

**ADULTS COMMITTEE REVIEW OF REVENUE AND CAPITAL BUSINESS
PLANNING PROPOSALS FOR OLDER PEOPLE, MENTAL HEALTH AND ADULT
SOCIAL CARE SERVICES 2016/17 TO 2020/21**

To: **Adults Committee**

Meeting Date: **1 December 2015**

From: **Adrian Loades, Executive Director: Children, Families and
Adults Services**

Chris Malyon, Chief Finance Officer

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **This report provides the Committee with an overview of
the draft Business Plan Revenue and Capital Proposals
for Children's Families and Adults Services that are within
the remit of the Adults Committee.**

**The report provides a summary of the latest available
results from the budget consultation.**

- Recommendation:*
- a) It is requested that the Committee note the overview
and context provided for the 2016/17 to 2020/21
Business Plan proposals for the Service, updated since
the last report to the Committee in November.**
 - b) It is requested that the Committee comment on the draft
revenue savings proposals that are within the remit of
the Adults Committee for 2016/17 to 2020/21, and
endorse them to the General Purposes Committee as
part of consideration for the Council's overall Business
Plan**
 - c) It is requested that the Committee comments on the
changes to the capital programme that are within the
remit of Adults Committee and endorse them**
 - d) It is requested that the Committee note the ongoing
stakeholder consultation and discussions with partners
and service users regarding emerging business
planning proposals**

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1. OVERVIEW

- 1.1 The Council's Business Plan sets out how we will spend our money to achieve our vision and priorities for Cambridgeshire. Like all Councils across the country, we are facing a major challenge. Our funding is reducing at a time when our costs continue to rise significantly due to inflationary and demographic pressures. This means that despite the way in which we have been able to stimulate local economic growth, and the improving national economy, the financial forecast for the Council continues to be very difficult.
- 1.2 The Council has now experienced a number of years of seeking to protect frontline services in response to reducing government funding. Looking back, we have saved £73m over the last two years and are on course to save a further £30m this year (2015/16). As a result, we have had to make tough decisions over service levels during this time. Over the coming five years those decisions become even more difficult. The choices are stark and unpalatable but very difficult decisions will need to be made as the Council has a statutory responsibility to set a balanced budget each year, as well as a duty to provide the best possible services for Cambridgeshire's communities within the resources available. It is the Chief Finance Officer's statutory role to provide a statement on the robustness of the budget proposals when they are considered by Council in February.
- 1.3 This year the Council has adopted an outcome-led approach to business planning. This is defined and described through the draft Strategic Framework that was approved by the General Purposes Committee on 20 October this year
(<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12221>).
- 1.4 The Strategic Framework sets out the outcomes that the Council will work towards achieving, and the ways of working the Council will adopt, in the face of prolonged and painful budget pressures. It is not a solution to austerity in itself, but instead it is the approach the Council has taken to best tackle the huge challenges it faces.
- 1.5 Within this new framework, the Council continues to undertake financial planning of its revenue budget over a five year timescale which creates links with its longer term financial modelling and planning for growth. This paper presents an overview of the proposals being put forward as part of the Council's draft revenue budget.
- 1.6 Funding projections have been updated based on the latest available information to provide a current picture of the total resource available to the Council. At this stage in the year, however, projections remain fluid and will be reviewed as more accurate data becomes available.
- 1.7 The main cause of uncertainty is the upcoming Comprehensive Spending Review and Local Government Finance Settlement. Both could have an impact on the level of resources available, but no clear information is available at this point. The Department for Communities and Local Government announced on 9 November that it had agreed to cut

departmental expenditure by 30% over the next five years. This, however, only applies to the running cost of the department and does not necessarily indicate the level of funding available to local authorities in future years.

- 1.8 The Council issues cash limits for the period covered by the Business Plan (rolling five years) in order to provide clear guidance on the level of resources that services are likely to have available to deliver services over that period. To maintain stability for services and committees as they build their budgets we will endeavour to minimise variation in cash limits during the remainder of the process unless there is a material change in the budget gap.
- 1.9 The Committee is asked to endorse these proposals for consideration as part of the Council's development of the Business Plan for the next five years.

2. SUMMARY OF THE DRAFT REVENUE BUDGET

- 2.1 In order to balance the budget in light of the cost and reduced government funding, savings or additional income of £40.7m are required for 2016-17, and a total of £118m across the full five years of the Business Plan. The following table shows the total amount necessary for each of the next five years, split by service block:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Children, Families and Adults	-30,788	-22,075	-16,499	-13,112	-8,048
Economy, Transport and Environment	-6,593	-3,573	-2,856	-2,041	-982
Public Health	-511	0	-755	-912	-562
Corporate and Managed Services	-1857	-1746	-319	-869	-430
LGSS Operational	-971	-571	-803	-708	-351
Total	-40,720	-27,965	-21,232	-17,642	-10,373

- 2.2 In some cases services have planned to increase locally generated income instead of cutting expenditure. For the purpose of balancing the budget these two approaches have the same effect and are treated in the same way.

- 2.3 Delivering the level of savings required to balance the budget becomes increasingly difficult each year. Work is still underway to explore any alternative savings that could mitigate the impact of our reducing budgets on our front line services, and business planning proposals are still being developed to deliver the following:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Children, Families and Adults	0	0	0	0	0
Economy, Transport and Environment	0	-1,064	-2,391	-2,041	-982
Public Health	0	0	-755	-912	-562
Corporate and Managed Services	0	0	-285	-827	0
LGSS Operational	0	0	0	0	0
Total	0	-1,064	-3,431	-3,780	-1,544

- 2.4 The level of savings required is based on an expected 1.99% increase in council tax each year. This assumption was built into the Medium Term Financial Strategy (MTFS) which was agreed by Full Council. For each 1% more or less that council tax is changed, the level of savings required will change by approximately +/-£2.4m.
- 2.5 There is currently a limit on the increase of council tax of 2% and above, above which approval must be sought in a local referendum. It is estimated that the cost of holding such a referendum would be around £100k, rising to as much as £350k should the public reject the proposed tax increase (as new bills would need to be issued). The MTFS assumes that the 2% and above limit on increases will remain in place for all five years.
- 2.6 This December meeting is the last opportunity for the Committee to note and endorse these Business Plan proposals to General Purposes Committee. GPC will review the overall programme on 22 December, before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.

