

TRANSFORMATION FUND INVESTMENT PROPOSALS

To: General Purposes Committee

Meeting Date: 21 March 2017

From: Chief Finance Officer

Executive Director: Children, Families and Adults

**Electoral
division(s): All**

**Forward Plan ref: 2017/016 Key Yes
decision:**

**Purpose: To seek approval for two investments to be made
through the Council's Transformation Fund**

**Recommendation : It is recommended that General Purposes Committee
approves the following business cases and
associated investment from the Transformation Fund:**

- a) C/R.5.319 (Adult social care services investment to develop a transformation programme for all adult social care client groups), delegating authority to the Chief Finance Officer in conjunction with the Chairman of the Committee to approve the final amount following a competitive tendering process;**
- b) C/R.5.320 (Adult social care services delivery – sustaining budgetary performance in the older people budget).**

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1. BACKGROUND

- 1.1 In response to recognising that the traditional method of developing budgets and savings targets through departmental based cash limits was unsustainable in the long term, the Council has agreed a new outcome focussed approach to Business Planning.
- 1.2 As a consequence it was agreed that the Council would establish a fund that could be used to supplement base budgets, ensuring that finance is not seen as a barrier to the level and pace of transformation that can be achieved. The approval of a change in the basis for defraying the Council's debt enabled the establishment of a Transformation Fund of nearly £20m.
- 1.3 It has been agreed that executive summaries of proposals seeking pump priming investments of over £50,000 from the Transformation Fund will be presented to the Committee. Investments below this level can be approved without General Purposes Committee approval but will be reported to the Committee retrospectively.

2. INVESTMENT PROPOSALS

- 2.1 Attached within the appendices to this report are two proposals requesting funding from the Transformation Fund. These proposals will collectively support the service's ability to manage demand and avoid increases in the base revenue budget. Both investments are included in the 2017-18 Business Plan for CFA.
- 2.2 The titles of the two proposals are:-

C/R.5.319 Adult social care services investment to develop a transformation programme for all adult social care client groups (Appendix A)

C/R.5.320 Adult social care services delivery – sustaining budgetary performance in the older people budget (Appendix B)
- 2.3 Together the proposals represent our response to the severe challenges in the adult social care market where we see a growing mismatch between the demand for and supply of care.
- 2.4 Investments in prevention and early intervention have had some success in holding back demand in the face of a growing and ageing population and rising levels of need. The Council has over-delivered on planned savings from the Older People's budget and is forecasting an underspend in the Older People and Mental Health Directorate (OPMH) for this financial year, mitigating the Council's overall financial position in 2017-18. However analysis suggests these approaches are becoming unsustainable and are not going to be sufficient to meet the challenges ahead for all adult client groups. In particular, it is important to note that the current underspend in OPMH is explained as much by the challenge of securing the requisite supply of care as it is by a genuine reduction in the level of demand.

- 2.5 The Council is now at a point where the current trajectory of delivery of savings cannot continue without a significant step change. The growing level of demand and the diminishing supply of care combined with challenges in recruitment and retention present a risk to delivering required performance.
- 2.6 The proposal is to plan a whole-system transformation of all adult social care services, including services for people with learning disabilities, physical disabilities, mental health needs, and older people. Proposal C/R.5.319 calls for an initial investment to tender for an external organisation or combination of organisations to work with us, carrying out diagnostic work and developing more detailed business cases that would create this step change. This will provide the rationale for a significant change management programme to facilitate whole system transformation. This diagnostic work will include a comprehensive engagement exercise drawing in teams from across the Council, care providers and service users; as well as partners in the NHS. A competitive tendering process will be conducted to determine the most appropriate provider or providers.
- 2.7 In addition to the commencement of the whole-system review it is recommended that another time-limited investment in a number of initiatives (C/R.5.320) is made in 2017-18 to manage demand, deliver required savings and sustain performance. These investments focus on prioritising care to the service users most in need of it, ensuring we can safely manage demand despite pressures on the system and providing short term capacity in key areas to keep the system functioning effectively and performing well. These short term investments will help ensure statutory responsibilities, financial and service performance are maintained whilst plans for longer term transformation are developed and implemented.
- 2.8 The following tables set out the total request for funding from the Transformation Fund for the two proposals, and the total savings across the period of the Business Plan. Please note that the figures are in absolute terms as opposed to the previous presentation that was aligned to the approach that is adopted for the Business Plan i.e. marginal movements between years, in accordance with the request from Members at a previous Committee meeting.
- 2.9 It should be noted that no figures are provided for proposal C/R.5.319 at this stage. At the time of writing market testing is beginning and it is not possible to provide a specific sum. A verbal update will be provided at the meeting and the Committee is asked to delegate authority to the Chief Finance Officer in conjunction with the Chair of General Purposes Committee to approve an investment for this diagnostic work. Due to the scale of work involved from the consultants, we anticipate a six-figure investment will be necessary. C/R.5.320 is not a request for funding to deliver additional savings, but represents one-off support to deliver existing savings whilst also managing risk and working towards the aspiration of delivering additional savings in the Council's' transformation pipeline.

Investment request (relating only to C/R.5.320):

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
C/R.5.320	-	600	-	-	-	-
C/R.5.319	-	TBC	TBC	-	-	-
Total	-	600	TBC	-	-	-

Savings:

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
Adults Programme	-	-1,861	-1,861	-1,861	-1,861	-1,861
Cumulative total	-		-3,722	-5,583	-7,444	-9,305

3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

3.1 Developing the local economy for the benefit of all

There are no significant implications within this priority.

3.2 Helping people live healthy and independent lives

This report sets out proposed investments and savings across Transformation workstreams. The impacts associated with the people living healthy and independent lives will be captured within supporting detail and/or Community Impact Assessments within the Business Plan.

3.3 Supporting and protecting vulnerable people

This report sets out proposed investments and savings across Transformation workstreams. The impacts associated with supporting and protecting vulnerable people will be captured within supporting detail and/or Community Impact Assessments within the Business Plan.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report sets out details of significant implications in paragraphs 2.4 to 2.9.

4.2 Statutory, Risk and Legal Implications

Adult social care services remain an area of financial risk for the authority, which if not managed effectively would harm the Council's ability to meet its statutory implications for Adult Social Care.

4.3 Equality and Diversity Implications

The draft Community Impact Assessments provided as supporting information capture the current understanding from the services of the impacts on

Equality and Diversity. These CIAs will be updated as the projects progress to develop that understanding.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes – Chris Malyon
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes/No – confirmation awaited
Are there any Equality and Diversity implications?	Yes/No – Charlotte Black
Have any engagement and communication implications been cleared by Communications?	N/A – no implications Mark Miller
Are there any Localism and Local Member involvement issues?	N/A – no implications Mark Miller
Have any Public Health implications been cleared by Public Health?	N/A – no implications Tess Campbell

Source Documents	Location
None	Not applicable