



the place
to live

Council Report

Process of Decision Making

Released at Council Meeting
on Monday 21 May 2018

8. CONSIDERATION OF REPORTS

8.1 AGED CARE REFORMS- PROCESS FOR DECISION-MAKING & RESPONSE TO PETITION

Author: Coordinator Access and Support
Manager Aged and Disability
General Manager Community

Reviewed By: General Manager Community

PURPOSE

This report proposes a review and consultation process to inquire into how can Council best create an age-friendly city, and how can Council best provide services, programs and facilities for older people into the future. The report also considers a recent petition from community members concerned about the future of Council's services for older people.

An expert panel is proposed to consider research and evidence, prepare a discussion paper, and invite community consultation. The panel would then finalise a report with recommendations for the Council.

EXECUTIVE SUMMARY

Darebin Council is committed to creating an age friendly city where our older people can live well, and are empowered and valued. The Council has a proud history of providing services to older people, funded substantially by the federal government.

Federal funding reforms have already changed how older people access aged care services in Australia. Further federal changes (from probably mid-2020) will end block funding to service providers such as Darebin Council. This will have complex impacts on how services can be provided and how clients will experience services.

These past and future changes are causing concern in the Darebin community. Council received a petition in April 2018 urging the continuation of Council's aged care services. Many of Council's aged care clients are worried about their future access to quality and trusted services.

This report proposes that Darebin Council should conduct a review and public consultation process not just about Council's existing services, but about how can Council best create and foster an age-friendly city.

This review process would include consideration of how the Council can best use its resources to create an age friendly city, now and into the future, including issues of:

- Social inclusion and civic participation;
- Built environment, transport and housing;
- Community support and health services (including consideration of a range of options for future provision of existing Council services, and for potential new services and facilities).

An expert panel is proposed to conduct the review and consultation process. Proposed terms of reference are attached. The review would take place from late May 2018 – February 2019.

Recommendation

That Council:

- (1) Establish the Review Panel on Creating an Age Friendly Darebin, with terms of reference as attached as **Appendix B**.
- (2) Appoint _____ as members of the Review Panel.

BACKGROUND / KEY INFORMATION

The proposed review will consider and recommend how to create an age friendly Darebin, which will include consideration of how the City of Darebin should provide services to older people in the longer term future. Below is some background about Darebin's services to older people.

History

In 1984 the Home and Community Care (HACC) program was implemented by the federal and state governments. The program was embraced and co-funded by Darebin council, and most other local governments in Victoria. It was enthusiastically adopted as a platform for council support of older people and people with disabilities to live independently at home. Darebin Council has been a prominent local provider of home and community support services during that time.

In other states local government did not take up this level of involvement in HACC, and a variety of other models evolved.

The introduction of the Living Longer Living Better legislation (2012) and the National Disability Insurance Scheme (from 2013) introduced a whole new era of aged and disability services across the country. Through changing the mechanisms of funding, the federal government aimed to create better consumer choice for clients.

The Commonwealth Home Support Program (CHSP) commenced roll-out for all states in 2015, except Victoria and Western Australia. However the Commonwealth and Victorian Governments agreed that special transition provisions would apply in Victoria until 1 July 2019. This saw the continuation of 'block funding', a stability of funding commitment and establishment of a Victorian Regional Assessment Service (VRAS).

Current status

The Commonwealth Government has recently indicated that it will extend Regional Assessment Services (RAS) and CHSP funding arrangements for an additional year to July 2020. The extension will be a separate one-year contract which is yet to be negotiated.

The Commonwealth stated intention is for a fully open and competitive market to operate after July 2020. However, details of how the Commonwealth government will implement the reforms are still emerging, and there are many details which are not yet known.

Darebin services

Darebin Council's core suite of services is: Domestic and Shopping Assistance, Personal Care, Respite, Home Maintenance, Delivered Meals and Social Support Groups.

Service volumes for most (not all) of our aged care services have been falling steadily for the past 10-15 years, with some services experiencing sharper declines than others. This experience is shared across most council providers.

There are multiple causes of this decline. The introduction of My Aged Care and the NDIS are key changes that have affected the ratio of arrivals to departures of our clients, and there are other factors as well.

Council's current net budget for these services is expected to be over \$6 million in 2017/18. See **Appendix A** for more details.

Other service providers also provide many of these services to Darebin residents. The range and number of other service providers will increase as the new Commonwealth funding model is implemented.

Extension of block funding to 2020

Council currently has a grant agreement with the Commonwealth Department of Human Services to deliver Home Support which will expire on June 30 2019. It has been announced that a one year extension, to June 2020, will be offered. Details are not known, however, based on available information it is expected the new agreements will

- Be offered to existing CHSP service providers.
- Be issued for consideration with a window of only a couple of months to sign and submit (probably from April 2019).
- Include conditions for providers to focus on delivering services using a wellness and reablement approach, to support and promote client independence.
- Maintain existing funding levels, as per providers' existing agreements (subject to any decline in service targets).

At this stage Council staff would expect it is highly likely Council would choose to extend its funding until June 2020.