3. BUSINESS PLAN CONSULTATION

Background

- 3.1 There has been a shift in emphasis and approach for this year's Business Planning Consultation compared to previous years. Councillors have advocated a different approach, moving away from the "paid for" household survey and instead commissioning a much cheaper and more enduring budget challenge animation (at time of writing over 1,300 views) that has been used to support an online survey, community engagement events, and will continue to be used during specific service-user consultations and other community events.
- 3.2 The engagement on the budget this year has focussed on raising awareness of the challenge facing Cambridgeshire, what that will mean for the changing role of the Council, and the role that communities themselves will need to play.

3.3 The key strands for the consultation were as follows:

- Community events attended by the County Council as part of business plan consultation including interviews with over **350 people**.
- Business consultation via the Chambers of Commerce and a business networking event (B2B) reaching over **75 businesses**.
- An online questionnaire accompanying the film, completed at time of writing by **506 people** (9th November), an approximate 1 to 3 conversion rate from film views to completed survey.

3.4 It has been agreed that the consultation process will now run until early December so that people wishing to respond to the consultation in reaction to news of budget proposals can have the chance to do so.

Community Events

3.5 Council Members and officers talked with over 350 people at four separate events in Wisbech, Cherry Hinton, Ramsey and Ely (with 217 feedback forms being completed as some talked as a couple or group). Further details about the methodology are included in a fuller write-up of the consultation, attached as appendix C to this paper.

3.6 Conversations were wide ranging and people commented on local issues as well as the County Council's budget. There were many positive examples of people volunteering to support the community. Approximately a third of people gave their e-mail details in order to participate in the on-line survey.

Awareness and reaction to the savings challenge

3.7 Overall, general awareness of the budget challenge faced by the County Council was good with approximately two-thirds having an understanding. The main gap in people's knowledge was around the scale of savings to be made over the next five years.

Increased community action to support services

3.8 The vast majority of people felt that this was a good idea. During each event there were many stories of the extensive amount of volunteering and other forms of community action that were taking place. People did discuss the challenges involved including inspiring people to get involved for the first time, particularly when there were a range of work / time pressures. In addition to this people focused on needing to be asked or sign posted to what community action was most needed within their communities.

Council Tax

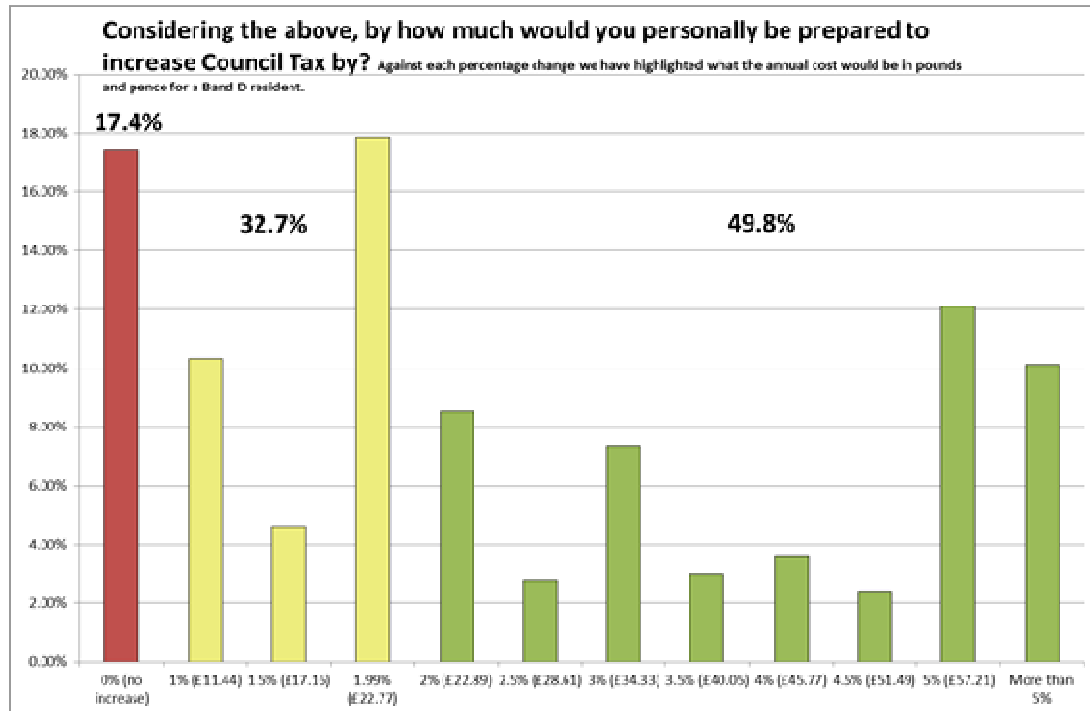
3.9 The proportion of people opposed to paying more council tax varied according to location and the type of event attended. Overall, the majority of people fell into a group who were willing to accept an increase providing certain conditions were met. These conditions were either that a particular service area received additional funding or was protected and/or there was some sort of means testing for the rise so people struggling to pay wouldn't be penalised.

