

Implementation of the Comprehensive Spending Review in home care services for older people

Whole Systems Partnership

This project demonstrated the value of using System Dynamics as an aid to strategic change. With this support one Council was able to move forward confidently in realising around £1.5M of savings whilst securing better quality care for its clients and a team of professionals who understood and were committed to the changes.

Background

The Comprehensive Spending Review announcement by the UK Government in 2010 finally brought the financial crisis home to roost for local councils, and to those who depend on them for care and support. The care sector for older people in the UK was at that time estimated as being worth £23bn. Population needs were and are increasing through demographic trends and increased co-morbidities.

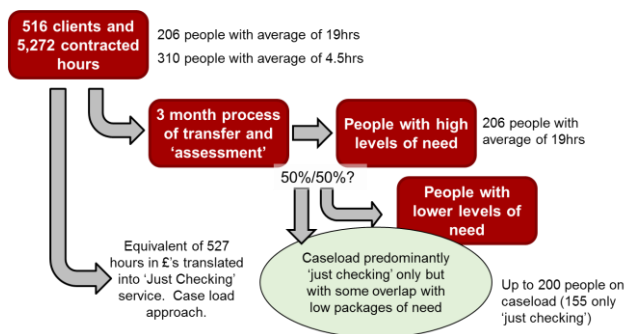
However, Councils traditionally struggle to understand a system that is, by definition, fluid and multi-factorial. The inter-relationships between the perception of care needs, eligibility and the acceptability of seeking support from the Local Authority are complex. The sort of factors that are at play include cultural expectations, socio-economic trends, the nature of assessment and eligibility criteria and the underlying health of a given population.

The Council in this case study had been tasked with reducing this bill by £5.2M – a significant challenge in the context of underlying demographic pressures. The Council’s response to this challenge was to re-commission all home care provision on a locality basis, where there had previously been competing providers in each part of the Council area leading to additional travel time for staff and poor continuity of care for clients. This would lead to efficiencies and improvements in the continuity of care. At the same time all clients currently in receipt of care and support would be re-assessed against a new set of eligibility criteria. Together these represented a complex set of changes with potentially different delivery timescales with the twin goals of meeting important financial deadlines whilst keeping the client’s needs central.

Approach

The Council approached the Whole Systems Partnership to develop a simulation model that would inform and guide them through this process at an aggregate ‘population’ level.

Model conceptualization



The model considered that an initial ‘stock’ of people would be transferred to a new provider at the start of the new contractual arrangements (top left of the diagram).

There would then be a ‘top-slicing’ of 10% of the value of currently contracted hours to invest in prevention.

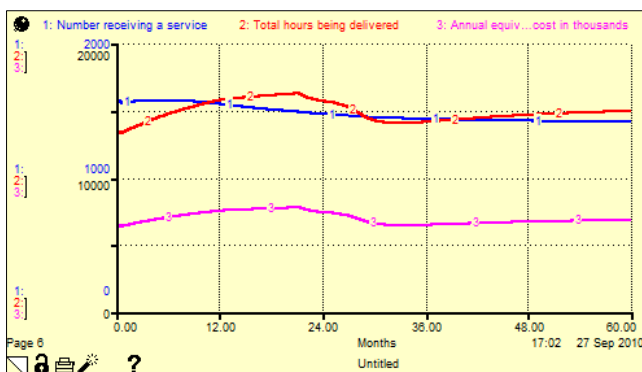
There would then be a transitional period during which people with high levels of need would be reviewed but would largely retain their current levels of support.

Finally there would a period of development during which a new mix of support for people with lower levels of need would be put in place.

The developed model was robust in that it reflected the full spend on home care services as well as the current numbers and future anticipated ‘flows’ of people through the service that enabled “what-if” analysis. The variables that informed scenario generation included contract start dates, contract costs, cost recovery and tier allocation.

Results

Without the introduction of new model of care the cost of home care would be set to increase by nearly half a million pounds over the subsequent 3 years.



The diagram (left) is an illustrative model output showing the alternative planned scenario with the introduction of Neighbourhood contracts from month 21 and no worsening of underlying assessment outcomes. This shows the significant historic rise in the total hours being delivered – line 2 (mirrored in costs – line 3), despite the level or slightly reducing numbers receiving a service.

The introduction of the service model was shown to secure a recurrent gross saving on expenditure of nearly £900k over a 3 year period.

An alternative scenario generated through engagement with the client suggested a tightening of controls on eligibility and assessment outcomes in terms of hours of care provided. This gave the potential for an additional £660k savings each year in the longer term.

Impact and learning

The use of System Dynamics modelling, and the engagement process that is an essential component of the approach, supported this Council to identify and subsequently implement a programme of change that delivered £1.5M of recurrent savings whilst ensuring that services to clients remained of high quality.

The modelling work also helped the client to improve their understanding of the local care system, for example by taking the expectations and contributions of carers into account, involving those tasked with delivering the new service model and enabling the redesigning of the system whilst it is 'on the move'.

The importance of strong relationships and trust between participants in the learning process – sharing assumptions and being willing to have them tested within the modelling environment has led to greater local ownership of the direction of travel, now increasingly informed by this and related System Dynamics project work.

Further information

The full report can be downloaded from:

http://www.thewholesystem.co.uk/wp-content/uploads/2014/07/Steer_Davies_Gleave_Prize.doc

For a Good Practice guide on the use of System Dynamics follow this link:

<http://www.thewholesystem.co.uk/wp-content/uploads/2014/10/SD-good-practice-WSP.pdf>

For further information on the work of WSP visit www.thewholesystem.co.uk

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