



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD – 21 APRIL 2021**

**THE IMPACT OF DEMOGRAPHIC CHANGE (OLDER PEOPLE'S SERVICES)**

**REPORT BY GAIL SMITH, INTERIM CHIEF OFFICER**

**ABSTRACT**

Angus Health and Social Care Partnership (AHSCP) is experiencing increasing demand for services due to demographic change. There is a direct relationship between demographic change, demand, capacity, and cost. This report reviews how these factors are currently presenting in Older People's Services, its projects demand and cost into the future and considers their effect on service capacity. It advises of work which is being undertaken, and which will be undertaken, to try to manage demand.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board:-

- (i) notes the content of this report;
- (ii) notes the current demand and estimated increased demand for services, the impact on the capacity and cost base;
- (iii) approves consolidation of this information into the IJB's Strategic Financial plan; and
- (iv) supports the work being undertaken to try to manage demand and the associated costs, this work is overseen by the Improvement and Change Board and progress reported in regular Strategic Planning Updates to the IJB Board.

**2. BACKGROUND**

Report IJB 77/19 provided an analysis of the impact of demographic change and on demand for personal care. This report considers the further growth of personal care in Older People services. The planned number of personal care hours delivered in 2020/21 is now estimated to be c9,000 hours per week. This includes up to 1,400 additional hours per week since April 2020. There are currently increased vacancies in care homes, creating a significant shift of care within our communities. There is now a projected annualised overspend of c£1.4m on home care which is largely attributable to growth during 2020/21. This existing systematic gap between current budget and current spend levels is addressed in separate financial planning reports.

**3. CURRENT POSITION**

**3.1 Current and Projected Home Care Position for Older People**

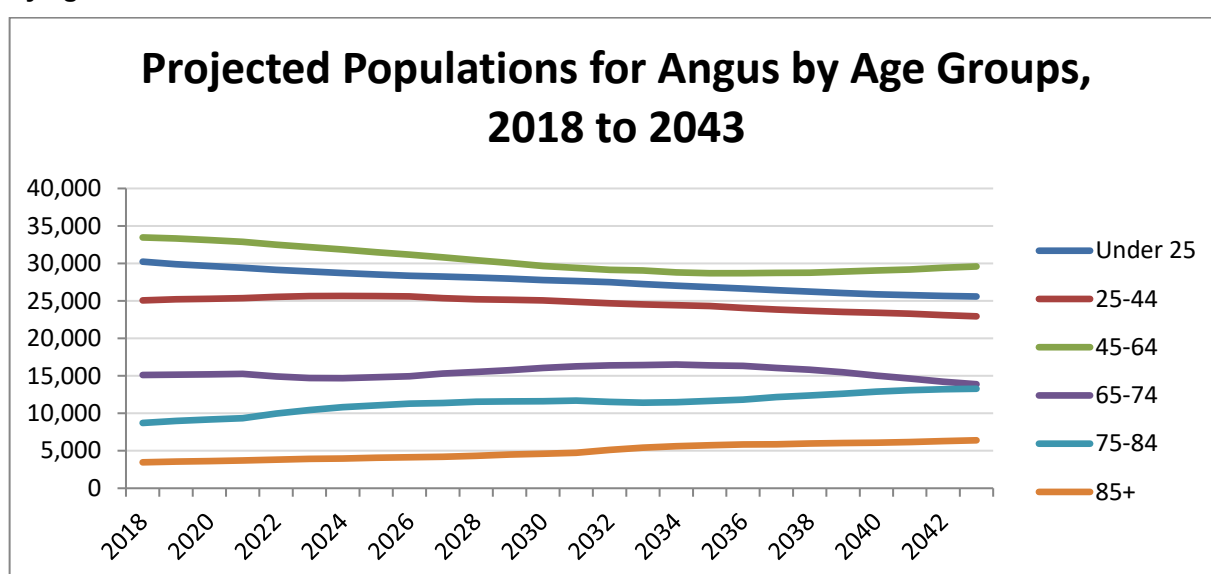
Officers within AHSCP monitor the impact of demographic changes and other changes (such as new legislative demands, and the increased prevalence of health or behavioural conditions) to estimate impact on our services. This is undertaken so that we can anticipate

new or increased demand and plan capacity in our services accordingly, whilst identifying and managing change to our cost base. In an environment where demand often exceeds the available financial envelope, this is a key managerial skill and activity. The most recent report of findings related to pressures on personal care services was presented to Angus IJB in December 2019 (IJB 86/18). This report provides an update to previous projections.