Online Survey

- 3.10 The on-line survey has currently been available for six weeks (at time of writing, 9th November) with 506 completed responses. The survey was supported by a media campaign that had the broader aim of raising awareness of the County Council's situation. As well as press releases which gained positive headlines in the local media, information went to libraries, parish councils and key mailing groups. Twitter impressions for relevant tweets hit over 20,000 impressions during November (with a twitter campaign reach of 130,000¹). One Tweet appeared as a 'Great UK Government Tweet' (this means it was one of the top performing government tweets of that day) and had 2,104 impressions and a reach of 21,820. The Facebook campaign yielded figures of over 25,000 impressions with nearly 20,000 unique people reached via a paid-for Facebook advert.
- 3.11 The budget consultation has featured all month on the front of the County Council's webpage and the budget page itself has had more than 2,640 hits (as at 9th November). The number of views of the budget challenge animation is growing steadily (and will continue to grow as it becomes a feature of other consultation exercises. So far there have been over 1,300 views.
- 3.12 Noting that the on-line consultation remains open, the following are provisional findings thus far:
- 84% of respondents felt that the County Council's budget challenge film gave them a good understanding of the challenges faced by the County Council and over 90% were concerned or very concerned about the challenges
 - There was strong support for all the County Council's seven priority outcomes
 - Looking at the three broad service categories people preferred to spend less money on universal services (19% opting to spend a lot less on these) compared to care packages (5% opting to spend a lot less).
 - 78% of people felt that it was a good idea to ask people to get more involved in their local community. However, 'available time', 'unwillingness by some' and 'understanding what is expected' were identified as the main barriers to achieving this goal.
 - 39% of people indicated their willingness to spend more time supporting their community and there was strong interest across most of the suggested categories of support including 36% of people saying they were interested or very interested in supporting older people within their community and 29% saying that they were interested or very interested in volunteering for their local library.
 - Currently 62% of respondents agreed that it was a good idea to put up council tax to protect services.

¹ Impressions are the number of times people saw a tweet or a post. This includes people seeing a post multiple times. Reach is the number of people who saw the post 'organically'; as it is shared or appeared on twitter.

- 3.13 The chart below shows the results of the consultation question relating to potential changes in council tax rates.



- 3.14 Considering the spread of how much people were prepared to increase tax by (see above); currently 17% have indicated that they are opposed to a rise in council tax, 33% opted for a rise of between 0.5% and 1.99% and just under 50% have indicated a rise of in excess of 1.99% (a rate that would trigger a referendum).
- 3.15 Once the survey closes then a full analysis will be carried out including cross-tabulation of the results.

Business Consultation

- 3.16 Many of the issues considered during the development of the Council's Business Plan affect small and medium sized businesses (SMEs) so one strand of consultation always targets this audience. There are two key parts to County Council business consultation; attending Chamber of Commerce meetings across the County and having a stall / networking at the annual B2B event, held at Quay Mill Hotel in September.
- 3.17 In total, 75 businesses were engaged with 33 of these were through the in-depth discussions with the Chambers of Commerce Local Committees, with a further 42 individual discussions at the B2B event.
- 3.18 Representatives were asked about their engagement as businesses with the local community. Key examples cited included:
- Taking on apprenticeships and work experience placements
 - Direct engagement with schools and colleges, providing support to develop 'soft skills' such as CV-writing and interview preparation.
 - Supporting the promotion of appropriate waste disposal and recycling.
 - Engaging with providers / councils to seek improvement to local transport

options (this was recognised as a significant block to development particularly within rural areas).

- 3.19 At the Chamber of Commerce local committee meetings, five key themes arose from discussions:

Transport and Infrastructure

- 3.20 This was a theme common to all representatives, and was also a major part of the feedback received from businesses last year. It was recognised that improvements are taking place, and things are slowly progressing in the right direction, but that there was a lot more work to be done. It was noted that 'poor road structure stunts business growth'. Specific topics included the A14, A10, public transport, the electrification of railways and road/roadside maintenance.

Broadband

- 3.21 Feedback this year was much more positive than last year. Many commented they had seen an improvement in broadband speeds, but concerns were also raised about the way in which the rollout was taking place, and the results achieved (for example, the reach of provision, and the speeds promised).

Skills and Staffing

- 3.22 Business representatives raised concerns about staffing shortages, especially in the skilled manual labour or customer service industries. They highlighted a need for schools to provide students with a full view of all potential options for their future.

Schools and Apprenticeships

- 3.23 Each Committee discussed how positive apprenticeships were and the significant benefit they gave businesses. The majority of representatives had taken on apprentices and found them to be a very beneficial resource. Representatives noted difficulty in schools engaging with businesses; sometimes this was down to a general lack of awareness of local business, but there was concern that more often it was due to the stigma associated to progressing down alternative routes to university.

- 3.24 Representatives from some committees discussed the role and structure of local government, and the repetitious nature of policy and planning processes. Cambridge City and South Cambridgeshire representatives identified issues where they felt that local government organisations regularly "buck-pass" questions and issues. It was noted that there needs to be a joined up approach between different parts of local government so this doesn't happen. Many felt that it was currently unclear what the County Council does to support businesses (beyond the obvious maintenance of roads and other universal services).

- 3.25 Communication processes within the Council were also discussed. It was felt that communication both with businesses and with the public was often not as strong as it could be, with a need for greater clarity and consistency of messages.

3.26 At the B2B event, the majority of comments focused on the accessibility of their business to their customers. For many this focused on the quality of road and rail networks, for others concern around a lack of suitable office space and broadband was raised. Key issues included:

- Advice and support
- Communication
- Transport infrastructure
- Travel and congestion
- Availability of office space
- Broadband

3.27 A fuller write-up of all elements of the business plan consultation so far is attached as appendix C to this paper.

4 FINANCIAL CONTEXT AND BUSINESS PLANNING APPROACH FOR OLDER PEOPLE, MENTAL HEALTH AND ADULT SOCIAL CARE SERVICES

4.1 As the Committee is aware, the growing and aging population in Cambridgeshire, the increasing need amongst many vulnerable groups, the impact of inflation, costs of the National Living Wage and reduced central government funding and a range of specific service pressures mean that the Children, Families and Adults Services has to deliver savings of more than £73m over the next five years and £26.8m in 2016/17 in order to set a balanced budget whilst meeting statutory duties. These pressures are described more fully in the business planning paper considered by the Committee in November

<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1023>

4.2 The scale of the savings required is such that they cannot be achieved by finding traditional efficiency savings, by looking to reduce costs service by service or by focusing exclusively on back office functions. The majority of scope for straightforward efficiency gains has already been exhausted in previous budgeting rounds. Looking back, we have saved £73m in the last two years and are on course to save a further £30m this year (2015/16).

