

## 7.1 Community Care Reform

Prepared By	[REDACTED]
Authorised By	Director - Community Strengthening
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Attachment(s)	Nil

*This matter is considered confidential under Section 3 (1) (a) and (g) (ii) of the Local Government Act 2020. It contains information in relation to Council business information and (g) (ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.*

**Distribution of this report is restricted to:**

- **Councillors**
- **Executive Team**
- **Manager – Arts Culture and Community**
- **Manager – Governance**

### **EXECUTIVE SUMMARY**

The national reform of the aged care service system continues at pace following the introduction of the National Disability Insurance Scheme (NDIS) from 2015 and the transition from Home and Community Care (HACC) to the Commonwealth Home Support Program (CHSP) and Home and Community Care Program for Younger People (HACC PYP) in 2016.

In response to these transformational changes, Council made the decision in March 2018, not to become a National Disability Insurance Scheme (NDIS) service provider and this included ceasing the delivery of service provision to NDIS eligible clients that previously received services through the Home and Community Care (HACC) Program.

The release of the Final Report of the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability and the Final Report of the Independent Review into the NDIS recommend significant reform of the disability sector. The Victorian Government Review of the HACC PYP is expected to contribute to the State's response to these recommendations.

Considering these impending reforms and the current under performance of Council's HACC PYP, that is due to declining demand and changing service requirements, this report recommends that Council cease to provide the State Government HACC PYP and work with the State Government Department of Health (DoH) to ensure all current clients are supported to transition to a new service provider.

**RECOMMENDATION**

That Council:

1. Ceases to be a direct service provider of the State Government Home and Community Care Program for Younger People (HACC PYP) effective by end December 2024.
2. Notes that this change includes a commitment to transition all eligible clients to alternative service providers, in partnership with the Victorian Department of Health (DoH) and that services will continue to be provided by Council until supported transition is confirmed.
3. Continues to take a strong advocacy role to ensure residents of the Mornington Peninsula Shire are supported appropriately by both the HACC-PYP and National Disability Insurance Scheme (NDIS) programs and that in advocating for this support, Council will continue to emphasise the State Government has the responsibility for its own program to support people under 65 years of age who are not eligible for the NDIS.
4. Continues to consult and engage with people with a disability through relevant advisory committees and deliver a range of programs and supports that are complementary to HACC PYP and NDIS.
5. Implements a communication and engagement plan for existing HACC PYP service users regarding the change.
6. Authorise the Chief Executive Officer and Director of Community Strengthening to enter into discussions with the State Government regarding the exit and supported transition of HACC PYP services and clients to a provider/s to be determined by the State Government.
7. Authorises the Chief Executive Officer to disclose information, in full or in part, in these resolutions and report (at their discretion) to:
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
- b) Undertake notification of all active Mornington Peninsula Shire HACC PYP clients, in relation to the exit of HACC PYP services and the impact of the changes.
8. Authorises the Chief Executive Officer to determine, at the appropriate time, that the information in these resolutions and this report is no longer confidential information (in part or in full).
9. Notes that Shire officers will provide Councillors with regular updates regarding the implementation of the above resolutions.

**Part B**

That Council resolves that the report, Council decision and attachments to this report be retained as a confidential item pursuant to section 3 (1) (g) (ii) of the *Local Government Act 2020* as it contains information that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage and also

**7.1 (Cont.)**

**section 3 (a) that relates to council business information around commercial negotiations that could prejudice Council's position if prematurely released.**

**COUNCIL & WELLBEING PLAN**

This aligns with the Council and Wellbeing Plan, in particular:

Theme 3: A flourishing, healthy and connected community

- Strategic Objective 3.3: A community in which people from all generations, backgrounds and abilities can access local services.
- Strategic Objective 3.2: A resilient and confident community where everyone connects and is supported.

**GOVERNANCE PRINCIPLES**

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B, D, F and G which are:

- B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- D. The municipal community is to be engaged in strategic planning and strategic decision making.
- F. Collaboration with other Councils and Governments and statutory bodies is to be sought.
- G. The ongoing financial viability of the Council is to be ensured.

