

Getting to grips with commissioning for people with learning disabilities

April 2007

A report from **Getting to grips with the money**

Summary

Councils and the NHS in England together spend around £5 billion on care and support for people with learning disabilities.

In 2005-06, three-quarters of councils reported facing significant cost pressures in services for adults with learning disabilities, with a combined budget overspend estimated to be over £80 million¹. Spending continues to rise faster than inflation.

The main reasons for this growth are demographic change and the continued reliance on building-based services to meet the bulk of demand. More people need support and the complexity of their needs is increasing. Around 70% of the money councils spend on social care for adults with learning disabilities is used to buy residential, nursing care or day care services. The share used by residential and nursing care homes remains around 50%. This ties councils into long-term commitments to pay for care that is expensive and cannot easily be changed as a person's needs change.

There is limited information available about customer satisfaction and the outcomes being achieved. However, inevitably even the best residential services offer less choice and control

than living in a home of your own.

There is only limited scope for achieving better value for money within the current system of commissioning. Many councils have already tightened eligibility criteria, but spending continues to increase. Benchmarking the costs of residential services can give useful short-term savings, but in the longer term rising demand is likely to push up prices.

In England, over 90 of the 150 councils with social services responsibilities have joined In Control, which enables people to plan and direct their own support using a personal budget. Early results show both an increase in customer satisfaction and evidence that costs may be the same or less than for residential care.

This report concludes that a shift towards self-directed support on a large scale offers the best chance for councils to meet increasing needs and get better value for money.

CSIP therefore plans to change the focus of the Getting to grips with the money initiative. We will work with In Control to develop a broader value for money programme. This will help councils to monitor outcomes and costs as more people take up self-directed support.

The Care Services Improvement Partnership (CSIP) started Getting to grips with the money in 2006. The initiative aims to help councils to respond to spending pressures in services for people with learning disabilities.

Background

Since the *Valuing People* White Paper, published in 2001, government policy has focused on ensuring people with learning disabilities and their families can exercise choice and control over the services available to them. Recent policy documents including the White Paper *Our health, our care, our say: a new direction for community services* have continued to emphasise choice and control. As part of the implementation of the White Paper, the new Commissioning Framework for Health and Well-being for the NHS and local councils² (currently at consultation stage) states that in future commissioning will use:

“..direct payments and individual budgets, wherever possible, to give people more control of their own care and support arrangements.”

In 2005, a report by the Association of Directors of Social Services (ADSS) highlighted the growth in spending on social services for adults with learning disabilities³. Councils were spending more money for several reasons. There are more people with learning disabilities in the population, and

more of them have high support needs. To meet this extra demand, councils have spent more on residential and nursing care. The ADSS concluded that:

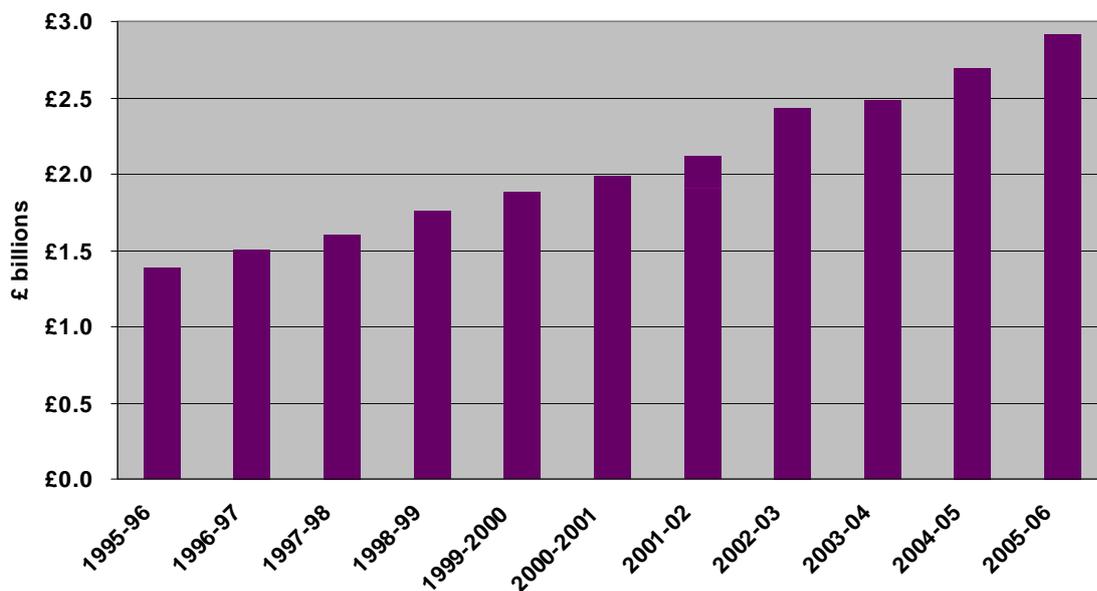
“More expenditure should not be directed to institutional forms of care. There is an urgent need to establish better commissioning of more flexible and individualised support... The focus must be on both better outcomes for people and better value for money.”

