients with complex care needs in their own homes and community-based centres, like care homes. A student entering a nursing degree programme this year might not be ready to work at an advanced level for a decade, unless significant post-registration development opportunities were made available.

11. We know that some work is underway to address future workforce needs. For example, the CNO is currently undertaking a review of nursing education and the Government has appointed a new Pan-Scotland Workforce Planning Programme Director. However, at this point in time we have yet to see succession planning for advance and specialist nursing roles in the community being adequately reflected in local NHS board workforce plans, or post-registration education commission, or in the Scottish Government's model for commissioning nursing student numbers. Nor have we yet seen the effective joining up of medium to long-term joint planning for the wider clinical workforce (e.g. between the nursing and medical workforce). These issues must be addressed as a matter of urgency.

12. The Scottish Government has recently stated that there has already been an increase in the overall number of community nurses working in Scotland. However, there are issues with the quality of the community nursing workforce data. This means that it is not clear whether the claimed increased numbers genuinely reflect more nurses on the ground or simply mean nursing staff have been added to the numbers by changed definitions in statistical collection. The Government has acknowledged issues with the existing data and the RCN is participating in work to clarify community nursing workforce reporting and improve the accuracy of statistics. However, until this is resolved there will not be an accurate national picture of the existing community nursing workforce to influence future plans.

What is your view of the effects of demographic change and an ageing population on the sustainability of funding for (c) public pensions and the 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?

13. Substantial changes were made to the NHS pension scheme in 2008 to ensure it was fit for purpose. Despite this, the Westminster Government has decided to make radical, additional changes to pensions for public sector workers. The RCN has consistently challenged much of the UK political rhetoric about "gold plated pensions" and the unsustainable nature of the NHS pension pot. For example, whilst it is difficult to get an exact figure, the Treasury posted a net cash balance of £2.1bn for the NHS pension scheme in 2009-10.

⁷ See for example: British Heart Foundation, *Specialist Nurses – changing the face of cardiac care*, 2010; Royal College of Nursing, *Clinical Nurse Specialists: Long Term Neurological Conditions – A good practice guide to the development of the multidisciplinary team and the value of the specialist nurse*, 2009; *adding value to care*, 2010, and RCN et al,

14. In particular, we would highlight to the Committee that, as part of its package of changes, the Westminster Government has decided to introduce a stepped increase to the pensionable retirement age for most public sector workers to 68 by 2046. We ask the Committee to consider the potential consequences on the quality of care and on the lives of nurses, who may themselves require the support of public services in older age, of implementing this change within the physically-demanding nursing profession. The RCN is clear that enforcing this raised retirement age for nursing staff is not acceptable.

15. We acknowledge the Scottish Government's attempts to find flexibility, with staffside representatives, within the UK pensions deal to address some of the inequities arising. However we also recognise that taking a different road to that set out by HM Treasury simply may not be affordable or possible within current devolved arrangements.

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

16. The necessarily narrow focus of the annual budget process may not, in the first instance, provide the most productive platform for the significant long-term policy discussions required now to address the consequences of demographic changes on the public purse. In advance of the next Comprehensive Spending Review, we suggest that wider cross-party work, building on existing activity such as this Finance Committee inquiry, could usefully address the difficult political prioritisation decisions required to ensure the sustainability and quality of public services in Scotland⁸. Clear recommendations for the CSR would then allow much easier scrutiny of how subsequent annual Budget Bills are weighted appropriately to meet the consequences of demographic change.

What data is collected (and what should be collected) with respect to (a) health and social care 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. As already highlighted, much better information is needed on future health trends and, subsequently, the anticipated impact on workforce requirements. This is required to provide assurance that workforce planning will be adequate to meet medium to long term needs.

18. As also noted above, too little information is currently available to confirm that investment results in improved outcomes or that service redesign is accruing

⁸ This could include a focus on the recommendations of the Sutherland review in free personal and nursing care:

Medium-term - within the next 5 years: Review and re-model.

10. The uncertainty associated with projecting future costs of long-term care means demand must be reviewed and re-modelled regularly and be reflected accurately in future local government finance settlements and capacity planning by local authorities and their health partners.

11. Review public funding arrangements. There should be a holistic review over the next few years of all the sources of public funding for long-term care of older people, including health, social care and housing support, but also UK Government benefit funding, in particular through Attendance Allowance and Disability Living Allowance

Lord Sutherland, *Independent Review of Free Personal and Nursing Care*, 2008

genuine savings. Similar issues were raised by a project led by the Improvement Service to pilot outcome budgeting in the public sector:

Stage One identified two key barriers preventing the sector from planning and budgeting on [the basis of outcomes]:

- *Some refinement is required to the identification and measurement of outcomes. It was difficult to map a relationship from budget to activity and from activity to outcome, making delivery hard to evaluate.*
- *It was difficult to identify how resources are used to deliver outcomes: in particular, it was hard to identify and cost discrete activities. This makes it difficult to assess the role of different activities in achieving outcomes.⁹*

19. If increases to public sector retirement age are indeed introduced as planned, we would like to see data collected, analysed and published on the consequence of those changes on the workforce and on public sector services.

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

20. The Change Fund has the potential to be an important early lever for change towards increased preventative activity in the public and third sectors. However, the proportion of public sector budgets available to the Change Fund is small and it is simply too early at this stage to establish the impact of the Change Fund on the *Reshaping Care for Older People* outcome measures. Partnerships must be allowed the time and ability to appropriately develop their workforce and services to generate sustainable progress and the Fund must be part of a wider context of change to bring about a shift towards prevention.

21. Change Fund plans for 2012-13 demonstrate the proportion of each partnership's total funding allocated to five different headings¹⁰, with the Scottish Government setting a national target for the percentage of funding to be allocated to each stream of work. Our analysis of these plans has demonstrated significant differences in the allocation of resource between partnerships, without clear explanations for these variations being available. Some partnerships, as one might expect, have reduced spend on the 'hospital and care homes' pathway and increased it within the 'preventative and anticipatory care' pathway over the two years of the fund. However, 13 of the partnerships are spending less than the national target of 8% of budget on the "enablers" workstream this year, which includes workforce development/skill mix/integrated working and outcomes focussed assessment. We do not know the starting point these 13 partnerships are working from and this may explain the below-target investment made. But given that the long-term success of re-designed service to deal with demographic change will require

⁹ Improvement Service, Deloitte and the Scottish Government, *Outcome Budgeting in the Scottish Public Sector: Final summary report*, 2011

¹⁰ See: Scottish Government, *2012-13 Change Fund Guidance* 2011

significant re-planning of workforce and better data on investment and outcomes, this is surprising.

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?

22. Clearly the new retirement ages being introduced will impact on this balance and *enforcing* later retirement ages may well reduce movement between ages within the workforce. However, the question as it is posed sets up policies for youth and older employment as directly oppositional when there is much opportunity for us to think creatively about the support that the experience, skills and wisdom of older employees can be best harnessed to support young workers.

23. Our 2008 report into the ageing nursing workforce in Scotland, *Older but wiser?*¹¹, argued that “every nurse who leaves employment *prematurely* is one less experienced professional available to meet the caring needs of the Scottish population”. The report found that there are a range of policies in place in other sectors that could be implemented in NHS Scotland to retain older nurses and enable nurses to work for as long as they wish, making the greatest possible contribution. This “requires improving the evidence base, undertaking scenario projections, and getting feedback from nurses themselves about what will encourage them to stay on”.

¹¹ Buchan, J, O'May, F and McCann, D, Queen Margaret University, *Older but wiser? Policy responses to an ageing nursing workforce: a report for RCN Scotland, 2008*