

# Under Pressure

Tackling the financial challenge of an ageing population

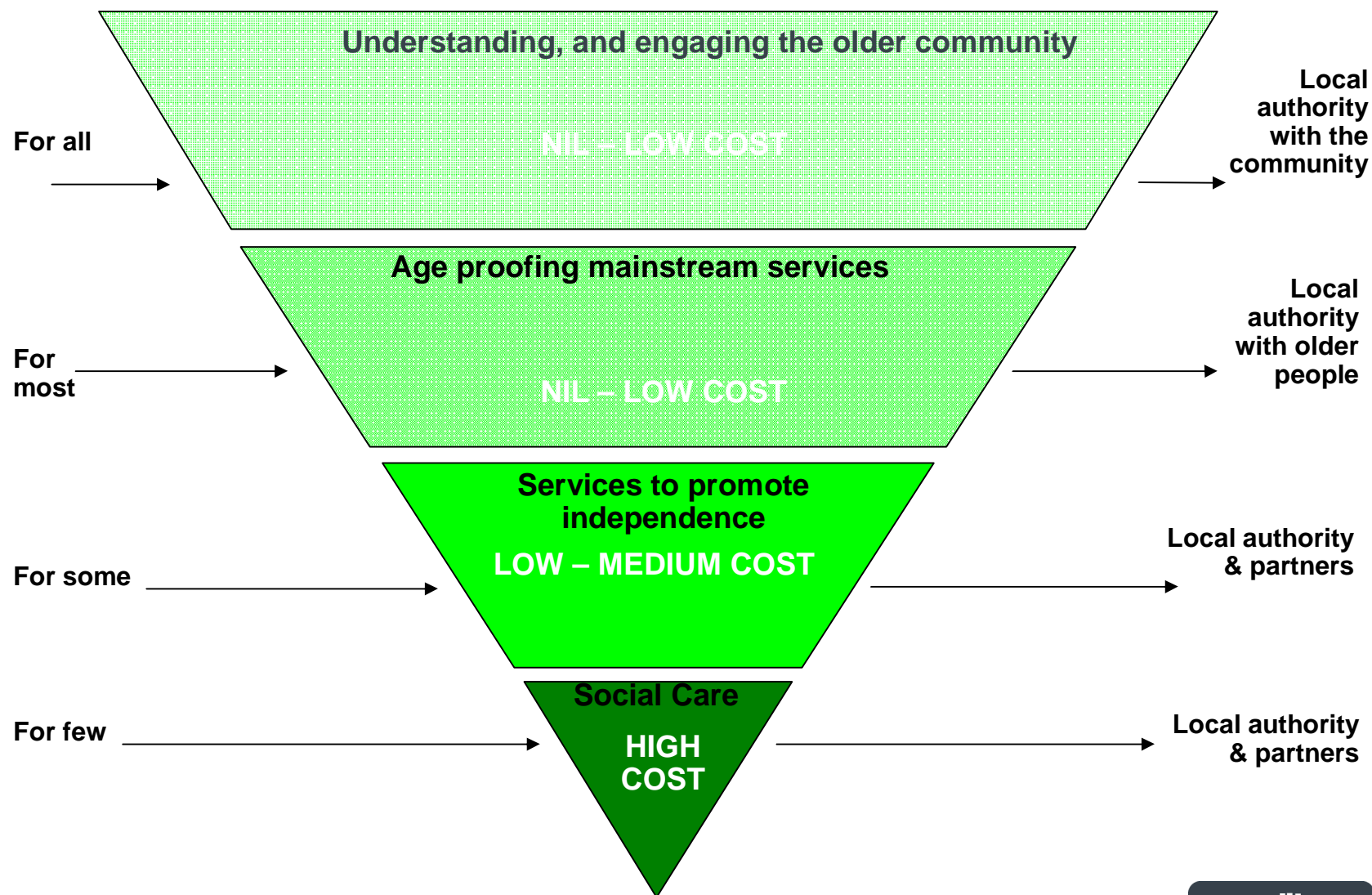


# The Audit Commission and an ageing society

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- Headlines from Don't Stop Me Now (2008)
- Messages from assessment
- Means to an End (2009)
- Under Pressure (2010)
- Coming soon ...