Over the last three years, over 90 councils in England have joined In Control. This initiative enables individuals and their families to direct their own support paid for from a personal budget. The report on the first phase of In Control⁴ showed dramatic changes in customer satisfaction and quality of life. Costs appeared to be the same or less than for traditional services.

In April 2006 we started a programme of work called Getting to grips with the money. This aimed to help councils to contain spending growth and to shift money towards self-directed support. This report looks at the scope for councils to improve value for money. It proposes a new value for money programme linked to In Control.

Figure 1 – Spending has doubled in 10 years

Gross spending on social care for adults with learning disabilities (2005/06 prices excluding Supporting People)



Council spending on adults with learning disabilities

Spending has doubled in ten years

The latest information available on spending by councils in England⁵ shows that the trends identified by ADSS in 2005 are continuing:

- Over ten years gross spending on social care for adults with learning disabilities has more than doubled in real terms, rising to £2.9 billion in 2005-06 (Figure 1).
- The rate of increase is substantially faster than the overall growth in spending on social care. When inflation is removed, spending on adults with learning disabilities rose by 110% over the ten-year period, compared with a rise of 73% in overall spending on social care. For every £100 spent on adults with learning disabilities in 1995-96, councils spent £210 in 2005-06 (Figure 2).
- In each of the last two years, spending on adults with learning disabilities rose by eight per cent above inflation, compared with around five per cent for overall

spending (Figure 2)

- As a result, in 2005-06 16% of the total budget for social care was spent on adults with learning disabilities, up from 13% in 1995-96. If spending on children is taken out, councils spend over one fifth of their social care budget on people with learning disabilities.

How councils spend the money

Despite the appearance of new forms of support in the last ten years, councils continue to spend most of this money on residential care, nursing care and day care (Figure 3):

- Of the money spent by councils on adults with learning disabilities in 2005-06, 51% was used for residential and nursing care, compared with 50% in 1995-96.
- This spending is used to support relatively few people. Of the 122,000 adults with learning disabilities receiving services in 2005-06, 37,600 (about 30%) were living in residential or nursing care⁶.

Figure 2 – Spending on people with learning disabilities is going up faster than the overall trend for social care