This report will cover the impact of demographic change in relation to older people aged over 65 but uses over 75's as a proxy for demand growth as this is the area where the impact of demographic change has been most significant.

National Records of Scotland (NRS) project that the future population profile of Angus will change over the next 25 years. It is expected there will be a continued reduction in all age groups under 64; that the 65-74 age group will remain reasonably constant and there will be growth in those aged over 75 which impacts most on the provision of Older People Services. This population change is shown in graph 1.

**Graph 1 Projected percentage population change in Angus between mid-2018 and 2043, by age**



Source: National Records of Scotland

These projections are usually 2 years behind and this builds in inaccuracies to any predictive modelling. Currently we are using NRS populations projections based on 2018 midyear populations. Table 1 shows in greater detail, the population growth that AHSCP is likely to experience during the current strategic planning period. The 2020 baseline will change in coming years as NRS updates its work annually.

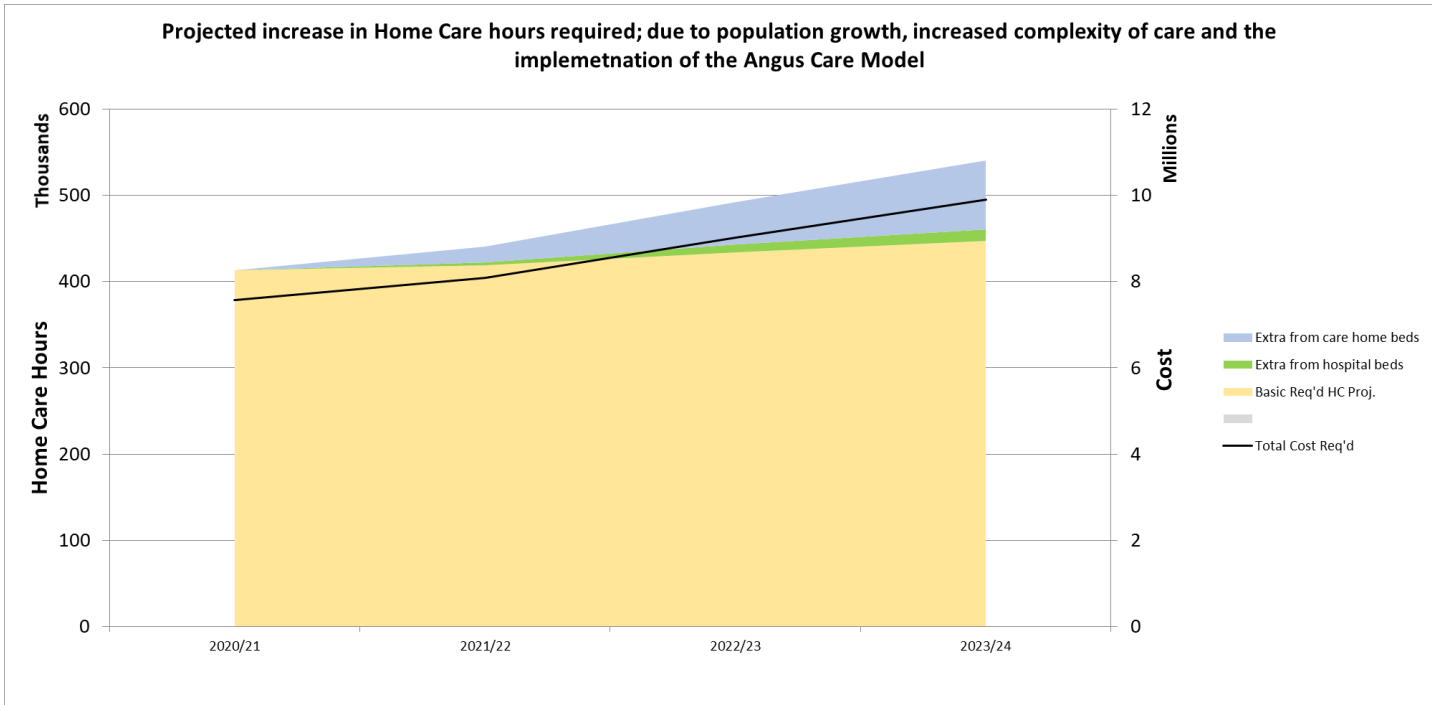
**Table 1 - Older people population growth in Angus 2020-2023**

