

PROPOSAL: TELECARE DEVELOPMENT PROGRAMME

Sponsor

Joint Improvement Team

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Description of the Development Programme

Aims and Objectives

The overall aim of the programme is to help an additional 19,000 people to live at home for longer with safety and security by promoting the use of telecare in Scotland through the provision of a development fund and associated services, thereby providing the foundation on which telecare systems can become an integral part of community care services across Scotland. (*Note: 19,000 relates to care home beds 'saved', we would target 75,000 to be in receipt of telecare services across Scotland in 2010 including 9,000 with a diagnosis of dementia.*)

The objectives of the programme are to

- Reduce the number of avoidable admissions to care homes, and of admissions and re-admissions to hospital
- Reduce the pressure on informal carers
- Reduce the need for other more expensive interventions
- Improve the quality of life for a range of people who benefit from telecare services, mainly older people but also including people with physical disabilities, people with learning disabilities and people with long term medical condition.

The development funding would be available to Community Planning Partnerships and distributed through health, housing and social care partnerships. The deployment of the funding is expected to contribute to the wider health, housing and social care agenda, including contributing to the delivery of the following National Outcomes for Users and Carers as agreed by the Ministerial Steering Group.

1. Supporting more people at home, as an alternative to residential and nursing care, through locally agreed joint service development
2. Assisting people to lead independent lives through reducing inappropriate admission to hospital, reducing time spent inappropriately in hospital and enabling supported and faster discharge from hospital
3. Ensuring people receive an improved quality of care through faster access to services and better quality services
4. Better involvement of carers.

The development fund will also support the achievement of many of the proposals in the Kerr Report¹, specifically the following

¹ *Building a Health Service Fit for the Future*, The Scottish Executive 2005.

- *All NHS Boards to put in place a systematic approach to caring for the most vulnerable (especially older people) with long term conditions with a view to managing their conditions at home or in the community and reducing the chance of hospitalisation*

Organisations in support of the Bid

In addition to those departments likely to commit resources, the Essential Connections Reference Group has been involved in developing this bid. This Group includes representatives from the following organisations and Scottish Executive departments

- Chartered Institute of Housing in Scotland
- CoSLA
- Age Concern Scotland
- ADSW
- Glasgow Housing Association
- NHS Greater Glasgow
- Community Care Providers Scotland
- Scottish Borders
- Scottish Public Sector Ombudsman
- Glasgow City Council
- NHS Lothian
- Older People's Unit, Scottish Executive
- East Renfrewshire Council, Social Services
- Trust Housing Association
- Hanover Scotland Housing Association
- South Ayrshire Council
- Moray Council
- Bield Housing Association
- Key Housing Association
- Angus Council
- Dementia Service Development Centre
- Housing Policy & practice Unit, Stirling University
- Scottish Executive Development Department and Health Department

The proposal is also supported by the Health and Community Care Ministerial Steering Group (MSG)

Benefits projected from the project

The Project aims to support national objectives to enable more people to live independently, in control and in dignity for longer.

Specific benefits are expected to include:

- i. reducing the need for residential and nursing care
- ii. unlocking resources and redirect them elsewhere in the system
- iii. increasing choice and independence for service users
- iv. reducing the burden on carers and providing them with more personal freedom
- v. reducing acute hospital admissions
- vi. reducing accidents and falls in the home

- vii. supporting hospital discharge
- viii. contributing to the development of a range of preventative services
- ix. helping those who wish to die at home to do so with dignity
- x. contributing to care and support for people with long term health conditions

In terms specifically of efficiency, there are both ‘cash releasing’ and ‘time releasing’ efficiency savings, which can be expected.

- (a) The telecare substitutes for more expensive inputs to deliver the same standard of care (e.g. it substitutes for the labour time of a carer otherwise needed to physically be with someone.)
- (b) It leads to superior types of care than can otherwise be provided (e.g. a night movement monitor picks up a changed pattern of behaviour that indicates an underlying health issue that would otherwise have gone undetected).
- (c) It prevents expensive ‘crisis events’ such as hospitalisation (e.g. a gas valve safety that automatically shut off and prevents an accident occurring)
- (d) It enables people to remain in their own home rather than having to move to a more expensive and less desirable care home
- (e) There is potential to encourage regional, or cross local authority, collaboration on procurement and delivery of telecare services.