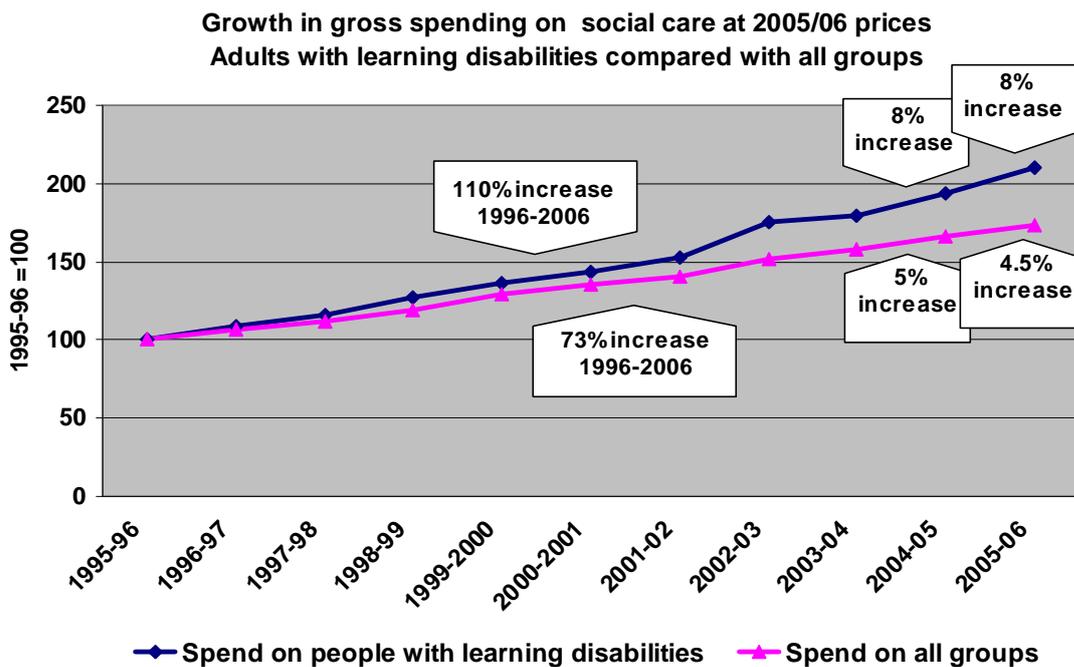
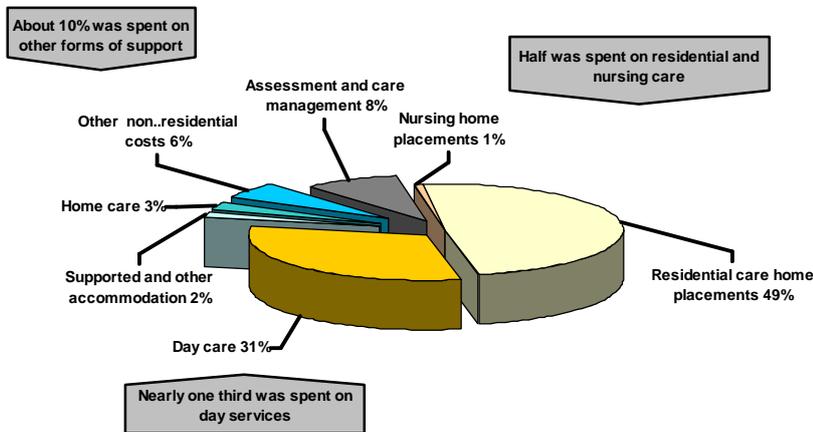
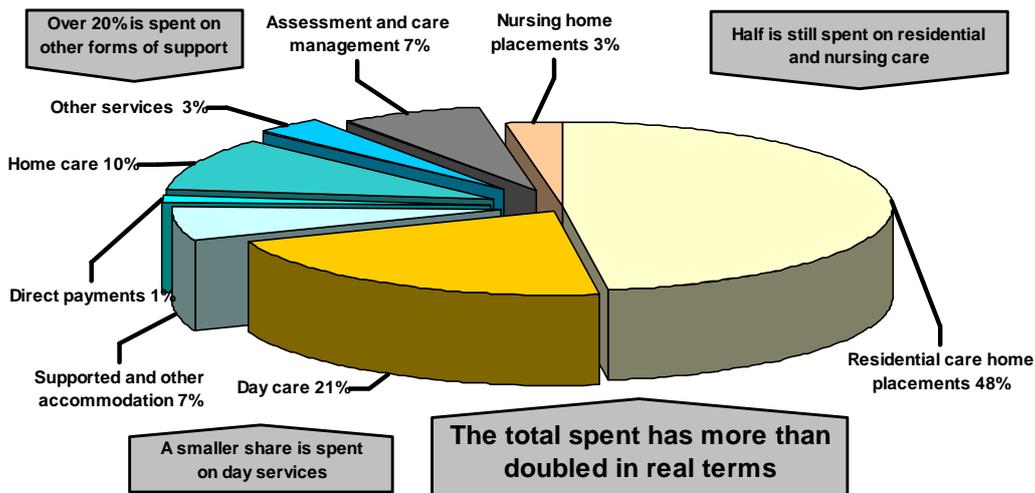