4.3 Our draft Strategy for Children, Families and Adults Services in Cambridgeshire 2016/17 to 2020/21 sets out how we will adapt the way in which we deliver services to respond to the financial position. It is supported by a comprehensive programme of transformation to allow budget reductions to be managed with the least possible detrimental impact on services users and communities. The business plan and Strategy set out an ambitious plan to transform services to best meet people's needs and improve outcomes with diminishing resources. The 2020 Strategy is available as part of the papers presented to the November Committee meeting, available here.

<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1023>

4.4 At the November meeting the Adults Committee recognised and expressed concern regarding the level of impact and uncertainty associated with the savings proposals presented. The rest of this paper therefore provides

further detail to the Committee about the how the key proposals in the business plan that relate to adults will be delivered. The paper also provides an overview of strategies in relation to workforce and procurement which will be essential to successful delivery.

- 4.5 Additional information is provided below for those business planning proposals which have been rated as 'red', either in relation to impact or deliverability. The full list of proposals is attached as appendix A and is unchanged from the version presented to the November meeting. However, business planning discussions across committees are ongoing and there are a number of initiatives and options being considered to try to mitigate some of the impact of the proposals. This includes the decision to review corporate and support services across the authority and LGSS and reshape them into a new corporate centre for the organisation. This review may identify additional savings which could be used to reduce the savings required from front-line services and budgets to meet care costs.

5 TRANSFORMATION TO DELIVER HIGH RISK BUSINESS PLANNING PROPOSALS

- 5.1 In the main, the higher risk proposals described below relate to the reductions proposed for the care budgets for older people, people with mental health needs and people with learning and physical disabilities which total over £12m in 2016/17 and almost £45m over the five years of the plan. Whilst we are clear that reductions on this scale will have an impact on the amount of support we can provide to vulnerable people, they do not represent straightforward service reductions. There are a number of transformation programmes planned across Children, Families and Adults Services which are expected to ensure delivery of these reductions whilst meeting statutory duties and minimising risk or impact to service users. Transforming Lives is the key programme for adults and steps are in place to achieve implementation by April 2016. Our strategy recognises that people do not generally want to be dependent on public services or be placed in an institutional care setting if this can possibly be avoided. Instead they want to live with and be supported by their family and friends at home, in the community, and remain connected to their communities and interests. If successful, this shared goal of promoting independence will achieve savings whilst also improving outcomes and the way in which people with disabilities, older people and people with mental health needs experience our services.
- 5.2 The experience of the budget changes resulting from the business plan will be different for different service users. For most people change will come about through a review of their existing care plan and we should acknowledge that many people will find any change to the care they rely on unsettling and unnerving and will viewed by some people as a reduction in support even if outcomes are the same or better. This will be especially true for older people, people with disabilities and people with poor mental health who are very dependent on services and find change distressing. In other cases we hope and anticipate that people will feel positive about different approaches and will see a care plan which enables them to be more independent and get help from friends, community organisations and family members as a significant improvement to a reliance on local authority or institutional care.

5.3 *Reduction in expenditure on meeting the needs of people with physical & learning disabilities and people on the autistic spectrum, and preventing and delaying need (A/R.3.003 & A/R.3.005 A/R 6.101 & A/R.6.102 -£6.9m, 2016/17)*

The Learning Disability Partnership and Disability Service must achieve savings whilst continuing to support people with life-long disabilities who are expected to require some level of ongoing social care service throughout their lifetime.

5.4 We will collaborate with colleagues working with young people to develop a programme of targeted early intervention for young people and young adults with special educational needs to maximise skills and independence and help them to access employment in adulthood wherever possible. Investing in extra help for young disabled people to access work will allow them to live more independent lives and will also reduce demand on the learning disability and disability budgets by reducing the need for ongoing care.

5.5 Expectations have been built into the five year business planning model based on the impact of this work to reduce the number of young people requiring care and support from the adult services each year.

5.6 However, the number of people already in receipt of ongoing care and support is not expected to fall during the business planning period and their needs are increasing. The majority of the savings in learning and physical disability services will therefore be delivered through a combination of a number of activities which will reduce the cost of care including:

- using the Transforming Lives approach to prevent increased spend and to reduce spend where short term or community based interventions can be used in place of more traditional responses
- utilising assistive technology where this can improve independence and/or reduce the need for more expensive staff interventions
- continuing to set the expectation that people will pay for chosen activities where these go beyond the duty on the Council to meet assessed eligible needs
- managing with more risk - rather than providing a level of support to cover a worst case scenario, we will plan for people to be as independent as possible and use contingency plans to ensure we can respond if extra help is required or something goes wrong.
- being clearer about the minimum intervention that is required to meet eligible needs and not agreeing to services such as single accommodation when needs can be met in shared accommodation or additional activities when a 24/7 service has been commissioned to meet the person's needs
- looking for opportunities to align services to achieve better prices and more sustainable services which may mean that some services people are using will change, because an alternative that meets their needs and is more sustainable has been developed

5.7 The roll out of Transforming Lives will be accompanied by a revision of the policy framework for care and support to underpin the approaches described

above. Committee members will be asked to approve the revised policy framework when it is presented to Committee in March 2016. The changes to the policy framework will support staff to respond to the needs of people with disabilities in more innovative and flexible ways including increased focus on short term interventions to increase independence and exploring opportunities to utilise community resources. The significant contribution of family carers will continue to be recognised and the role of independent sector providers and the community in delivering the Transforming Lives approach will be developed.