# Councils have a role beyond social care



# Examples from assessment

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- **Common features of areas achieving good outcomes on an ageing society and older people**
  - Engagement with older people
  - Demonstrable outcomes
  - Strong and inclusive partnership working
  - Broad emphasis on improving older peoples' lives and building strong communities (Big Society dimension)
  - Older people doing it for themselves – important in context of recession

# Councils face the challenge of an ageing population as public spending reduces

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The ageing population will affect:

- **All councils** - not just those providing social care
- **Councils' partners** – in housing, health, and policing
- **Costs** – could nearly double by 2026
- **Savings** – older people are a valuable resource.



# The financial challenge is driven by different factors in different places

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- Councils need understanding of:
  - the age structure of their populations
  - the distribution of health and wealth
  - likely trends
  - their priorities.



Only one in ten councils estimated the financial implications of an ageing population in their medium term financial plans.

# Councils have to match their approach to local circumstances

Tameside	Isle of Wight
34 per cent of population are 50+ (below national average)	45 per cent of population are 50+ (upper quartile)
Typical 65 year old man: good health till 76, lives till 80. 65 year old woman: good health till 78, lives till 83.	Typical 65 year old man: good health till 78 and lives till 81. 65 year old woman: good health till 81, lives till 85
20% of people over 60 live in income-deprived households. 28% receive pension credit.	13% of people over 60 live in income-deprived households. 19% receive pension credit.
Affluent older people migrate out on retirement	Affluent older people retire to the area

# Councils can tackle the underlying causes of care need

The four main reasons for older people needing social care are:

Poor or inappropriate housing and environment

Health, mobility and rehabilitation problems

Social reasons – loneliness, fear of crime, abuse

Lack or breakdown of informal care/stress on carers

There are solutions to prevent or mitigate these, including:

Increase suitability of home

Improve health and prevent deterioration

Increase social contact

Maximise carer's health and happiness

Through interventions, including:

Grab rails and other stability adaptations

Good quality respite care

Home improvements

Community exercise programmes

Home improvements

Diet advice

Access to transport

Warm front schemes

Social clubs

Information



# Care spending will be under increased pressure

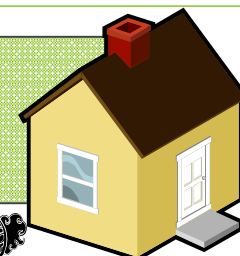
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- **Spending** on older people's care 46 per cent higher in 2007/08 than in 2000/01
  - **The proportions** spent nationally on different services remained almost the same
  - **Locally** there are big variations:
    - proportion spent on residential care varies from 11 to 68%
    - some councils' unit costs are three times as much as the average
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# We have examples of practical ways forward

Case Study

**Hertfordshire Flexicare Housing** – creates balanced communities while catering for a range of needs



Case Study

**Essex telecare** – monitoring supports carers, as well as allowing people to stay at home



Case Study

**North Yorkshire** – significant savings through telecare, together with improved quality of life for older people



Case Study

**Isle of Wight** – managing the market to help drive towards less residential care



# Hertfordshire Flexicare housing demonstrates savings

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- Flexicare model provides housing for people with a wide range of care and support needs
- Preventive benefits for people with low care needs
- Saving from a high level band placement: £11,862 per placement per year
- Council estimates £830,000 saving for people at higher level of care need in 2009/10
- Low and medium bands will save more in future as preventive benefits are realised.

# Organisations can use information to give better outcomes and save money

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If you analyse service use and cost by age you can:

- Target services better;
- Make better financial decisions;
- Evaluate approaches better.



Barriers include:

- Difficulties comparing unit costs and age groups
- Showing spending in one area saves in another
- *Is there something I should know?* provides tools to support better use of information

# Our tools will provide practical support in moving forward

- Literature review – published 2009
- Case studies – published in report
- Map of existing social care planning tools (April 2010)
- Overview and scrutiny paper (June 2010)
- Finance improvement tool published (September 2010).
- *Strategic Financial Management in Councils (September 2010)*

# We will be publishing other work on older people and adult social care soon

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- Financial management implications of personal budgets (Autumn 2010)
- Value for money in adult social care (Spring/summer 2011)
  - Short, timely products
  - Practical focus, with up to date case study material
  - Complementing other work and collaborating with partners
  - Likely themes include the NHS/social care interface, updating DH Use of Resources work, streamlining assessment and care management processes

# Questions and discussion

