

Report to: **Cabinet**

Date: **8 June 2004**

By: **Director of Social Services**

Title of report: **Health Local Delivery Plan (LDP) and Financial Recovery Plan**

Purpose of report: **To seek Cabinet agreement to the LDP and confirm comments upon which that agreement will be conditional**

RECOMMENDATION -

The Cabinet is recommended to:

- 1 note the content of the Local Delivery Plan; and**
 - 2 agree the County Council's draft response to the Local Delivery Plan, as set out at Appendix 3 subject to any other comments the Cabinet wishes to make**
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1 Financial Appraisal

1.1 The LDP specifically deals with NHS budgets, but also deals with areas of joint work, and areas of activity where there is significant interaction between Health and Social Care. There are therefore significant financial risks to the Council, particularly in relation to the services listed at Appendix 1.

1.2 As the 2004/5 LDP process began, an £18m end year deficit position within the NHS in East Sussex was identified. In addition, there is a 2003/4 projected deficit of £4.8m (net of additional Strategic Health Authority support of £2.4m) which must be repaid in 2004/5. The LDP sets out how these savings will be made, and there are a number of significant implications for Social Services, and the County Council.

2 Background

2.1 The LDP, which is attached to this report (Appendix 4), is the key planning document within the NHS, and there is a clear expectation that it be joint with Social Services. Senior County Council officers have been involved in the process over a number of months.

2.2 There have been a series of meetings with the Strategic Health Authority, which have set out a number of expectations for the four Primary Care Trusts, the Hospitals Trust, and the Mental Health Trust in East Sussex. What has emerged from this is the attached LDP, which is now going to the Boards of each of the six NHS Trusts in East Sussex for approval.

2.3 At the time of writing, the LDP had been considered, on 5 May, by the East Sussex Hospitals NHS Trust. The draft minutes record that:

"The Board supported the broad direction of the LDP but had a number of concerns over intermediate care, delayed transfers of care and decommissioning of services. There should be hard targets and dates for completion."

3 Specific Schemes of Concern

3.1 The LDP raises issues about a number of schemes specific to Social Services and where the Council has a particular interest. These include areas of activity where lack of health investment, or health disinvestment, would have a damaging impact on social care, and service users.

3.2 These issues are set out in detail at Appendix 1, and the draft letter set out at Appendix 3 is intended to convey the views of the Council to our NHS partners.

4 More General Implications for Health and Social Care in East Sussex

4.1 The LDP generally sets out an approach which seeks to reduce admissions to hospital, reduce average length of stay in hospital, reduce hospital capacity and make more efficient use of it, and invest in intermediate care. All of these represent vital modernisation for the Health Service in East Sussex, and the general direction of travel is to be welcomed. It is, however, particularly difficult to make these changes within a financial scenario which involves making savings of in excess of £20m.

4.2 Some aspects of the LDP do not yet make it completely clear the precise actions which will be taken to achieve savings, and the timescales within which they will be achieved. For example, it is not yet clear what reduction there will be in admissions to hospital, nor what reduction there will be in hospital capacity. These changes are crucial to the provision of social care, and it is vital to understand how and when these will take place.

4.3 It will therefore be important to continue to seek clarification from our Health partners about:

- the precise details of changes proposed, where this is not yet clear
- the timescales for implementation of these changes
- delivery of the savings targets.

4.4 Appendix 2, attached, sets out further general detail on the LDP, which is then reflected in the draft letter at Appendix 3.

5 Conclusion and Reasons for Recommendation

5.1 It is recommended that Cabinet note the content of this very important document. Cabinet is also asked to agree the draft response set out at Appendix 3, and identify any further issues which it wishes to raise in its response.