- 5.8 The revision of the policy framework will be consulted on with service user groups and a range of stakeholders working in the disability sector from December through to early February. This work will allow us to build on the existing community impact assessment and work with the voluntary and community sector to mitigate the impact of reductions where possible and support people and their families during the period of change and transition.
- 5.9 Inevitably some people will receive a change in their support package and/or a reduction in their personal budget and this will only be implemented following review and in line with the new policy framework.

Reduction in expenditure on providing care to older people and preventing and delaying need (A/R.6.201 & A/R.3.007 -£3m, 2016/17)

- 5.10 The business planning proposals for older people are predicated on both retaining the proportion of older people requiring statutory assessment and care at current levels and reducing the cost of care to those people who are in receipt of statutory services.
- 5.11 The Transforming Lives model drives these goals and supports this business planning approach, in particular through the development and enhancement of early help and prevention services for older people (tiers 1 & 2 of the Transforming Lives model) in order to reduce the number of people requiring statutory support through a care package (at tier 3).
- 5.12 A First Contact Team will be established at the Council's Contact Centre (Tier 1) staffed by a multi disciplinary team working closely with existing Contact Centre staff. The team will offer expert advice over the phone to older people and their carers who are seeking advice, support or starting to struggle with independent living. The team will help people to access local universal and voluntary sector services, advise on ways in which older people and their carers can organise help for themselves, signpost to sources of information and seek to resolve issues without the need for a formal assessment or care plan. It is hoped that this transformed first point of contact will be able to find solutions to the needs of around 75% of people without the need for further local authority involvement, in line with other Local Authorities that have good performance in this area. The new First Contact Team will be established within existing resources and will support all adults.
- 5.13 Where the First Contact Team are unable to resolve issues or meet needs through telephone advice they will be able to book an appointment for older people to have a face to face discussion with a new early help service. The business plan includes a proposed investment of £330k in this new tier 2

service which will operate either in the community or by visiting people's homes. Again the focus will be on finding solutions to people's emerging needs through local resources within communities, families, peer supporters, universal services and self-help rather than formal care provision. If, following this appointment, the conclusion is that a social care assessment is needed; this would be arranged and delivered by the local Older People's Locality Team. The intention is to find more creative and immediate ways to meet needs than the automatic default to a full social care assessment which can often be onerous, time consuming and unnecessary. However the entitlement to ask for a full assessment continues.

- 5.14 There will also be a supporting back drop of a less formal, light touch and less structured Tier 1 information offer. This will include a wide range of sources of information in a variety of forms; web-based, hard copy and delivered in person by professionals, VCS partners and in a range of settings as part of their routine business and contact with adults and older people. This offer is currently being taken forward by the Information and Communications Project that is working to the Transforming Lives and Care Act Board. The Council funded 'Community Navigator' project, which covers both tier 1 and 2 support, will continue and be recommissioned, with a view to the new contract being in place by April 2016.
- 5.15 Together these 'early help' transformations and investments are aligned to the assumption in the business plan that the number of service users receiving care will remain the approximately the same over the course of the five year planning period, despite the anticipated increase in the population of older people in Cambridgeshire. It is anticipated that this will not only enable the Council to manage demand on care budgets, but will also mean that where possible intervention happens at an earlier stage resulting in improved outcomes.
- 5.16 The scale of the financial challenge has meant that we have had to look at continuing to reduce costs of care for those people with eligible needs. The changes to both social work practice as a result of Transforming Lives and the way in which we commission care, will reduce the proportion of people living in residential or nursing homes and increase emphasis on home and community-based care.
- 5.17 Central to the proposals to reduce the costs of care are changes to the operation of the Reablement Service. It is proposed that we sustain existing levels of spend as this service is critical to our ability to support people to regain independence and be less reliant on ongoing care. Over the course of the business plan the service will be repositioned to focus more of its capacity on working with people with emerging or increasing needs at home, helping them learn new skills and ways of coping before they have a crisis such as a hospital admission. This changed focus should avoid or delay the need for people to receive higher levels of care on an ongoing basis. The service will continue to also take referrals from people leaving hospital after a period of acute care and a new pathway for reablement as part of the intermediate tier of services within the health and social care system is being designed.
- 5.18 We have also committed to establishing a Shared Lives scheme in Older People's Services. In Shared Lives, an adult who needs support and/or

accommodation becomes a regular visitor to, or moves in with, a registered Shared Lives carer. Together, they share family and community life. Uniquely, Shared Lives carers and those they care for are matched for compatibility, with the carer acting as extended family, so that someone can live at the heart of their community in a supportive family setting. The Shared Lives Scheme is very much aligned with our overall strategy for creative, personalised, community-based care which promotes independence. The intention initially is to develop the shared lives model as an alternative to block purchased respite care which is currently not efficiently used. Net reduced expenditure on respite is modelled within the care budget for older people based on the decommissioning of some block provision and the establishment of the Shared Lives Scheme.

- 5.19 As well as the specific transformations described above to support the savings plan, there is also a comprehensive portfolio of programmes and projects to deliver service transformation in collaboration with key partners as part of the Better Care Funds for Cambridgeshire and Peterborough which do not have dedicated savings target but are central to the delivery of the business plan targets relating to the cost of care

- Information and advice
- Data Sharing
- Person Centred System (led by Uniting Care/CPFT involving both Councils)
- 7 day working (being taken through System Resilience Group)
- Healthy Ageing and Prevention (led by Public Health)

Reduction in expenditure on care for adults with mental health needs (A/R.6.203 -£841k, 2016/17)