**RELEVANT COUNCIL DECISIONS AND POLICIES**

- Positive Ageing Strategy 2020-2025
- Disability Inclusion Plan 2018-22 (under review)

At the Council meeting held on 27 March 2018, Council resolved to:

*“Not pursue National Disability Insurance Scheme Provider registration and continues to focus on:*

- *Current provision of Home and Community Care program for Younger People services;*
- *Support to eligible residents in transition to the National Disability Insurance Scheme; and*
- *Community capacity building, social inclusion activities, regional planning and advocacy to support all residents with a disability, including those who are not eligible for National Disability Insurance Scheme”*

At the Council meeting held on 14 December 2021 Council resolved to:

*“Cease delivery of in-home aged care services at 30 June 2022; and Through its budget processes, commit a significant contribution to positive ageing and wellbeing programs and initiatives on a yearly basis.”*

7.1 (Cont.)

DISCUSSION

Purpose

The purpose of this report is to provide Council with a set of recommendations related to Council's future role in the delivery of HACC PYP services in response to the current and emerging sector reforms in aged care and disability services.

Background

The Home and Community Care Program for Younger People (HACC PYP) was established in 2016 by the Victorian Government to continue provision of services to HACC clients under 65 years of age who were assessed as ineligible to transition from HACC to NDIS.

The HACC PYP continues to offer services to people with disability and chronic illness who are not approved to access the NDIS for necessary entry level services and supports. The program is designed to provide eligible people with disability and chronic illness, under 65 years of age, with services to live independently in their home and community.

It is noteworthy that it is the responsibility of the State Government to commission and monitor the provision of these services.

The release of two significant reports in December 2023 provide a set of recommendations that are expected to guide the further reform of the national disability sector.

The release of the Final Report of the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability and the Final Report of the Independent Review into the NDIS recommend significant reform of the disability sector.

Providing 26 recommendations and 139 actions, and 222 recommendations respectively and proposing a five-year reform timeframe, the Australian Government is expected to provide a response to these recommendations prior to June 2024. This response is anticipated to provide a blueprint for reform of the sector, including the strengthening of the community disability sector to support people with more complex disability to rely on non-NDIS services and supports. The Victorian Government funded HACC PYP is expected to contribute to the State's response to these recommendations.

[Redacted text block]

[Redacted list item]

[Redacted list item]

In June 2022, Council ceased delivery of in-home aged care services, however remained a provider of HACC PYP funded in-home services and Community Transport and Meals on Wheels for CHSP and HACC PYP.

Councils HACC PYP Services

[Redacted text block]

The following table shows the services funded, target hours under the agreement, and actual hours delivered to 1 March 2024.

## 7.1 (Cont.)

Service	Funding	Targets	Actuals to 1 March 2024
HACC PYP Assessment		2,601 hours	331.25 hours
HACC PYP Community Care		12,262 hours	2,647.75 hours
HACC PYP Rostering		NA	
HACC PYP Community Transport		NA	
HACC PYP Meals on Wheels		7,540 meals	2,049 meals
HACC PYP Property Maintenance		295 hours	21.5 hours

The program currently supports approximately [REDACTED]

The demand for Council's HACC PYP services has steadily declined since the introduction of NDIS and as the complexity of community need has changed. As a result, Council is significantly underperforming against the required targets and is at risk of having to return an estimated [REDACTED] of funds due to the decreasing demand for the services.

It is also critical to note that the funding received from the Victorian Government is not sufficient to cover the cost to Council to deliver community support services, with Council already contributing approximately [REDACTED] to the delivery of HACC PYP services as part of Council's total contribution of [REDACTED] in FY24 to deliver community care services (see table under Financial Considerations).

This funding gap has been growing each year as Victorian Government indexation fails to match the increasing cost of service delivery, including travel and labour costs as required under Council's Enterprise Agreement. Should Council be required to return unspent funds at the end of this year, Council contribution will increase to approximately [REDACTED] in the HACC PYP or [REDACTED] for combined HACC PYP and CHSP community care services.