Figure 3 – How councils spent the money

**Social care for people with learning disabilities
How the money was spent in 1995-96**



**Social care for people with learning disabilities
How the money was spent in 2005-06**



- When day care is included, over 70% of the money spent by councils in 2005-06 was used to fund traditional building-based services.
- Spending on support which enables people to live in the community has grown, but is still a much smaller share. Over the ten-year period spending on home care for people with learning disabilities rose from three per cent to ten per cent of the budget, and that on supported accommodation from two per

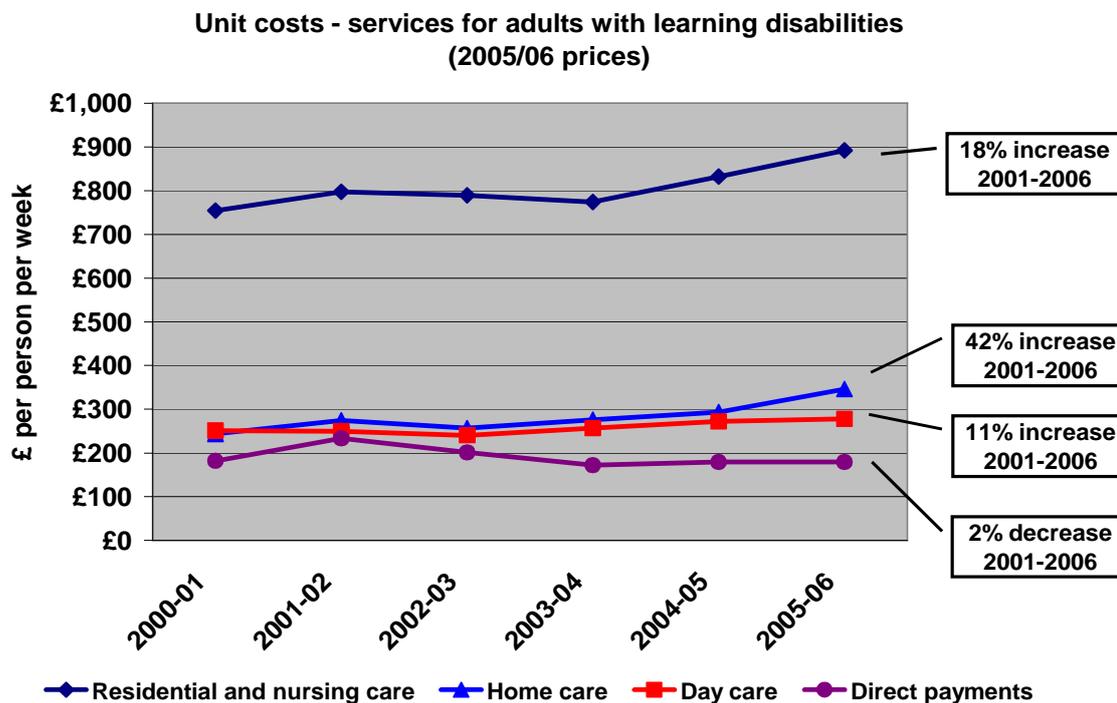
cent to seven per cent. Direct payments made up one per cent of spending.