Restrictions to potential for enlargement

No restrictions to the potential for enlargement of the project have been identified and it would be the intention for this to be a national programme.

The current technology has been shown to be reliable. It is however constantly being improved and becoming more sophisticated offering opportunities for innovation within the project – for example there are now developments using Global Positioning System (GPS) technology to enable movement of service users to be monitored and any unusual patterns to be detected: this has particular application for people with dementia.

Health, housing and social care partnerships are enthusiastic about the value of telecare services and are keen to develop them, although as noted the initial outlay of expenditure for set up and development together with limited knowledge amongst partnerships of the scope and potential of the advancing technology, of the appropriate business models, and of procurement methods has restricted development to date. The core team will enable learning to be shared between partnerships in Scotland, drawing on the growing experience in England and Wales.

Evidence of Effectiveness of Telecare Services

There is a growing body of evidence that telecare services provide people with greater safety and security while maintaining independence for longer. As a result there is a reduction in the need for admission to care homes and other more institutional forms of care, as well as a reduction in the need for, or length of, hospital stays.

There are now a variety of different telecare services, mainly in England. The following are examples of the achievements of telecare services.

- (a) West Lothian has been one of the pioneers of telecare services for older people. They introduced an integrated package of services for older people which have been operating since 1999. Three new services have been introduced – a Home Safety Service, Home Safety Service Plus, and Housing with Care.

The *Home Safety Service* is the core service providing basic home safety and security. The package includes a lifeline unit (community alarm), infra red detectors, flood detectors, temperature sensor and smoke detector. The service is available to everyone over 65 years who has been assessed as needing the service: it has a capacity for approximately 10,000 people (representing around 25% of households with a member aged 65 or over) with 2,400 people currently in receipt of the service. The service is free to users.

The *Home Safety Service Plus* provides more sophisticated assistive technology including a fall detector, wandering alarms, automated reminders, incontinence alarm and chair/bed occupancy.

Housing with Care is at the top level of the overall package of services, with approximately 200 tenancies, each with assistive technology and an onsite housing support team.

Initial investment in the order of £0.750m was made to fund the capital costs of telecare equipment, using funding from a mix of sources including the Council, NHS Lothian and Modernising Government Funding.

The service is the subject of a comprehensive evaluation, with two interim reports already available². These interim reports have focused on the user, carer and staff perspectives: the final report due in summer 2006 will include a detailed financial analysis.

Drawing on the reports already available and on information provided by West Lothian at a recent visit, the following are the main achievements of the service.

- Reduction in the number of patients ready for discharge from 53 in September 2000 to 3 at April 2006. The number of patients who had been ready for discharge for more than 6 weeks fell over the same period from 15 to 0³. This has resulted in considerable savings in hospital bed days⁴
- Cut the average length of stay in care homes from approximately 3 years in 1999 to 16.4 months in mid 2005
- Reduction in the waiting times and lists for social work and OT assessment and service delivery⁵
- Contributed to 'better quality of life by alleviating worries of service users and carers'. This was particularly in relation to falls and home security.⁶

- (b) Northamptonshire County Council's Safe at Home Project, which aims to use telecare services to support people with dementia, and their carers, by using technology to compensate for disabilities arising through dementia that may jeopardise independence.

² *Housing with Care: the first new build development in West Lothian*, Alison Bowes and Gillian McColgan, University of Stirling, Interim Report September 2003, and *Smart Technology at home: users' and carers' perspectives*, Alison Bowes and Gillian McColgan, University of Stirling, Interim Report, February 2005.

³ *Patients Ready for Discharge* at September 2000 and October 2005, ISD Scotland

⁴ As reported by West Lothian

⁵ This and the previous bullet point use information from West Lothian

⁶ This final conclusion comes from *Smart Technology at home: users' and carers' perspectives*, Alison Bowes and Gillian McColgan, University of Stirling, Interim Report, February 2005.

Referral of potential service users is encouraged at an early stage of dementia, as soon as possible after diagnosis: these referrals come mainly from care managers and CPNs and reasons most often given are disorientation, problems with medication compliance, falling and being unable to call for help.