It should be noted that the Victorian Government is currently considering Council's proposal for the reallocation of [REDACTED] of unspent funds in the 2022-2023 financial year. Should Council's proposal be rejected, we will be required to reimburse these funds along with current year unspent funds.

The declining demand for Council's HACC PYP funded services and the subsequent return of unspent HACC PYP funding is impacting community access to necessary services and supports to people with disability and chronic illness across the Mornington Peninsula Shire (Shire). Demand for HACC PYP funded services that can respond to complex community need and provide services and supports in an integrated manner supported by skilled and trained disability staff, has resulted in eligible residents seeking out alternative service providers to best meet their needs.

As demand for Council's HACC PYP funded services continues to decline, unspent funds are returned to the Victorian Government and is not reinvested into other local community service delivery providers. This then impacts the capacity of disability focussed providers to deliver agile, integrated and contemporary service outcomes to residents with complex and evolving needs by limiting their access to available funding and resources to respond to local service demand.

Council's current Victorian Government funding agreement for HACC PYP concludes on 30 June 2024. The Program Planning and Governance Unit of the Victorian Government DoH is responsible for the administration of the HACC PYP. Advice from the DoH has confirmed that

**7.1 (Cont.)**

where a provider makes a decision to exit from HACC PYP, they must exit from all funded services. As a result of this policy position, Council cannot continue to receive funding to deliver only some selected HACC PYP services.

**A Proposed Future Focus For Council**

The Department has confirmed that when a provider exits service provision the Department must find an alternative provider to deliver the activities within the Local Government Area.

Consistent with Council's commitment to achieve the best outcomes for its community, Shire officers recommend that Council cease direct delivery of HACC PYP funded services and work with the Victorian Department of Health to transition service delivery to an alternative provider or providers who can best respond to the needs and requirements of current clients and eligible residents seeking services and supports to assist them to remain living safely and independently in their home and community.

A timely, resourced and supported client transition process will support continuity of service for current clients until the selected provider/s can confirm ongoing service delivery.

Assessment of the range of established reputable and locally based disability providers has identified the capacity and capability of the local provider market to assume responsibility as alternative service providers on behalf of the Victorian Government. There are 11 providers currently funded to deliver HACC PYP services across the Mornington Peninsula. There are also numerous NDIS approved providers on the Peninsula currently providing services and supports to approved residents that may have an interest in delivering HACC PYP funded services through Victorian Government contracts in the future.

The transition away from direct delivery of funded HACC PYP services provides an opportunity for Council to consider an alternative and complementary role to reach and support a broader community of residents living with disability and chronic illness and those that care and advocate for their needs. The 2021 census identified that there were 10,533 residents requiring support with core activities of daily living. Additionally, it is estimated that more than 20,359 residents are engaged in providing unpaid caring support for others in our community.

To enable Council to support and connect with these and other residents, it is proposed that two new Community Connector positions are funded in the 2024-25 budget and established to provide a trusted single point of contact for residents to support them in navigating the complex aged and disability systems and connect them with services, supports, programs and opportunities that can respond to their needs and aspirations.

In addition to these proposed Community Connector roles, Council will continue to strengthen its current variety of programs, supports and initiatives for people of all ages living with disability, including but not limited to hosting the Disability Advisory Committee, creating accessible recreation areas across the Peninsula, providing accessible parking, changing places toilets, and participating in the Master Locksmiths Access Key and Hidden Disabilities Sunflower programs.

**Victorian Local Government Decision Making**

Analysis of Council decisions regarding future participation in HACC PYP and engagement with available data from the Municipal Association of Victoria identify that of the 79 councils across Victoria, only 25 councils currently continue to deliver HACC PYP services. Of these councils, six are actively reviewing their continued role in funded service delivery.

- Recent Council decisions include;

**7.1 (Cont.)**

- Whitehorse City Council ceased to provide all CHSP services at the end of June 2023.
- Manningham City Council ceased to provide all funded services at the end of October 2023.
- Stonnington City Council will cease to provide all funded services on 30 June 2024.
- Port Phillip Council resolved in February 2024 to cease all HACC PYP and selected CHSP services in the 2024-25 year.