Unit costs

The unit cost of residential and nursing care for adults with learning disabilities is very high (Figure 4):

- In 2005-06, the average cost of a residential or nursing care placement was £892 per week, up 18% in real terms since 2000-01. The unit cost for home care in 2005-06 was much lower at £346

Figure 4 – Unit costs are rising



per week, but has risen by 42% in real terms since 2000-01.

- The unit cost for direct payments was £179, and has fallen in real terms. This suggests that councils are using this option mainly for people with relatively low support needs or to meet only part of a person's support package.

The recent increases in unit costs may be due to several factors:

- more people who have complex needs
- extra costs incurred by providers to meet the national minimum standards, and
- price increases in a market where demand is outstripping supply.

What is spent from other sources?

Limited information is available about other money spent on adults with learning disabilities. The figures available indicate that the combined spend on adults with learning disabilities from social care budgets, the Supporting People programme and the NHS is in the region of £5 billion.

In 2005-06 the NHS net spend on learning disability was reported to be £2.4 billion, up around 10% from the previous year. This figure includes spending on services for children and older people with learning disabilities. Little information is available on how this money was used. There is some double counting as the total includes money transferred to councils under Section 28a to pay for social care.

The Supporting People programme funds housing related support to people with learning disabilities. Most of this money is used to fund supported accommodation. In 2004-05 councils received £424 million in Supporting People grant for people with learning disabilities. In 2005-06, councils reported spending £388 million on Supporting People services for people with learning disabilities.

The change in the basis of the figures means that the two years cannot be directly compared. If the figures do represent an actual fall in spending of £35 million (8.5%), this would be slightly higher than the overall national reduction (6.8%) in spending on the Supporting People programme. However, services for people with learning disabilities

still make up 23% of overall spending on the Supporting People programme.

What are the results?

We can only judge value for money by looking at the balance between costs and results. There is not very much information available about the outcomes and customer satisfaction in services for people with learning disabilities. This is because the current performance framework for social care is mainly based on process measures. National statistics on healthcare, housing, employment and social exclusion do not specifically identify people with learning disabilities as a subgroup, and so do not provide any comparison with the general population.

A report by the National Director for people with learning disabilities summarised the progress made since the Valuing People White Paper in 2001⁷. This included a wider range of housing options and day opportunities. However, from this and other sources such as a national survey commissioned by the DH⁸, we know that few people with learning disabilities live in their own homes, and few are in paid work.

Eligibility criteria are getting tighter

A survey by the Local Government Association found that councils are increasingly restricting eligibility criteria⁹. In 2005-06, at over two thirds of councils in England, people only received support if their needs were substantial or critical. This means that support is mainly focused on people with high support needs and often is only available when people reach a crisis point. Low level support that could prevent people moving into residential and nursing care is less likely to be available.

Residential care and supported accommodation

The Commission for Social Care Inspection has reported¹⁰ that more residential and nursing homes are meeting the national minimum standards. However, inevitably even the best residential care is not able to provide the same degree of choice and control as living in a home of your own.

We also know from work by councils to review services funded by the Supporting People programme and from the Healthcare

Commission investigation¹¹ in Cornwall that much of the supported accommodation for people with learning disabilities is essentially similar in nature to residential care.

The current system reinforces dependency on services. Many people currently living in residential care or supported accommodation have the potential to live much more independently. People rarely develop greater independence in these services and so do not “move-on”. The lack of choice and control offered by services can result in increased dependency and poor outcomes. For example challenging behaviour and health problems can get worse. The response is often to increase staffing (and costs), creating services that are semi-custodial in nature.

Therefore, the current system of commissioning social care for adults with learning disabilities is resulting on a high spend on relatively few people with the highest needs. There is only limited evidence of improving outcomes.

What scope is there for improving efficiency?

Councils have tried a range of approaches to achieve efficiencies within the existing system of commissioning. These include:

- tightening eligibility criteria to restrict the number of people who get a service
- transferring in-house services to the private and voluntary sectors, often to avoid incurring capital costs in meeting the national minimum standards for residential care
- developing block contracts with the aim of reducing “one-off” purchasing of residential care placements
- developing shared contracting and accreditation arrangements between councils, and
- investigating and benchmarking costs for residential care.