The project started in 2000 with £60,000 funding and has since grown incrementally to become a county wide service using additional funding from social services and health sources. The project depends on strong multi agency partnership. The project is led by Northamptonshire Community Services, working in partnership with the borough housing departments, 3 local primary care trusts, The Alzheimer Society and Northamptonshire Care and Repair.

Safe at Home was the first telecare service to be established in England and Wales, and its work has been cited in several national studies⁷. Over a 21 month period from June 2002 to March 2004, the impact and cost effectiveness of the project was evaluated⁸. Over this period, 233 people with dementia received services through the project. This group was compared to 173 people from a neighbouring area with a similar profile in terms of age, gender and assessed needs. The research found that those receiving services from the Safe at Home project used fewer services, had fewer visits and fewer hours of contact per week, as well as being more likely to live alone, compared to those in the control group from the neighbouring area.

More specifically the research found that

- savings of £1.504m were achieved over a 21 month period for an investment of £0.289m
- the technology was found to be reliable
- 87% of carers surveyed felt that the project had made a difference
- almost half of carers surveyed felt that the project had improved the confidence of the service user
- the odds of service users remaining in the community rather than being admitted to nursing or residential care increased by over 4 times compared to a control group in a neighbouring local authority.

- (c) Durham County Council's piloted a telecare service, the People at Home and In Touch project, in relation to four devices (wandering devices, CO detectors, fall detectors, key safes) for vulnerable clients where these would maintain independence. 148 people received telecare services over a 7 month period from December 2003 to June 2004.

As with the examples above, this pilot was funded jointly from contributions from social services, housing and a neighbourhood renewal fund with a budget of £25,000.

The evaluation found that the pilot had achieved the following.

- Saved 1783 bed days in residential care homes
- Been shown to
 - Facilitate early discharge
 - Prevent inappropriate or early admission into residential care
 - Prevent re-admission to hospital
 - Detect falls and so lessen the long term consequences
 - Initiate a response to emergency situations

⁷ *Fully Equipped – the provision of equipment to older or disabled people in the NHS and Social Services in England and Wales*, Audit Commission 2002; *Assistive Technology, Independence and Well-being*, Audit Commission 2004; *Independence, Well-being and Choice*, Department of Health 2005.

⁸ All findings from *Safe at Home: the effectiveness of assistive technology in supporting the independence of people with dementia*, John Woolham, 2005

- Improve clients' quality of life and give them more choice in their own care arrangements
- Give informal carers respite and peace of mind⁹

Web links to other projects include

www.basildon.gov.uk/80256B8F0031F84D/vWeb/wpAPSY58TCU9

www.bexley.gov.uk/service/housing/bell.html

www.call24hour.com/products.htm

www.charnwood.gov.uk/housing/lifelineandwardenservices.html

www.barking-dagenham.gov.uk/9-council/emergency/comms-centre-careline-form.cfm

Funding Requirement

This proposal seeks funding of £8 million, to be drawn from 3 Scottish Executive Departments to support 3 policy objectives

- (a) provide initial investment to promote telecare services within a strategic whole systems framework
- (b) support effective procurement of telecare services to ensure that they grow as quickly and cost effectively as possible
- (c) educate and build knowledge and awareness of the benefits of telecare services amongst both those commissioning services and those who will benefit from them.

Funding will be used specifically for

- Providing initial funding to health and social care partnerships who must meet the agreed criteria, which includes submission by, and approval of, community planning partnerships. The development funding would be available to provide support to a variety of telecare service models, such as careline services, warden call (scheme managed) systems, extra care housing and could be targeted on particular needs groups (eg. those at risk of falls, people with dementia).
- Developing a centre of expertise to support local Partnerships, in particular by providing guidance and support in the procurement of telecare services. This is likely to require the recruitment of some additional expertise.
- Creating a small fund to enable consistent monitoring and evaluation of the impact of the fund across partnership areas

The development funding would be for initial set up and transition costs with Partnerships being totally responsible for ongoing revenue costs. These ongoing revenue costs will be met in part from optimising capacity from existing services (eg. out-of-hours services, community alarm services) and in part from the savings generated from the application of telecare programmes.