Proposed review

Given the reforms and changes, service providers across Australia, including affected Councils, have been reviewing the way they provide aged care services. This report proposes conducting a wider review which addresses existing and future aged care services, while also considering how Council can best create an age friendly city.

Since Council's services to older people originally commenced, the community, the service sector, the funding structure and the living situations, needs, concerns and preferences of older people have changed, and will continue to change. Council has a responsibility to consider the support needs now of older people and current clients, as well as older people into the future.

Further investigation and consultation with clients and the community is needed in order for council to decide its future role in services, supports and advocacy for older residents. The purpose of this report is to seek council endorsement of a specific approach to the decision-making process.

A clear path toward a decision regarding the long term role of Council in aged care services and advocacy is needed due to the complexity of the question and the level and range of concern in the community regarding the possible impact of federal government changes.

This report and attachments outlines principles to guide this process and proposes key messages for the client and community consultation.

The outcomes of these reforms will have impact on the quality of life for senior citizens in Australia especially as more and more people seek to age in place, in their homes.

Previous Council Resolution

The matter was previously the subject of a resolution at the 13 February 2017 Council meeting. Since that date, a number of working group meetings and Councillor briefings have been held.

That:

- (1) Council establishes a working group to develop a framework for an Inquiry into how Council can continue to provide quality in-house Aged Care Services in view of the Federal Government's decision to cease block funding (from July 2019) traditionally implemented by Local Government Home and Community Care (HACC) programs.*
- (2) The Working Group will compromise of interested Councillors and will be supported by relevant Council officers. The working group will meet on a regular basis in the following months to develop terms of reference for the Inquiry and develop options, including a consultation process, on how Council can continue to provide quality aged care services for Council's consideration at its first meeting in May 2017.*

COMMUNICATIONS AND ENGAGEMENT

Consultation

A range of community consultations have been undertaken over the past year to help understand the priorities for older people in Darebin. This includes a community survey, focus groups and community information sessions conducted over the past twelve months. This community feedback is very valuable and will form part of the material considered by the proposed review panel.

Two of the key themes arising from previous consultation are:

- Social connection and inclusion is critical, and should be at the centre of everything Council does.
- Many clients of Council's aged care services are concerned that a different service provider may not be as trustworthy as Council, for instance in vetting and supervising employees.

In addition a petition was tabled at the 30th April 2018 Council meeting, with 1,222 signatures. The petition stated:

"We the undersigned residents and ratepayers of Darebin, petition Council to publically commit to maintaining its current role as a provider of aged care services including transport, cleaning, personal care, meals, home maintenance and respite care, into the future.

We urge council not to abandon its role in providing the above aged care services in view of the Federal Government's privatisation agenda of aged care services.

We are proud that Darebin Council is a long-standing provider of high quality aged care service and has built a strong and trusted reputation as a preferred provider with elderly residents and their families in the community.

In Darebin 25,534 (ABS 2011) (18.8% of the total population) are aged over 60 and many are receiving or will soon require, support services to enable them to remain in their home.

We firmly believe that current and future aged community members should continue to have the choice to receive home care services directly from trusted and committed Darebin Council staff."

The petition, along with other feedback to date from community and clients underlines:

- Current community expectations that Council has an ongoing role in supporting, providing services and advocating for older residents.
- Various levels and range of concerns, about the changes to aged care, held by many older people and those who care about them.
- Apprehension in the community regarding a market based aged care system.
- The need for a decision-making process that transparently delivers on due respect and diligence to the complexity of the matter, and that considers all concerns in an informed and consistent manner.

All of these important issues will be considered as part of the proposed review. The review will also consider the complexities of the federal government's funding reforms, and the real impact this will have on how services can be provided and funded.

The proposed review will include provision for community members, clients, staff and stakeholders to consider an options paper and make submissions, with a particular focus on:

- Clients
- Clients and stakeholders from CALD backgrounds
- Active and Healthy Ageing Advisory Board
- Community stakeholders

Two rounds of consultation are proposed as part of this process, over August 2018 – December 2018.

See **Appendix C** for the draft communications and engagement plan. This will be considerably detailed and expanded upon once the proposed panel is established.

Information materials and information and engagement sessions will be provided in key community languages.

Communications

See **Appendix C** for the draft communications and engagement plan. This will be considerably detailed and expanded upon once the proposed panel is established.

ANALYSIS

Alignment to Council Plan / Council policy

Goal 2 - Opportunities to live well

The strategic decision-making around aged care services must be made in the context of Council's commitment to create opportunities to live well, and Council's commitment to an Age Friendly City.

Environmental Sustainability Considerations

The decisions around aged care services and reform are not expected to directly affect environmental sustainability within Darebin. However, all Council services must be delivered and designed in a way that reduces impact on the environment and maximises sustainability.

Equity, Inclusion and Wellbeing Considerations

The future of aged care services profoundly impacts inclusion and wellbeing for Darebin's older people. Equity, inclusion and wellbeing will be key considerations for the advisory panel and for Council.

Cultural Considerations

Council's services for older people provide important services to residents of diverse cultural backgrounds. Healthy and active ageing services and programs can support older people's participation and engagement with culture.

