

Under pressure

**Tackling the financial challenge for councils
of an ageing population**

Scrutiny guide, June 2010



The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

The impact of an ageing population

Our national report *Under Pressure: Tackling the Financial Challenge for Councils of an Ageing Population* examined how an increasing ageing population will affect the full range of council services used by older people. Those services include leisure, transport and housing, as well as adult care. *Under Pressure* recommended that councils should:

- update their strategies to prepare for the impact of an ageing population;
- build older people's experiences into plans for services; and
- update their approaches to reflect future roles in preventing health and social care costs.

Under Pressure also recommended that councils with social care responsibilities should:

- benchmark social care costs;
- take action to reduce residential care costs to below the Department of Health's suggested target of 40 per cent of the older people's care services budget;
- plan for change to meet financial challenges; and
- deliver better value for money and better outcomes for older people through work with partners and older people themselves.

The role of scrutiny

This guide will help members of overview and scrutiny committees to assess the extent to which councils and their partners are responding to the financial impacts of an ageing population. The questions are targeted at scrutiny members. They can also be adapted to help local strategic partnerships, primary care trust (PCT) boards and health audit committees review how well they are doing.

The overview and scrutiny function of a council should provide critical and practical challenges to the priorities, plans and services of the council. Overview and scrutiny can help improve the quality of decisions by the council and manage risks.

The financial impact of an ageing population may be an important area for scrutiny where:

- the council spends large amounts of public money on older people;
- other local services need to adapt to the different needs of an ageing population; and
- spending on older people will come under increasing pressure as the population ages while public spending reduces.

Scrutiny can consider these difficult issues away from the pressures of service delivery. It can take a step away from individual services to look at the way the full range of council services supports older people and how other partners contribute to a preventive approach.

Scrutiny can also provide members of the public, including local older people, with an opportunity to communicate directly with the council and to express their concerns about older people's wellbeing.

Using this guide

Scrutiny members should consider making scrutiny of the local response to an ageing population a priority if:

- the local population has a high or growing proportion of older people, for example as older people move into the area on retirement;
- the medium-term financial plan identifies services for older people as an area of significant risk;
- the council's Older People's Strategy and Sustainable Community Strategy identify action to protect older people's wellbeing as a high priority; or
- there is significant local public concern about older people's wellbeing.

This guide begins by setting out questions that scrutiny members can use to assess the current arrangements of their council. It will help you to focus your review and decide where your council needs to change.

The guide then sets out questions for scrutiny members and others to challenge the council's, and partners', response to an ageing population. These questions follow the framework of recommendations in *Under Pressure*. They cover:

- knowledge and information about the local ageing population and its impact on local services;
- strategy, planning and partnership working to respond to the impact of an ageing population; and
- costs, spending and value for money.

Finally, this guide highlights sources of information about good practice from *Under Pressure* and its associated tools. It will help you to identify practical ways to improve your council's approach and the approach of partners. It also lists other Audit Commission materials and sources of information that will help you overcome any barriers to local improvement.

How does your council currently respond to the needs of the local ageing population?

Councillors engaged in scrutiny should consider the following questions to understand the current position of their council:

- What are the local views and concerns about older people and the services they use? What are the main concerns of older people themselves?
- Does the council have an Older People's Strategy? What priorities does it identify?
- How is the council performing against national indicators on older people? (See [Appendix 4](#) of *Under Pressure*.)
- How much is the council spending overall on services for older people? What proportion goes on care services for older people? How does this compare with what other councils spend on the same areas?
- At what level of need are local people eligible for social care – low, moderate, substantial or critical?
- How are other services preparing for the impact of an ageing population? Are they age-proofed?
- How is the contribution of older people, through volunteering and community activity, developed and managed locally? What support does the council give to older carers?

Challenge questions

These questions should help you to challenge and understand the council's approach to an ageing population. You can put them to executive members and council officers. You can also use these questions in open hearings or in written requests for information. If your committee has officer support, the questions can be the basis for their workplan.

What do you know about your local ageing population?

- What do you know about the impact of an ageing population on council services, council finances and local communities? What data do you have to back this up?
- How do you find out about the needs and preferences of local older people? How do these influence council services?
- Are services flexible enough to meet the diverse needs of older people?
- How are you measuring the long-term impact of local services on the health and wellbeing of older people?
- How do unit costs of older people's care services compare with other, similar, areas? What are the causes of any higher or lower spending?
- Do those responsible for mainstream council services such as housing, leisure and transport understand the cost impact of the local ageing population? How does information help them plan and design future services?