**Options for consideration****Option 1 – Conclude role as HACC PYP provider**

Option 1 proposes that the Shire ceases to be a direct service provider of the State Governments HACC PYP when the current service agreement ends on 30 June 2024. However, the Shire would negotiate with State Government to enter into a temporary short-term agreement to continue delivering HACC PYP and transition services to the selected new providers/s services by the 31 December 2024.

This short-term extension will provide the Victorian Government with adequate time to source and appoint a new provider and for Council to partner with the funding body to ensure current clients are smoothly transitioned to the new provider/s and that approved services are uninterrupted.

Council would then implement an alternative and complementary role to support a broader range of at-risk community members, including:

- supporting them to access required services through the new Community Connector program,
- advocating for their needs to all levels of Government, and
- continuing to strengthen the current variety of programs, supports and initiatives for residents of all ages and abilities.

**Option 2 – Continue as HACC PYP provider**

Council remains a funded provider of HACC PYP services and enters into an ongoing agreement with the Victorian Government for a further period to be determined under forthcoming contract development.

Continued declining demand for services, retrospective retrieval of funding, inability to resource the service with appropriately skilled workers to match client needs and increasing costs of service delivery would be an ongoing challenge for Council to navigate.

**Preferred Option:**

Shire officers propose **option one** as the preferred option as this approach will ensure;

- HACC PYP eligible residents, including people with disability and chronic illness have improved access to the HACC PYP funded resources allocated to the community,
- HACC PYP eligible residents are provided with skilled and informed disability care and support responsive to their current and changing needs and

**7.1 (Cont.)**

- that these services provide an active and meaningful contribution to support people living independently in their home and community.

Council would have the opportunity to expand and enhance its reach and support to the Mornington Peninsula community by developing its Community Connector service model and continue to support residents through sector connection, planning and advocacy to all levels of Government, positive ageing and inclusion strategies and actions and continuing a range of wellbeing programs to provide a broad range of activities and supports across Mornington Peninsula Shire.

**ENGAGEMENT**

Shire officers will continue to engage with the sector as the aged care and disability reforms progress and will actively consult and connect with the community and sector to ensure that Council continues to provide relevant information and deliver complementary services, supports and programs that respond to the broader and universal needs of people with disability and their carers living in our Shire.

This includes consultation with older people and residents with disability to inform the development of the Shire's first Inclusion Strategy, "We All Belong" and the development of the proposed new Community Connector service from July 2024 to support our older community and people with disability to navigate the complex aged and disability service systems as they continue to evolve and transform as part of these ongoing reforms.

Shire officers will share recent sector reform updates and any further reform progress and information as it becomes available with relevant Council advisory committees including the Peninsula Advisory Committee for Elders and the Disability Advisory Committee over the coming months.

**COMMUNICATIONS PLAN**

Shire officers have prepared a comprehensive communications plan with the support of the Advocacy, Communications and Engagement team. The communications message will include the following key messages:

- An overview of the sector reforms and changes to the role of local government,
- Council's commitment to ensure clients are supported in their transition to a new provider to support continuity of care and service delivery and,
- Council's commitment to establish the new Community Connector service with broader community reach, and to continue to build on and enhance the existing programs and support offerings for people in the community living with a disability.

Council will take the following action should the decision be made to cease HACC PYP services:

■ [REDACTED]

- Notification to all HACC PYP clients/carers.
- Media release and FAQ's.
- Assigning a dedicated Shire officer to be the point of contact to support current clients and respond to broader community inquiries.

**LEGAL AND REGULATORY FRAMEWORK**

[REDACTED]

**CLIMATE AND SUSTAINABILITY CONSIDERATIONS**

There are no direct environmental impacts arising from the recommendations contained within this report.

**FINANCIAL CONSIDERATIONS**

[REDACTED]

[REDACTED]

Senior Shire officers will engage with authorised officers from the Victorian Government’s Program Planning and Governance Unit to negotiate final funding arrangements, including the recovery of unspent resources.

[REDACTED]

[REDACTED]

**OFFICER DIRECT OR INDIRECT INTEREST**

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

## **COUNCIL DECISION**

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[REDACTED] and [REDACTED]

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**Carried**