DAVID ARCHIBALD
Director of Social Services

Specific Schemes of Concern to Social Services

a **Children and Adolescent Mental Health Services (CAMHS) - new specific grant**

There is a new ring fenced grant to invest in CAMHS for 2004/5, and it is crucial that this is invested in this area. Reassurance has been sought from PCT Chief Executives, and assurance given that this grant will be spent on CAMHS on a ring fenced basis.

b **Moreton**

The Cabinet are aware of the wish to develop Moreton as a new 30 bedded joint intermediate care service, making use of £1m of NHS capital. For some time there was no confirmation of the availability of NHS funding. Page 14 of the LDP states that "the PCTs will seek to commission the Moreton service with effect from April 2005," and the PCT Chief Executive has given assurance this funding will be available, and that project planning can now move forward. It is important that the Cabinet response should welcome this decision, and seeking the earliest possible progress. There is a joint PCT Board/Professional Executive Committee (PEC) meeting arranged for 16 June, to consider this further.

c **Integrated Community Equipment Service (ICES)**

There has been a national expectation that a new integrated service will be in place in each area by April 2004. Following delays resulting from uncertainty about Health levels of service and funding, a tendering process has been followed, and tenders have been evaluated jointly with Health. Page 13 of the LDP, item 6, states that "this service is currently out to tender. The tender responses have not yet been received, and therefore resource implications are still to be agreed and addressed". As a result, there is not specific provision within the LDP for what is likely to be additional Health expenditure amounting to several hundred thousand pounds. It is proposed therefore that the Cabinet should response should emphasise the vital importance of this investment.

d **Mount Denys**

Mount Denys is a joint venture providing services to older people with mental health problems. At an early stage in the LDP process, there was a suggestion that Health funding might be withdrawn. Following representations from senior officers, the LDP does not now contain any proposals to withdraw this funding, although it has been agreed that there will be discussions to further consider how this service is provided, in the "whole systems" context of overall services to older people with mental health problems. It is recommended that the Cabinet, in the response to the LDP, emphasise the crucial need to avoid withdrawal of this funding.

Further General Issues in the LDP

a **Intermediate Care Development** (pages 11-15)

The development of intermediate care is crucial, and is to be welcomed. The lack of sufficient intermediate care at the moment contributes to current high levels of delayed discharges of care.

b **Reducing Length of Stay**

Reducing average length of stay in hospital is highly desirable, and is to be welcomed.

c **Decommissioning of Care and Demand Management** (page 21)

PCTs believe that there is a need to decommission services, and control access to secondary care services. There is a need to ensure people are not admitted to hospital when they do not need to be, and when they can be more appropriately provided with services in the community.

d **Delayed Transfers of Care** (page 9)

The LDP states (para 5.2.1) that "the planning assumption within the LDP has been that there will be a 50% reduction on 2003/4 planned levels of delayed transfers of care in 2004/5". Throughout work on the LDP, senior officers have made it clear that, while a 50% reduction is a desirable aspiration, there is no certainty that resources will be available to achieve this, and that further modelling will be required to consider what could be achieved within the resources available, and in particular to understand the impact on the whole system of NHS steps to reduce admissions to hospital, reduce hospital capacity, and the impact of new NHS investment in intermediate care and community health. Further discussions are in hand at present concerning this, and also the position concerning fines for 2004/5 and use of the reimbursement grant.

Draft letter from Lead Member for Social Services & Health to the Chair of all NHS organisations, with copies to Chief Executives

Dear Chairman

LDP 2004/5

The LDP was considered at East Sussex Cabinet's meeting on 8 June, and a number of very serious concerns were noted. I write to inform you of the comments made.

Cabinet has been aware for some time of the significant financial challenges facing the NHS in East Sussex in recent times. It now notes a savings target for 2004/5 of £22.8m. Cabinet wished to endorse the overall direction of travel and, in particular, the wish to:

- reduce the number of avoidable admissions to hospital
- shorten length of stay in hospital
- reduce hospital capacity
- reinvest in community facilities and, in particular, in intermediate care.

Cabinet's view is that it is crucial to make significant and speedy progress in these areas in order to provide the best possible modern health and social care services for the people of East Sussex and, in particular, to tackle the serious issue of delayed discharges from hospital.