Economic Development Considerations

Darebin Council currently employs about 220 people in the area of aged care services, many of whom live locally. Economic development considerations are not otherwise a key consideration for the review except as far as they may support an age friendly city.

Financial and Resource Implications

Council currently net subsidises its services for older people by over \$6 million per year. This figure is calculated after considering the subsidies from federal and state governments which were over \$7 million for the 2016/17 year. The federal government funding reforms will certainly change financial allocations by federal and state government.

The proposed review in this report is estimated to cost up to \$250,000, including costs of the panel, consultation and engagement, and communications with clients and community. This will be funded principally from the 2018/19 budget which includes \$200,000 to support an Age Friendly City. The shortfall will be recommended for adjustment in the final budget.

Legal and Risk Implications

Key risks include:

- Clients suffering fear or anxiety that they will lose essential services. This emphasises the need for consistent and accurate communications from the Council to clients.
- Clients choosing alternative services (or being assessed as eligible for a higher level of service) and therefore leaving Council's services. This can result in a neutral or positive outcome for clients, however may result in Council not meeting funding targets.

- The need to care for our employees who provide services in the aged care area. This is a key principle of the proposed decision-making process.

A key legal issue beyond mid-2020 may be the application of competition policy to Council's services to older people. This may limit the way that Council can subsidise services in the future market for the provision of aged care services.

DISCUSSION

Proposed purpose of review

As set out in the proposed terms of reference (**Appendix B**), the proposed purpose of the review is:

1. The Advisory Panel on Creating an Age Friendly Darebin will collect and consider evidence, ideas, and community input about how Council can best create an Age Friendly Darebin where older people are valued, supported and empowered to live well, including but not limited to these topics:
 - (a) Social inclusion, social and civic participation
 - (b) Built environment, transport and housing
 - (c) Community support and health services.
2. In considering community support and health services, the panel will consider Council's future role in providing services, programs and facilities to older people post-2020 within the context of changing community needs, the federal My Aged Care system, federal funding reform.

These options must be considered and investigated:

- i. Continuation of existing Council services to older people
- ii. Expansion, growth, reduction or adaptation of existing Council services (including consideration of whether council can become a provider of home care packages)
- iii. Transitioning clients of identified existing Council services to other service providers over time
- iv. Establishing new or additional services, programs or facilities for older people.

The impact of competition policy must also be considered when assessing the options.

3. After collecting information and evidence, and hearing community submissions and feedback, the panel will prepare a report making recommendations to Darebin Council on the above topics.

Proposed principles for conducting the review

Proposed principles for conducting the review are set out in the terms of reference (**Appendix B**) as follows:

1. Darebin Council is committed to an age-friendly city which values, supports and empowers older people – so that older people can live well, be healthy, be socially connected, and live independently within their community.
2. Older people must have access to the quality services, programs and facilities that they need. In particular, vulnerable and disadvantaged older people will need additional support.
3. Darebin Council intends to have a long-term role in supporting and advocating for the wellbeing of older people.

4. Darebin Council is committed to maintaining investment in the health and wellbeing of our older residents. Council must also ensure that we spend our resources responsibly for the benefit of older people.
5. Darebin Council cares for its clients and for the Darebin community. We will consult and communicate openly about the decision making process.
6. Darebin Council cares for its staff. We will consult and communicate openly with staff about the decision making process.
7. Darebin Council must at all times comply with legislative and regulatory requirements.
8. The review must take into account that the lifestyle, work and needs of older people are changing and will continue to change into the future.
9. The review must consider innovative models of service provision, initiatives and programs.

Membership of panel

Separate confidential advice will be provided to Councillors with a recommendation on the membership of the panel.

Other options for decision-making

If Council wishes not to establish an expert panel to conduct the review into creating an age friendly city, there are other possibilities:

- A. Staff prepare a discussion paper, conduct a consultation process and report back to Council with recommendations.
- B. An independent consultant is commissioned to prepare a discussion paper, conduct a consultation process and report back to Council.
- C. An independent review panel is established and the review is focused on Council's existing and future role in service provision, rather than also making recommendations about creating an age friendly city.

IMPLEMENTATION STRATEGY

Details

A review panel is proposed to conduct the review into creating an age friendly Darebin. The proposed terms of references are at **Appendix B**.

Communication

A draft Communications Plan is provided in **Appendix C**.

Timeline

- Panel commences late May/early June 2018
- Public discussion paper issued July/August 2018
- Consultation and engagement meetings and activities take place July/August – September 2018
- First round submissions close September 2018
- Hearing of submissions at meeting/s held September 2018
- Preliminary report and recommendations issued November 2018

- Second round submissions close mid-December 2018
- Finalisation of report and recommendations to Council – February 2019
- Council meeting to consider panel's recommendations – March 2019.

RELATED DOCUMENTS

- Review of the needs of the older people of Darebin, February 2018.

Attachments

- Darebin Services for Older People - Summary Data (**Appendix A**)
- Proposed Terms of Reference - Review Panel (**Appendix B**)
- Draft summary communication and engagement plan (**Appendix C**)

DISCLOSURE OF INTEREST

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.