Funding Sources

The proposal has been discussed with the Scottish Executive Health Department, Development Department and Finance and Central Services Department and the following funding has been identified and agreed by officials;

- (a) Scottish Executive Health Department (£3.5m)
- (b) Scottish Executive Finance and Central Services – Efficiency and Reform Fund (£4.0 million)
- (c) Scottish Executive Department – Communities Budget (£0.5 million)

⁹ All findings from *Telecare Service Model Pilot: People at Home and in Touch*, Evaluation Report, November 2004

Estimated financial projections

	Total	2006/7	2007/8	2008/9	2009/10
Overall project cost	£8m	3	5		
Estimated projected benefits	£71m p.a.	-	10	35	71

Piloting

No pilot is required since there is already a body of experience on many aspects of telecare within England, Wales and Scotland. This existing experience will enable the project in Scotland to build from this knowledge base and to develop new approaches to using telecare, efficiently and effectively, to meet national objectives shared between health, housing and care to support independent living.

Within Scotland West Lothian Council has been in the vanguard of national developments in telecare services. Their service provides a mixed model of careline and scheme managed services, which is credited with reducing the level of delayed discharge and cutting the average length of stay in care homes. This service is the subject of independent evaluation, with the final report due in summer 2006.

In England a new grant (The Preventative Technology Grant) commences in April 2006 and has been informed by evaluations of existing telecare projects¹⁰. Wales have also been promoting telecare and telehealth services for a number of years, and again a body of experience is now available.

Additionality

Whilst there is growing evidence of the effectiveness of telecare services in helping people to live independently for longer and with a better quality of life, the pace of development has been slow, particularly in Scotland. The reasons for this relatively slow pace appear to relate in part to the initial development costs in establishing services, with financial benefits from the investment in preventative services not producing savings in other expenditure heads until later years; in addition, there is a lack of knowledge amongst partnerships in Scotland about the scope and potential of the developing technology, of the appropriate business models, and of procurement methods.

Additional funding is therefore required to support transitional costs, and to enable efficient and effective business models to develop to meet defined local needs. It is also required to assist the development of a whole systems approach, supporting the move from individual telecare projects to integrated programmes of services, which should offer better value.

In England, it was decided that the required development would not take place without additional funding. Without equivalent funding, Scotland would fall further behind in the development of these important services.

The proposal includes provision for independent evaluation to be carried out, commissioned by the 'core team'.

¹⁰ Information on different models, illustrations of projects and a variety of strategy and implementation advice can be accessed through http://www.icesdoh.org/doc_cat.asp?ID=6

Relationship to other EG work

This project complements other efficiency and reform work in 3 ways, all of which are current policy priorities

- (a) Promoting services and systems which focus on earlier intervention to prevent or delay the need for more expensive reactive services, in this instance the need for residential care or hospital admission. (The Efficient Government Agenda, Customer First strategy)
- (b) Working in partnership across agencies and functions to make best use of existing resources. (The Shared Services Strategy)
- (c) Generating efficiencies in procurement by sharing information and experience between local partnerships through the core team and the development of a national programme. (The Efficient Government agenda)

Estimated Detailed Financial Projections

The following table illustrates the costs and projected financial benefits associated with the elements of the bid:

Element	Estimates	Totals	2006/07	2007/08	2008/09	2009/10
Core Services ⁽¹⁾	Costs	250k	75	100	50	
	Benefits					
Development Funding ⁽²⁾	Costs	7.75	2900	4850		
	Benefits			10	35	71
	Costs					
	Benefits					
	Costs					
	Benefits					
	Costs					
	Benefits					
Totals	Costs					
	Benefits					

⁽¹⁾ Core services: Programme, Procurement and IT Support Service, admin and evaluation costs

⁽²⁾ Development funding paid to local Community Planning Partnerships against agreed strategic development proposals benefits relate to net savings in the use of care home beds (analysis is provided in Appendices (i) and (ii))

Costs and benefits

(a) Northamptonshire 'Safe at home' Programme: For an investment of £0.289m savings of £1.505m were generated achieving a leverage rate of 1:5 (£5 saved for every £1 invested). This programme applies only to those with a diagnosis of dementia, and if applied across Scotland would achieve an annual saving of £33,210,000 per annum. (See appendix (i) for details of this calculation.)