Cabinet expressed significant concerns about four particular schemes, as follows:

- a CAMHS
Cabinet welcomed the news that the new ringfenced grant will be passported to CAMHS, and has asked officers for confirmation over time that this takes place
- b Moreton
Cabinet warmly welcomes the decision to find Health revenue funding for Moreton with effect from April 2005, and now expects that the project planning for the building works can move forward rapidly, with a view to completing the works, and opening the new service, jointly funded, in April 2005.
- c ICES
Cabinet is very concerned that ICES should be funded during the current year, with effect from the earliest possible implementation of the award of contract. This is a national priority, and both the Department of Health and the Strategic Health Authority have confirmed recently that the creation of a joint service is an imperative. Cabinet notes that ICES is identified as an important issue within the LDP, and would ask for clear assurance that the additional Health funding required will be found within the current year.
- d Mount Denys
Cabinet expressed serious concern about any possibility of withdrawal of Health funding from this important joint venture. Cabinet is very clear that there is no additional funding available within the Council's revenue budget 2004/5 to pick up any withdrawal of Health funding, and as a result any such withdrawal would be an extremely serious matter. Cabinet has asked the Director of Social Services for progress reports on this.

Cabinet particularly discussed the overall changes proposed, and wishes to be informed of precise plans, and timescales as follows:-

- a Reduce avoidable admissions to hospital
 - what percentage reduction will there be?
 - when will this be achieved?
 - what actions will be taken to achieve this, by making alternative provision and achieving cultural and professional change?
- b Shorten lengths of stay in hospital
 - what percentage reduction will there be?
 - when will it be achieved?
 - what reduction in hospital capacity will follow?
- c Reduce hospital capacity
 - what level of reduction will there be? (number of beds and wards)
 - when will this be achieved?
 - what alternative provision will be made? (and when?)
- d Investment in Intermediate Care
 - what new provision will be introduced during 2004/05?
 - what further new provision will be introduced in 2005/06?

Cabinet specifically discussed the issue of delayed discharges and, while wishing to minimise delays, has serious concerns about how this can be achieved. This is of course a joint responsibility, and requires appropriate change, investment, and infrastructure. The County Council has managed very significant change in its services to older people over the past 4 years. Admissions to residential and nursing home care have been reduced by 35%, as a result of significant increases in the provision of support at home, intensive home care, and intermediate care. These fundamental changes have established a new strategic direction away from institutional care, and towards alternatives, and support at home. There are significant parallels within the changes proposed in the LDP. As health and social care are of course a "whole system", it is vital to make these health changes, in order to tackle the joint matter of reducing delayed transfers - something which requires reduction in avoidable hospital admissions, and the development of intermediate care and other forms of support at home.

The County Council has invested an additional £4.4m in Social Services (including an additional £2.9m in services to older people) for 2004/5. As a result, Social Services will maintain the activity levels which it achieved in 2003/4 (which were themselves significant improvements over the previous 2 years), with in addition the following:-

- a an additional 33 intermediate care beds
- b an additional £1m for intensive home care
- c an additional £200k for Daily Living Equipment
- d an additional £250k for Occupational Therapy posts

Cabinet wants to agree jointly how to reduce delayed discharge. To help with this, we need to know:

- a reduced hospital capacity (numbers of wards and beds and timings)
- b the percentage reduction to be achieved in hospital admissions, with some indication of how this will flow through to referrals for social care at discharge
- c the full extent of investment in intermediate care, and the development of other new services.

The length of this letter reflects the importance of the LDP to the Cabinet, and I hope that the comments contained in it are both clear and helpful. I am well aware that the Director of Social Services and his senior colleagues are engaged in ongoing discussion with your Chief Executive, and that their effective and positive working relationships leave us in a good position to resolve these outstanding issues. It is Cabinet's view, however, that these issues are so important that I should write, as Lead Member for Social Services and Health to set out the above points. I very much hope that you will respond to me in writing concerning these important issues.

Yours sincerely

Councillor Joy Waite
Lead Member for Social Services and Health