Age Group	2020	2021	2022	2023	Change 2020- 2023
65-74	15,188	15,269	14,923	14,709	-3.2%
75-84	9,175	9,350	9,971	10,435	+13.7%
85+	3,632	3,700	3,806	3,919	+8.0%
<b>Total</b>	<b>27,995</b>	<b>28,319</b>	<b>28,700</b>	<b>29,063</b>	<b>+3.8%</b>
<b>Growth in Over 65s</b>		+1.2%	+1.4%	+1.3%	+3.8%
<b>Growth in over 75s</b>		+1.9%	+5.6%	+4.2%	+12.1%

Source: National Records Scotland (based on 2016 mid-year population)

Graph 2 below shows how population growth identified in Table 1 may impact on the resources over the next 3 years should no intervention be taken, based on current fair cost of care.

**Graph 2 predicted increase in personal care hours required due to population growth, increased complexity of care and the delivery of the Angus Care Model**



Source: ISD LIST Home Care Growth tool

Table 2 below shows the impact of the demographic change identified in Table 1 on predicted demand for home care for older people aged over 65. Projected growth in home care is based on the recorded home care provision in Care First for the year to the end of Quarter 3 2020/21, and on the current typical support plan of 7 hours per week with additional complexity elements allowed for regarding hospital bed days and for care home avoidance. It is important to note that whilst we have addressed a number of data quality issues there continues to be a lag between the establishment of services and the setting up of agreements on care first. There will continue to be a margin of error in calculations due to missing service agreements and agreements that do not include the correct level of personal care support. We believe that this means that the figures in Table 2 below may be under-reported despite following improvements in data quality.

The following information does not include any personal care delivered through Direct Payments (Self Directed Services (SDS) Option 1) and this will be addressed in the budget separately.

Table 2 includes updated projections of the impact of demographic change and the impact of continuing to develop the Angus Care Model.

**Table 2 Predicted growth in older people's (65+) personal care hours 2020 to 2024**

Financial Year	20/21	In Year Increase	21/22	In Year Increase	22/23	In Year Increase	23/24
Required care for people aged 65+	413,300	10,400	423,700	10,400	434,100	10,400	444,500
Additional personal care impact of Angus Care Model- static hospital bed days	N/A	4,100	4,100	4,100	8,200	4,100	12,300
Additional home care impact of Angus Care model–care home static position	N/A	24,600	24,600	24,600	49,200	24,600	73,800
Total personal care hours required for people aged over 65	413,300	39,100	452,400	39,100	491,500	39,100	530,600
Extra Costs (£K)		717		717		717	
Annual Cost (£K)	7,580		8,297		9,014		9,731

Source: ISD LIST Home Care Growth tool

The increase in costs of services has been smoothed out over 3 years due to the estimated nature of demographic growth. The cost of services, based on 2020/21 Quarter 3 figures from Care First, suggest that £7.6m has been spent on personal care for people aged over 65 in the year to the end of December 2020; and that other things being equal by Q3 2023/24 this will have risen to £9.7m.

The Angus Care Model improves outcomes for people by supporting them at home. It has the effect of channelling demographic growth into personal care budgets and diverting growth from more relatively expensive hospital and care home provision. If service mix had remained the same (i.e. we had not implemented the Angus Care Model) and followed current demographic growth we would have expected that the additional demand on hospital and care home services would have required additional funding in those services.

The above table assumes a static use of acute sector hospital beds by Angus patients. The Angus Strategic Commissioning Plan does assume a 10% reduction in acute hospital bed use by 2021/22 and a resource shift commensurate with this intention should be discussed with NHS Tayside.

### 3.2 Other Older People Services

Beyond homecare, all services which provide support and care for older people will be similarly impacted upon by changes due to the impact of demographic change and the complexity of individuals support packages at home. Over the next 3 years the other services likely to be impacted by demographic growth include:

- **Direct payments (Self Directed Support (SDS) Option1)**

The total expenditure for direct payments for older people during 2020/21 is estimated to be c£1.2m. The budget current sits in a single cost centre within Older People services but the IJB will endeavour to apportion the budget across the care and assessment teams in 2021/22 to increase accountability. It is projected that there will be an additional resource requirement of £150k by 2023/24.

- **Enablement Response Team (ERT)**

The focus of this team is response to community alarm and initial enablement services following first or subsequent referrals for social care. It is anticipated that additional pressure in the short term can be managed by the increased use of technology in the

management of service resources. Thereafter, additional demand would require an additional £140k per annum from 2022/23.