(b) West Lothian and English 'bid' paper – this adopts a different approach by looking at the cost of telecare plus associated services and sets this against the costs of residential and nursing care homes and hospitals. West Lothian has identified specific reductions in care homes that provide the basis for calculating savings:

- Reductions in length of stay in care homes from 3 years in 1999 to 16.4 months in July 2005, results in 50% fewer beds required to serve the same population group - £5m p.a. saving

West Lothian has a significantly broader client base than Northampton as it extends beyond the relatively small group with a diagnosis of dementia. Details of how the West Lothian savings would apply to Scotland are set out in Appendix (ii). These figures are used as the basis for 'benefits' identified in the tables on pages 7 and 8.

The benefits will be 'time releasing' savings rather than 'cash releasing'. The Range and Capacity Review 2004 projected that the growth in demand for health and community care services due to demographic changes and increased life expectancy may result in a rise in the total cost of health and social care services from £1.4 billion (2004) to £2.5 billion in 2019. Savings realised as a result of the introduction, extension or re-shaping of telecare services will enable some of these projected costs to be met from redeployment of existing resources.

Project Plan

The implementation of this project would build on the principles underpinning the Efficiency and Reform Fund, and those which guide the work of the Joint Improvement Team. Specifically,

- *Collaboration.* The approach, and relationships with Local Partnerships, will be collaborative. Whilst Partnerships will be asked to submit proposals which will be assessed against defined criteria, this will not be on a challenge basis. Rather the intention is to make an allocation 'in principle' for each local partnership (at a minimum of £75,000), with the core team providing advice and support to enable the proposal to meet the specified requirements.
- *In partnership.* The *Essential Connections* programme aims to improve the links between housing, health and social care through more effective partnership working. Telecare systems require partnerships between housing, health and social care in the service design, resourcing (both initial set up and delivery particularly in relation to the staff response to activation). Proposals will only be accepted from local partnerships and must also have the support and approval of the Community Planning Partnership.
- *Whole systems.* Proposals from local partnerships will be expected to show how the proposed development (potentially small scale and limited to a particular client group or service area) links into, and will be extended to support, a whole systems approach to the delivery of local objectives in relation to independent living.
- *Innovative.* The central support offered to local partnerships will promote innovation in local proposals through sharing experience from elsewhere in Scotland and in England and providing expert advice (directly or through 'connecting' with external experts).
- *User & carer centred.* A requirement of all proposals for funding will be that they identify how service users have been involved in the development of the proposal, and how they will be involved in the delivery of the service. In addition, the impact of telecare service developments will be assessed on a consistent and rigorous basis with the views of service users and carers forming a key component.

Local partnerships will be expected to provide information.

- The objectives and scope of their local project, including client group, area of operation, telecare devices to be used and how this project links and contributes to wider partnership objectives to promote independent living (whole systems working)
- The partners involved with the proposal, and a specification of their role in development and implementation.
- How user and carer interests have been included to date and their future involvement
- Overall project development and implementation timescales together with key milestones
- Overall costs for the project, showing development and running costs, the sources of this funding and its status (secured, budgeted, applied for etc), linked to the key milestones for the project development and implementation.
- Outcomes projected as a result of the project, showing numbers of people likely to benefit, resources released and how these will be used.
- Proposals or monitoring and evaluating outcomes and impact.

Phase 3 *Delivery, Promotion and Extension*

September 2006 to March 2008

This third phase will involve the delivery of local telecare projects approved and funded through the proposed development funding. It is anticipated that the implementation period for telecare services with funding from this source will not be ready to begin until September 2006 at the earliest – and this date is likely only to be possible where local partnerships had already begun initial service design and specification.

This phase will however still involve active development of telecare services and programmes, including the following

- (a) Dissemination and information sharing so that experiences (good and less good) of local partnerships (or from England) can inform future work by other local partnerships. There will be particular emphasis on procurement approaches
- (b) Support to partnerships where local circumstances and experiences require modification to a local project
- (c) Active promotion of particular, innovative service developments for development and testing by local partnerships
- (d) Support to local partnerships in further development and integration of telecare projects into partnership wide, all client systems.