- 5.20 As for older people, the business planning proposals for adults with mental health needs are predicated on both retaining the existing levels of people requiring statutory assessment and care and reducing the cost of care to those people who are in receipt of statutory services. The budgets to meet the social care costs for adults with mental health needs are delegated to the Cambridgeshire and Peterborough Foundation Trust (CPFT) under the section 75 agreement. It is the seconded social care staff and care coordinators within CPFT who commission these packages and therefore it is CPFT managers and staff, who will be central to the delivery of the savings required.
- 5.21 Joint discussions with CPFT have taken place to set and agree savings targets and delivery plans. In recognition of the level of savings required CPFT have established a savings delivery board and enhanced governance arrangements and the County Council will be part of these discussions to monitor and support delivery of the saving proposals.
- 5.22 The expectation is that the number of service users supported will be retained at current levels despite the expected increase in the population, rising prevalence and acuity of need by diverting people away from statutory services where possible and appropriate, through alternative solutions. This is challenging but CPFT and County Council partners have recognised the opportunity for the power of the Care Act to be harnessed to facilitate recovery and independence from services for many rather than placements

that after a period of time may work to institutionalise service users. Although managing with a reduced budget will not be easy, there are opportunities in mental health services to support people to remain in their communities rather than institutional care whilst they get help, achieving better outcomes and delivering savings.

5.23 Previously the take up of direct payments in mental health has been comparatively slow and at present personal health budgets are not available locally. These are both areas where we can progress to reduce the cost of care packages.

5.24 A range of initiatives have been agreed to support delivery, these include;

- Strengthening the routine review of packages and authorisation before they are commissioned and setting expectations about outcomes at the time the package is put in place
- Strengthening the review process and authorisation including take up and usefulness of the package put in place
- Increasing the use of the Reablement Service and input from Mental Health to the Reablement Service to increase their ability and confidence to respond to older people with mental health needs.
- Reviewing care plans with a focus on high cost packages, packages that include night time sitting services and double ups and finding alternatives to services being provided by Council for lower levels of need
- Step up Extra Care Sheltered Housing and sheltered accommodation to keep people in their own homes
- A review of discharge processes and work to identify whether existing services users could be discharged more promptly
- Implementation of the dementia strategy

5.25 In addition the total budget available to commission support from the voluntary and community sector for people with mental health needs will be reduced. Work over recent years to develop contracts with the voluntary and community sector has resulted in some reductions in cost, which have been worked up in detail with the sector in a collaborative way. This reduction was already in the business plan for 16/17 but the savings target has been increased.

Joint Funding Arrangements with Health

(A/R.6.206 -£450k 2016/17 & A/R.6.208 - £330k 2016/17)

5.26 We are proposing further work with health colleagues to clarify funding responsibility between social care and the NHS when someone has continuing health care needs. We are working through a programme of reviews of these joint packages and applying national guidance and recent cases have shown a reduced funding requirement for the Local Authority. However we are also very aware that this work is taking place at a time when the local NHS faces significant financial challenges, so it is important that this work is carried out in a collaborative way and that decisions about the care of vulnerable people are not delayed as a result. Alongside this, we are now formalising the clarification provided in the Care Act guidance that social care should only make compensation payments to the health system for delayed transfers of care (DTOCs) in exceptional circumstances and when sufficient

efforts have not been made by a Council to prevent delay. Previously budget had been set aside for such payments but the proposal is that in line with the Care Act guidance, the County Council is no longer expected to make these payments, recognising that performance has improved dramatically and that we are working extremely hard with the acute sector to minimise any such delays. We are liaising and working with health partners on the respective budget reductions across the health and social care system (see section 8), recognising that both systems are under financial pressure and that a joint approach will be required to minimise the impact.

6 RELEVANT PUBLIC HEALTH SAVINGS: DRUG AND ALOCHOL ACTION TEAM

- 6.1 The business planning report to the November Committee highlighted ongoing work by CFA and Public Health teams to identify any potential savings from drug and alcohol misuse services commissioned by the Council. This was being explored as an approach to delivering the reductions to the County Council's public health funding which may be announced by Government. At the time of writing this work is continuing.

7 CAPITAL PRPOGRAMME

- 7.1 The draft capital programme was reviewed individually by service committees in September and was subsequently reviewed in its entirety, along with the prioritisation of schemes, by General Purposes Committee in October. No changes were made as a result of these reviews, though work is ongoing to revise and update the programme in light of changes to overall funding or to individual schemes.
- 7.2 Since then, services have continued to work on the programme to update it for the latest known position. Updates have been made to the following schemes;
- CFA Management Information System IT Infrastructure – There has been a £2m reduction in the scheme costs, this has arisen as a result of detailed tender process has identified solutions with a lower cost than initially anticipated.
 - Strategic Investments – Scheme has been revised to reflect the revised forecast spend for 2015-16.
 - Disabled Facilities Grant – Annual additional budget and grant funding of £1,923k has been added to the capital plan up to 2020-21. This reflects the expectation that these activities will continue to be funded through the Better Care Fund.

8 CONSULTATION AND ENGAGEMENT

- 8.1 The business planning proposals for Children, Families and Adults Services impact on service users, their families and communities, our partner organisations and our staff teams. We are undertaking a range of consultation and engagement activity to give these various stakeholder groups the opportunity to contribute to the development and finalisation of the proposals. This is in addition to the public and business consultation described in section 3.

