

Report to: **Cabinet**

Date: **3 August 2004**

By: **Deputy Chief Executive and Director of Corporate Resources and Director of Social Services**

Title of report: **Delayed Transfers of Care and Reimbursement Grant**

Purpose of report: **To inform Cabinet of the current position relating to Delayed Transfers of Care and negotiations for the use of the Reimbursement Grant**

RECOMMENDATIONS

The Cabinet is recommended to:

1. note the approach taken in seeking to negotiate an agreement for the use of the Reimbursement Grant with Health colleagues; and
 2. agree that additional resources are made available from strategic reserves to fund additional residential and nursing home placements to reduce the numbers of Delayed Transfers of Care.
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1. Financial Appraisal

1.1 The additional 100 placements in 2004/05, over and above current budget provision, would cost £3.6m for the four years 2004/05 to 2007/08, including a part year effect of £0.5m in 2004/05. In addition, in the absence of any agreement not to fine, the County Council would expect fines in 2004/05 to be of the order of £0.3m. The Reimbursement Grant for 2004/05 of £1m will help offset the total cost. In total, therefore, an additional 100 placements in 2004/05 would cost the Council:

	£m
Additional Placements costs to 2007/08	3.6
Fines in 2004/05	0.3
Less Reimbursement Grant	<u>(1.0)</u>
	2.9

1.2 It would not be appropriate to take account of possible additional Reimbursement Grant in 2005/06, in the absence of any agreed approach to the treatment of fines on any 2005/06 delayed discharge cases.

1.3 More fundamentally, while the County Council would be committing to 100 extra placements in 2004/05, the Council could not, rightly, commit to a specific target for resultant delayed discharges per month as this would effectively load an "uncapped" financial risk on the Council (and hence County Tax payers) in a situation where the Council is not able to control the flow of potential cases into the hospitals in the first place.

1.4 It is proposed that the financial cost of the additional 2004/05 placements of £2.9m to 2007/08 is met from the accumulated bed blocking fines reserve. This action will mean that the reserve will be fully committed on the back of the budget decision taken last February to support additional short term investment into Social Services of some £0.7m per annum for 2004/05 and 2005/06.

1.5 This action by the County Council has only been possible by the prudent accumulation of risk provision and strategic financial capacity. It avoids any impact on current budgets for other services. Crucially, the use of the bed blocking reserves at this time means it will not be available – to deal with excess fines etc. – over the medium term as originally envisaged. In addition, its use at this time means

that the reserve can now no longer be considered for any future investment priorities across other service needs across the Council.

2. Supporting Information

2.1 The Council has been seeking to reach agreement with East Sussex Hospitals Trust to use at least part of the Reimbursement Grant to develop new services, rather than paying fines. The agreements are common in other parts of the country. The sticking point is that the Trust wishes the grant to be spent on additional placements, but also expects fines to be paid if targets are not reached. The Council's negotiating position has been that it cannot spend the grant twice – spending it on services is only acceptable in return for a guarantee that no fines will be levied. In addition, the Council has been adamant that it cannot accept an open financial risk falling on its council tax payers. Further discussions are taking place and there will be an oral update.

2.2 Regardless of the real merits of a deal, we argue that there is a need, in the interests of clients, for the Council to consider a further significant initiative. It will be most unfortunate if, in the face of this initiative, the Council still had to pay fines which could have instead been invested in services. Notwithstanding the Council's very challenging financial position, there are concerns about the number of older people with social care needs who are waiting in hospital, and the increase which has occurred in recent months.

2.3 The County Council has taken significant steps in recent years to modernise services, particularly with investment into intermediate care. For 2004/05 the Council has again increased its services to older people, as follows:

- a) number of packages of care provided to people on discharge from hospital increased from 820 to 840;
- b) £1m invested in intensive home care to support older people at home;
- c) 32 additional intermediate care beds (including the opening of Firwood House and additional capacity at Thornwood);
- d) £250k additional investment in occupational therapists;
- e) £200k additional investment in community equipment; and
- f) establishing an Intermediate Care Service at Firwood House, jointly with Eastbourne Downs Primary Care Trust.

2.4 A significant part of the medium term solution must lie with the modernisation of the Health Service. This is set out clearly in the Local Delivery Plan, which establishes a strategic aspiration to reduce avoidable hospital admissions; reduce acute hospital capacity; invest in community health services and increase intermediate care services. Urgent progress is needed on all these measures. In this context this Council has invested very significantly in recent years.

2.5 In order to reduce current levels of delayed transfers, it is proposed to make 100 additional placements in 2004/05 in residential and nursing home care, over and above those already planned. The additional costs and how they will be met are set out in Section 1 of this report.

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