- **Day Care**

Day Care centres have been closed through most of 2020/21 due to Covid-19 restrictions and it is difficult to predict if there will be an increase in uptake after restrictions are reduced. Due to this it has been projected there will be no increase in 2021/22 from historic baselines but there beyond that there will be projected increases of £60k for up to 2023/24. A strategic review is to be undertaken to review day care budgets and any changes of day care model will be funded separately.

- **Older People Care Management**

As more people require support, and as that support becomes more complex, then care management will require more staff to undertake assessments and care planning. Increasingly people become known to social care over the age of 75. The effect of population growth over the next 3 years may require an increase in care management support. Resources are proposed to be allocated from the Carers Act funding in 2021/22, reflecting the associated increased demands in care management, but the service may still require an additional 4 new care managers by 2023/24.

- **Community Nursing**

Separate Scottish Government money has now been identified to support community nursing for the duration of this plan.

- **Carers** – Once the funding from the Carers Act is formalised and embedded in financial plans, then future year growth in those supporting arrangements will also require to be factored into future plans.

- **Community Alarm**

The previous and current Strategic Commissioning Plan has made a commitment to improve the uptake of technology as a means of supporting people away from long term services. Community Alarms are mostly supplied to people aged over 75. The impact of demographic change in the next 3 years suggests that additional alarms and control room functions will require an additional c£60k albeit this will be offset by additional income.

- **Community Meals**

A service review is currently awaiting start to change the staff shift patterns to increase capacity of the service. This will be reviewed separately but growing the service to meet demographic growth over the next 3 years suggests an additional c£60k by 2022/23 is required. This cost will be largely offset by additional income.

- **Telecare products**

There has been a decline in telecare uptake since the introduction of the charge in April 2019. A new charging policy for telecare has now been implemented to try and increase the use of telecare but any increase in uptake will be considered elsewhere.

- **Other Care Settings**

As the Angus Care Model evolves, so the mix of patients and service users in all care settings will also evolve. This could have an impact on, for example, in patient nurse staffing requirements and care homes. An allowance of an additional c£100k per annum has currently been allowed for.

- **Prescribing**

Prescribing resources will be stretched by the impact of demographics as older people are more likely to have multiple long-term conditions, but this will be addressed through the overall Prescribing planning.

A summary of the overall financial impact from projections is set out in Table 3

**Table 3 Cost of demographic change and service change for people aged over 65**

Years	Baseline Spend	Additional Year on Year Cost			Total
	2020/21	2021/22	2022/23	2023/24	
	£k	£k	£k	£k	£k
Home Care <sup>1</sup>	7,580	720	720	720	2,160
Direct Payments (SDS Option 1)	1,220	50	50	50	150
Enablement Response Team	3,480	0	140	140	280
Day care	750	0	30	30	60
Older People Care Management	2,560	0	100	100	200
Other Care Settings	N/A	100	100	100	300
Community Nursing	4,100	0	0	0	0
<b>Planning Total</b>	<b>19,690</b>	<b>870</b>	<b>1,140</b>	<b>1,140</b>	<b>3,150</b>
Community Alarm <sup>2</sup>	500	20	20	20	60
Community Meals <sup>2</sup>	520	20	20	20	60
<b>Grand Total</b>	<b>20,710</b>	<b>910</b>	<b>1,180</b>	<b>1,180</b>	<b>3,270</b>

#### Notes

1. As per table2.
2. Impact shown but offset by charges, neutral net effect.

The above information (“Planning Total”) is allowed for in the IJB’s strategic financial planning. It is acknowledged that the exact pattern of growth will be subject to some variation from the above and therefore an allowance of c£1.05m per annum (£3.15m over 3 years) has been allowed for in financial plans.

As noted in separate financial planning reports, growth in other client’s groups is separately allowed for.

#### 4. PROPOSALS

The aim of this report is to provide the IJB with an illustration of the demand and financial challenges that require to be managed within the current strategic planning period. Demographic change in relation to people aged over 65 will increase demand for services and require additional funding of c£1.05m per year during the current strategic plan.

It is recommended the IJB support the inclusion of this funding pressure in the IJB’s overall Strategic Financial Plan, accepting that any specific allocation to support demographic pressures will be assumed to be dependent on progress with delivery of overall planned interventions and subject to approval under the authority of the Chief Officer. The IJB are also requested to support further work to manage demand and mitigate the associated financial pressures.