- 8.2 The CFA 2020 Strategy and draft business planning proposals are being shared with the following key partner organisations as part of the County Council's partner engagement.
- District Councils
 - Health Partners (CCG, Acute Hospitals CCS and CPFT))
 - Cambridgeshire Constabulary and Fire and Rescue Service
 - The Voluntary and Community Sector
 - Schools
- 8.3 This consultation is helping partners to understand where our proposals will impact on their service users or communities and is opening a dialogue about how we can work with other organisations to mitigate the impact as much as possible. We expect to also receive and discuss the budget proposals from our key partners and consider how the decisions they are having to make will affect Children, Families and Adult Services.
- 8.4 The Chairs of the local health economy have drafted a letter in reply to our consultation recognising and expressing concern about the proposals and in particular the potential impact on demand for health services from reduced social care provision. A full impact assessment will be jointly developed with health partners to support discussion of mitigating steps the health and social care partnership can take together and this will include consideration of further integration of service models and potentially further pooling of health and social care budgets both at the level of the individual people we all support and across certain functions. These discussions will be taken forward through the Better Care Fund programme and the work of the Cambridgeshire Executive Partnership Board and will be reported regularly to the Adults Committee.
- 8.5 District and parish councils have been proactive in engaging with the County Council to explore what they can do to mitigate the impact of budget reductions, either by funding services the County Council can no longer support or by developing local solutions to meet the needs of their residents in the absence of County Council services. Huntingdonshire District Council have initiated discussions about how they can support local services and local communities in light of County Council reductions. This is extremely welcome and will be taken forward, with other Councils and organisation being invited to be involved wherever they have capacity. Local members are supporting these conversations and we are developing a set of materials for councils which indicate where they and local community groups could support or where they could work with or fund County Council teams to avoid service reductions. We will continue to support these conversations as part of the Community Resilience Strategy which has recently been endorsed by General Purposes Committee.
- 8.6 The Adult Social Care and Older People's and Mental Health Services Directorates are holding a wide range of discussions with key service user and other stakeholder groups. The Cambridgeshire Alliance is commissioned to facilitate engagement and consultation activity across the sector, this included consultation on the 2020 Strategy document from September and is continuing now that the more detailed initial business

planning proposals have been published.

- 8.7 Discussions are ongoing with the organisations and boards listed below, focussing primarily on how we can work with the sector to mitigate the impact of budget and services changes;

- The Adult Social Care Forum
- The Carers Partnership Board
- The Older People's Partnership Board
- The Physical Disabilities and Sensory Impairments Partnership Board
- The Learning Disability Partnership Board
- The Sun Network
- The Speak Out Council

9 **CFA WORKFORCE STRATEGY**

- 9.1 The success of our business plan is dependent on the quality and skills of our staff teams. We are developing a revised workforce strategy to support delivery of the new CFA service model and business plan. The Strategy focuses on the skill sets, competencies and ways of working that will be necessary to deliver in the changed context.

- 9.2 Different teams will need to be equipped with different skills and competencies according to their role, but across the workforce

- We will expect everyone to be expert in their role
- We will expect everyone to be generous with their expertise – working beyond traditional role boundaries and focussing on the whole family
- Everyone will need to be resilient and resourceful – still delivering high quality services in an environment which is ever changing and where resources are reducing.

- 9.3 Key skills for teams will be

- Confident risk management (all types of risk)
- Financial and care management
- Analysis and assessment skills
- Innovation and creativity – problem solving
- Negotiation and influencing skills – influencing the behaviour of others
- Working with families (including wider family) – brokering solutions
- Working alongside VCS and community organisations
- Working outside of traditional role boundaries

- 9.4 The key principles of our workforce strategy will be based around the 'think family' concept, building a common skillset across teams and supporting our staff to work across age, function and service boundaries to find the right solution for each service user or family. Frontline staff and their managers will need training and support in order to focus their work in very different ways – ways which build on prevention and community support rather than crisis intervention and public services.

- 9.5 The Strategy will inform a refresh of our workforce development and activity and will also be delivered through the workforce stands of key programmes

across CFA, specifically;

- Together for Families
- Early Help Strategy
- Social Work: Working for Families (Unit) Model
- Transforming Lives

- 9.6 The new workforce strategy will be presented to Committee in January 2016 as we finalise the business plan.

10 **CFA PROCUREMENT AND CONTRACTING STRATEGY**

- 10.1 CFA Services are subject to significant inflationary and cost pressures in the coming period, specifically;

- The impact of the national living wage announced by the Chancellor in early July
- Ensuring due regard for the actual costs of providing good quality care, in line with the Care Act 2014
- Current and anticipated market conditions; the amount of care available, and at what price, ensuring overall sustainability, pursuant to the Care Act 2014
- General inflationary increases in prices and costs (such as fuel and rent)

It is clear that the scale of these pressures is greater than the organisation has faced previously and makes it imperative that we bring costs down to the absolute minimum.

- 10.2 We are therefore developing a revised Procurement and Contracting Strategy to set out the actions being taken across Children, Families and Adults Services to ensure our procurement and contracting of services is as efficient as possible and will deliver the best possible value for money over the five years of the business plan.

- 10.3 The key themes within the strategy are;

- Helping providers manage their costs and revisiting specification requirements
- Joint Procurement: Working with other Local Authorities
- Reconsidering Contract Lengths
- Efficiency from Scale/Volume
- Integration – Joint commissioning with health
- Incentivising providers to innovate and align with our strategy
- Ensuring the right model – insourcing or outsourcing
- Maximising the contribution of the voluntary and community sector

- 10.4 The strategy will be shared with the Committee for comment in January 2016.

11 **DELIVERY AND OVERSIGHT OF THE BUSINESS PLAN**

- 11.1 For all of the business planning proposals a full business case and delivery plan will be developed. This will further detail the savings, benefits assumptions, risks and dependencies of proposals and will describe how they will be delivered and over what timeframe.

- 11.2 A savings monitoring 'tracker' process will be used by Strategic Management Team and at Directorate Management Teams within Children, Families and Adults Services to closely monitor the delivery of savings. Where savings are not on track to be delivered appropriate management actions will be agreed and if necessary additional reductions will be sought elsewhere.
- 11.3 The existing programme and project management and governance arrangements within Children, Families and Adults Services have been revised and aligned with the business plan to ensure that transformational activity is focussed on the achievement of the savings and reductions in the plan.
- 11.4 The key performance indicator set for Children, Families and Adults Services that will be used to monitor the impact of service transformations and reductions on outcomes and performance and is being finalised and will be presented along with targets for 2016/17 to committee in January 2016.
- 11.5 In addition, the performance and management information framework within Children, Families and Adults Services is being revised to align with the business plan. In particular we are developing management information sets for all of the major care budgets based on the modelling used in business planning. These will allow services to monitor whether demand, activity, cost and expenditure are in line with the modelling used for business planning and quickly identify if pressures emerge.