- How well does the council provide managers and members with information about older people and costs to help inform their decision making?
- How well does information about local older people form the starting point of your Older People's Strategy and joint strategic needs assessment?

Practical ideas from *Under Pressure*

- The length and breadth of the impact: [Table 1](#). This supports analysis of the impact of an ageing population on the full range of council services
- [Case study 10](#): Using age data to support difficult choices. Wychavon District Council used information about older people to help decide whether to offer them free swimming.
- [Case study 4](#): Sponsored mutual aid. This example from Leeds City Council shows how older people can take the lead on providing support, activities and information for one another.

Further information

Our web-based map of tools and guidance for planning for an ageing population is available at www.audit-commission.gov.uk/planningforanageingpopulation

The Audit Commission report *Don't Stop Me Now: Preparing for an Ageing Population* contains examples of:

- improving services by involving older people;
- the diversity of local older populations;
- the services older people use; and
- how to make services accessible to older people.

It also includes population projections up to 2029, by council area.

It is available at www.audit-commission.gov.uk/localgov/nationalstudies/dontstopmenow

How do you plan for the impact of an ageing population?

- How do you reflect older people's needs and experiences in the council's strategic objectives and priorities and in individual service plans? How will they deliver the things that older people value and need?
- Are older people's needs met now? How might this change in the future? What impact will future cuts in public spending have on older people and the services you provide for them?
- What methods does the council use to understand and manage the expectations of older people?
- How far do you review and update service strategies to take account of changes in the ageing population? How are older peoples' needs reflected in the Sustainable Community Strategy?
- How are adult services linked with other services to support the wellbeing and health of older people? Do those responsible for universal services such as leisure, culture and transport understand their contribution to the wellbeing of older people?
- How do you work with partner organisations in response to an ageing population? How effective is partnership working in meeting the needs of older people?
- Does your council's medium-term financial plan reflect changes in the ageing population?

Practical ideas from *Under Pressure*

- [Case study 2](#): Flexicare housing. Hertfordshire County Council's flexible housing model provides more choice for people with a wide range of care and support needs, while delivering cost savings.
- [Case study 3](#): GP leisure referral scheme. Hartlepool Borough Council and the PCT jointly fund a scheme providing GP referrals to leisure facilities.
- [Case studies 5 and 6](#): support for carers and telecare services. North Yorkshire County Council's development of telecare services is providing better and lower-cost choices for home care service users and for carers.

Further information

The Commission report *Is There Something I Should Know?* discusses how to use information about services in decision making. Related tools, resources and good practice examples are available at: www.audit-commission.gov.uk/localgov/nationalstudies/istheresomething

The Audit Commission report on local strategic partnerships, *Working Better Together?*, is supported by a delivery chain tool, which you can use to assess effectiveness of methods of delivery. This is at: www.audit-commission.gov.uk/workingbettertogether

How can you improve value for money?

- How are local services taking a preventive approach to protecting older people's health and wellbeing?
- How will services adapt to take account of tightening financial settlements?
- How well do you target resources at the services that older people value most? Are older people involved in designing and providing services? How are older people involved in designing and evaluating services? How do they volunteer to help provide services?
- How do you assess value for money? How does spending on services for older people in your council compare with that in other, similar, councils?
- How do you ensure that providers give a good service at a good price?
- How do you investigate whether different ways of delivering services could give better outcomes for older people?
- How will you reduce spending with minimal impacts on older people? How can current services deliver more for less, or the same, cost?
- How will you reduce, or end, duplication of local services for older people?
- How can you save money through collaboration with partners or across different council services? Are local partners developing joint financing arrangements for services that older people use?
- How can you stop spending on services that older people do not want?

Practical ideas from *Under pressure*

- [Box 3](#): Medium-term financial plan self-assessment
- [Table 3](#): How to control your costs
- [Box 5](#): Cost self-assessment
- Case studies [6](#) and [7](#): Savings through telecare. Yorkshire County Council and Essex County Council make substantial savings through developing different models of care provision.

Further information

Information about unit costs in health and social care are available from the NHS Information Centre at www.ic.nhs.uk/social-care and the Personal Social Services Research Unit at www.pssru.ac.uk

The Audit Commission report *Means to an End: Joint Financing Across Health and Social Care* discusses options for making better use of joint financing. It is available from: www.audit-commission.gov.uk/meanstoanend

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We welcome your feedback. If you have any comments on this report, are intending to implement any of the recommendations, or are planning to follow up any of the case studies, please email: nationalstudies@audit-commission.gov.uk



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