Some of this activity may result in useful immediate savings. One example is work by councils in South West England and the Regional Centre of Excellence to develop a fair pricing tool. This has enabled councils to make an estimated five per cent saving in the

cost of residential placements. Similar work is happening in several other regions.

However, we now need to focus on activities that will achieve both sustained savings and better outcomes.

Getting to grips with the money – work in 2006-07

During 2006-07, the following work has been under way as part of CSIP's Getting to grips with the money initiative:

Spending profiles

Councils taking part have received an analysis of their spending patterns compared with the national average and with other councils in the same region.

Fair pricing tool implementation

Councils in London, which tend to spend a high proportion of their budgets on residential care, are being supported to implement a fair pricing tool based on the approaches developed in the South West and South East.

Whole system financial mapping

Councils and PCTs are taking part in a pilot mapping exercise to analyse spending patterns across the whole care system. This will help to develop an understanding of what NHS money is being used for, and what scope there is for changing the way money is being spent.

Budget modelling tool

We are developing a tool to help councils understand the impact on their budget of increasing needs and different commissioning approaches. The tool will help councils to understand the impact of a shift away from residential care towards self-directed support.

Networking events

CSIP supported an event on demand forecasting in July 2006, and a national conference on the economics of self-directed support in November 2006.

Learning from In Control

Beginning in 2003, In Control has been working with councils to develop a new approach to social care. Councils provide a resource allocation – a personal budget – based on the person's own assessment of their needs. The person decides how to use

the budget to pay for support. This can include use of conventional services, personal assistants and 'natural' support from family, friends and the local community.

Between January 2004 and July 2006 In Control supported six councils to introduce self-directed support for 60 people. By February 2007, 92 councils were taking part, and the number of people now managing their own money using self-directed support had grown to 958¹². This included 469 people with learning difficulties.

An evaluation by In Control of the results for 31 people who took up self-directed support showed improvements in outcomes and some evidence that this could be achieved at the same or lower cost than previously¹³.

- Overall satisfaction with support rose from 48% to 98%.
- On average, people achieved eight out of ten of the goals they had set themselves in less than one year.
- All of those in residential care had left and moved to a home of their own.
- Average costs for councils were 12% lower than under the old system.

Developing a value for money programme for self-directed support

There is therefore evidence that a shift towards self-directed support offers the best chance for councils to meet increasing needs and get better value for money. A large-scale shift towards self-directed support is both possible and likely. It makes sense to focus on supporting councils to make this shift.

The potential benefits and risks are both large. As we have seen, councils currently spend at least 70% of the money on building-based services. Even if direct payments are included, only about two per cent of people using adult social care currently are taking up self-directed support.

Many questions will need to be addressed as use of self-directed support expands. Ensuring value for money is central to success. If new costs are incurred, these will need to be matched by savings elsewhere or be justified by improvements in outcomes.

The provider market will also need help to adjust.

The work being carried out by the councils that have joined In Control complements the major evaluation taking place currently in 13 individual budget pilot sites.

It will be important to “build-in” to the new system of self-directed support the means to monitor outcomes and costs on an on-going basis. This will enable councils to check that the potential gains in value for money are actually delivered as take-up increases, and to understand the whole system costs, for example in council systems for care management and contracting.

CSIP is therefore proposing to work with In Control to develop a value for money programme. The scope of this will include all adult social care, along with children in transition to adult services.

Priorities for this are likely to include work to:

- measure customer satisfaction and costs for everyone taking up self-directed support
- measure the end-to end costs of the transactions involved in setting up and maintaining packages of self-directed support
- reshape council care management and contracting functions, and
- develop capacity in the provider market to meet demand for individual support.

We will work over the next year with In Control, councils and other key organisations to develop this value for money programme.

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