Phase 4 *Review and Consolidation*

September 2007 to March 2008

The fourth phase will focus on learning from and sharing the experiences across the partnerships in Scotland in developing, procuring and managing telecare services. Findings from the monitoring of the local projects will be used along with other feedback to review and revise the materials developed at the outset of the project to support ongoing development at local level of telecare systems.

EXTRAPOLATING THE SAVINGS FROM NORTHAMPTONSHIRE TO SCOTLAND

Northamptonshire Programme Savings

The evaluation of the Northampton programme indicates net savings over a 21 month period of 1,504,773 (equivalent tot £860,000 p.a.). This was arrived at by comparing care costs of those involved in the 'safe at home' programme in Northampton with a 'control' group in Essex who received no assistive technology support.

The savings were generated from the following elements:

			<u>21 month saving</u>
• Residential care –			
No of weeks in care home	Northampton	1590	
	Essex	2524	£542,784
• Nursing Care			
No of weeks in nursing home	Northampton	38	
	Essex	225	£111,446
• Hospital Care			
No of weeks in hospital	Northampton	269	
	Essex	604	£1,137,397

	Gross Saving		1,791,627
	'Safe at home' cost		286,854

	Net saving		1,504,773

			(£859,870 p.a.)
			£3,690 per
			person p.a.

(costs based on 2003/4 prices)

Potential Savings in Scotland

There are currently 60,000 people in Scotland with a diagnosis of dementia (set to rise to 80,000 by 2020). This programme aims to provide telecare support to 15% (9,000) of this population by 2010.

Assuming the same level of service improvements achieved in Northamptonshire and continuing to use 2003/4 English prices, the savings generated across 9,000 people in Scotland would be £33,210,000 per annum.

It should be noted that the residential care costs used in this study were £300.17 per week (£15,609 per year) and for nursing care £418.72 per week (£21,773 per yea).

The costs of care home placements in Scotland for 2006/7 have been agreed at Residential Care £406 per week and Nursing Care £470 per week. The net cost to local authorities is £312 per week (residential) and £377 per week (nursing). [The remainder of the fee is provided by DWP and small personal contributions (£3 per week)]. These adjusted costs would increase the level of savings achieved across the public sector.

Costs benefits – Savings from Care Home Bed Reductions

It is difficult to quantify the cost benefits from this initiative due to

- i. the overall growth in demand for health and community care services due to demographic pressures – the pensionable age population is projected to rise as follows
2003 – 958,000; 2011 – 1,040,000; 2021 – 1,074,000; 2028 – 1,218,000
- ii. the range of variables to be taken into account eg availability of a care home bed will enable a more timely hospital discharge or prevention of avoidable admission to the NHS which will enable a more timely and necessary admission – thus transferring the saving
- iii. successful implementation will help increase life expectancy which is likely to increase the number of ‘interventions’ required for the frail elderly

Taking into account the above factors the total cost of community care in Scotland (health and social care) is set to rise from £1.4 billion (2004) to £2.5 billion in 2019⁽²⁾

Reduction in Care Home Bed Occupancy

It is possible to focus on a specific and significant saving that will result from the application of telecare, this being the reduction in ‘length of stay’ period in a care home bed.

Between 2000 and 2004 West Lothian has achieved a reduction in average length of stay from 36 months to 16.4 months. This enables a 50% reduction in the number of beds required if demand remained constant. Achieved across Scotland this would generate a net saving of £118 million per annum. This proposal assumes a lower achievement across Scotland of 30% reduction, giving a net saving of £71m per annum.⁽³⁾

⁽¹⁾ General Registrar for Scotland

⁽²⁾ Range and Capacity Review 2004 (Scottish Executive)

⁽³⁾ Calculation based on following assumptions:

Average cost of care home bed per annum [net cost to local authority, excluding DWP contribution and based on 50:50 nursing/residential care homes]	£17,992
Cost of telecare plus 10 hours intensive home care [Note: average hours per week in Northampton = 5.5 hours]	£6,000
Net saving per care home bed	£11,992
Total number of care home beds in Scotland	38,000
52% of beds are publicly funded	19,700
30% reduction in number of beds required [Note: West Lothian achieved a 50% reduction]	5,928
net savings achieved 5,928 beds @ £11,992	<u>£71,088,576</u>