#### 5. FINANCIAL IMPLICATIONS

Over the next three years to the end of 2023/24 it is projected that an additional £3.15m will be required to address demographic growth in delivery of services for people aged over 65. Detail is provided in Table 3 which notes the financial impact of change by service area. This detail has generally been smoothed out across the 3 years due to the estimated nature of how the demographic increase will evolve over the next 3 years.

#### 6. OTHER IMPLICATIONS

##### **Demand Mitigation and Financial Management**

It is evident from personal care and other projections that there will be major challenges in the medium and long term in resourcing and staffing services to respond to this demographic

driven growth. There is therefore a recognised need to focus on demand management. Appendix 1 sets out a range of approaches aimed at mitigating demand. Some of these are intended to support individuals to be as independent as possible developing the provision of community based services which deflect demand away from statutory interventions.

## 7. RISK ASSESSMENT

Demographic pressures do present a known specific risk to the IJB and are implicit in the IJB's financial risks. In the context of this report, there is a natural significant degree of estimation required due to uncertainties re future population trends and support required.

## 8. EQUALITY IMPACT ASSESSMENT

This report is intended to describe the changes in demographic demand for older people in Angus and the risks to service delivery which would result if not mitigated. Since the actions identified in the report are intended to help provide that mitigation, and are a response to the changing environment, their purpose is to help prevent adverse impact on vulnerable older people. It is important to note the commitment to strengthening the services which support older people at home, such as day care and care management. An Equality Impact Assessment is therefore not required.

## 9. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

Direction Required to Angus Council, NHS Tayside or Both	Direction to:	
	No Direction Required	x
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

Due to the planning nature of this report, no immediate directions are required, but changes to the quantities of care provided will be evident in due course.

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List of Appendices: Appendix 1 Demand Management Action Plan

## DEMAND MANAGEMENT ACTION PLAN

There are 6 broad areas of improvement work being carried out within the Demand Management Action Plan. Each of the 6 work-streams has a number of actions assigned to it. There are 30 actions in total, with varying degrees of complexity. Progress against all of the actions has been adversely affected by the de-prioritisation of planned work due to Covid-19 and a shortage of capacity in our Improvement and Development Team. Whilst these pressures are easing, and the available planning resource has increased, there has been a loss of momentum against the Action Plan over the last year, which we are only now able to address as part of our Recovery work. With a “fair wind” (for example there being no third wave of Covid-19) we can now press forward with these tasks towards completion. This Action Plan will be overseen by the Improvement and Change Board and progress reported in regular Strategic Planning Updates to the IJB.

Each work-stream is outlined below with a brief summary of progress.

1. **Support, Planning and Brokerage** (focusing on outcome-based commissioning, extending some of the methods in Help to Live at Home to Care Homes, and ensuring good brokerage practice). Three action areas. Around 60 % completion, but commissioning for outcomes work has not progressed due to the required procurement resource being diverted into Covid-19 financial support work for providers of Care at Home and Care Homes.
2. **Budget and Financial Controls** (recognising that current systems do not sufficiently promote budget delegation and controls, focus is in improving debt management, reducing waste, ensuring good ownership of budget responsibilities by care managers, and using Eclipse to mandate elements of the process and improve efficiency). There are 6 action areas which are around 50% complete but “traction” on what is required is promising. The implementation of the new records system (Eclipse) should prove of great assistance but some behavioural and cultural challenges await; limitations on the necessary Council Finance capacity have been a problem.
3. **Process and Efficiency Flow** (focusing on internal processes in the assessment and management of SDS, eligibility criteria and the early intervention that supports it). There are 5 work areas which are around 50% complete. A complicated area but one where a few changes can create overall impetus because of the interconnectedness of the work areas. A high priority is to move personal care only to an equivalence model so that the more complex area of care and support can be addressed separately.
4. **Case Reviews** (an examination of our case review system). There are 2 work areas. This work has not commenced due to Covid-19.
5. **TEC-Technology Enabled Care** (supporting a broad range of TEC initiatives to enable people to live well at home and for longer). There are 7 work areas. Good progress made across the board, around 60 % completion, but a rolling programme of development. This is a key strategic programme in supporting more people to stay at home.
6. **Strength-based approach** (changing the mindset and practice skills of practitioners to have more focus on service users’ strengths and family support; building on what we know are the component parts of ageing well). There are 6 work areas which are around 60% complete. Carers work, preventative approaches, and Ministerial Strategic Group (MSG) actions have all made progress, less so the changes to culture and behaviours.