12 NEXT STEPS

- 12.1 Following consideration by the Committee, the proposals will be considered at the General Purposes Committee in January, alongside those from the other service committees before then being recommended for formal endorsement at the February meeting of Full Council. The timeline for this process is shown below.

12.2	December	Adults Committee considers final draft revenue proposals. General Purposes Committee considers proposals for pump-priming investment Ongoing work to finalise savings proposals
	January	General Purposes Committee review draft Business Plan for 2015/16. Ongoing work to deliver savings proposals
	February	Draft Business Plan for 2016/17 discussed by Full Council. Ongoing work to deliver savings proposals
	March	Publication of final CCC Business Plan. Ongoing work to deliver savings proposals.

13. ALIGNMENT WITH CORPORATE PRIORITIES

13.1 Developing the local economy for the benefit of all

- 13.2 The most significant impact on the local economy relates to the independent care sector. The sector is already under significant capacity and cost pressures and the pressure on County Council finances will create further risk of some parts of this economy becoming unviable, if we withdraw contracts or cannot offer contracts at a viable price. The existence and level of additional funding provided to support the living wage proposals will be crucial, if this is not fully funded then the additional cost burden on the sector will have a significant impact.

13.3 Helping people live healthy and independent lives

- 13.4 The impact of these proposals is summarised in the community impact assessments, attached as appendix D. Supporting people's independence is a central principle of our strategy and business planning proposals and where this can be achieved through prevention, early help or recovery we will reduce the cost of public services and support people's desire to avoid or delay the need to rely on public services. However it is also recognised that the direct impact of providing reduced support for people will have a negative impact on their health and people's ability to lead full and active lives will be diminished.

13.5 Supporting and protecting vulnerable people

- 13.6 The impact of the proposals on our ability to support and protect vulnerable people is provided for each key proposal within sections 4 and 5 and within the Community Impact Assessments attached as appendix D

14 SIGNIFICANT IMPLICATIONS

14.1 Resource Implications

- 14.2 The proposals set out the response to the financial context described in section 4 and the need to dramatically change our service offer and model to maintain a sustainable budget. An overview of the resource implication is provided at section 5.1. The full detail of the financial proposals is described in Table 3 of the business plan, attached as appendix A.
- 14.3 The proposals seek to ensure that we make the most effective use of available resources across the health and social care system and are delivering the best possible services given the reduced funding.
- 14.4 This set of business planning proposals, more than ever before, is subject to significant financial risk. In particular the proposals for reduced spending on statutory care budgets represent ambitious targets for budgets which are 'demand-led' and therefore not fully controllable. We will always need to meet statutory needs and so we are reliant on our early help and preventative activity being successful in reducing demand. If this is not successful then further savings will have to be found elsewhere. There are also financial risk and uncertainties relating to the outcome of the Government ongoing spending review and the potential additional pressure of the requirements of

the living wage legislation, as described in section 4 and in the paper presented to the November Committee meeting.

14.5 Statutory, Risk and Legal Implications

14.6 The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget.

14.7 Children, Families and Adults Services will continue to meet the range of statutory duties for supporting older people, people with disabilities and people with mental health needs and other vulnerable groups, but as stated within the impact sections of this paper the level of help provided to people with statutory needs will reduce. The community impact assessment for each relevant proposal provides further detail about the anticipated impact, including reduction in help provided within statutory frameworks. These assessments are attached as appendix D.

14.8 There is an unprecedented level of risk contained within the proposals. As we reduce the number of people who receive our specialist and intensive support, it follows that more risk will be held within communities and families, which will, in some cases, lead to people being less safe and poorer outcomes for vulnerable groups. Similarly, our workforce will need to operate within the context of this higher level of risk and will need different skills from now. We are likely to see an increase in the number of complaints to the Council and the Local Government Ombudsman, for example, as people seek to challenge the difficult decisions we will be making.

14.9 Equality and Diversity Implications

14.10 The size of the financial challenge means that services will continue to seek to improve their effectiveness, but the level and range of services that can be provided is generally reducing. The Community Impact Assessments describe the impact of each proposal, in particular on vulnerable or minority groups.

14.11 Engagement and Consultation Implications

14.12 Our Business Planning proposals are informed by our knowledge of what communities want and need. They are also be informed by the CCC public consultation on the Business Plan and will be discussed with a wide range of partners throughout the process (some of which has begun already). The CFA Strategy document is being discussed with all key partner organisations. Where business planning proposals are linked to specific policy changes these policy revisions are subject to separate consultation with the relevant service user groups and other stakeholders. The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations a report would be provided to the Adults Committee.

14.13 Community Impact Assessments (CIAs) for the savings proposals are attached to this paper for consideration by the Committee at appendix D, and where applicable these have been developed based on consultation with service users and stakeholders.

14.14 **Localism and Local Member Involvement**

- 14.15 The proposals set out in this report, particularly in the latter years, are predicated on empowering communities (both geographical and of interest) to do more for themselves, as we shift our focus from meeting the needs of individuals to supporting communities and families. The County Council's new Community Resilience Strategy, reviewed at the October Meeting of the Adults Committee, sets out in detail how we will work to support local people and local leaders to play an even more active role in meeting the needs of services, in the context of the diminishing support from statutory services. The success of that strategy will be essential to the delivery of the business planning proposals set out above.
- 14.16 As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities. We are working with members on materials which will help them have conversations with Parish Councils, local residents and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.

14.17 **Public Health Implications**

- 14.18 A number of the proposals will have implications for the health of vulnerable adults and older people. We are working closely with Public Health colleagues as part of the operating model to ensure our emerging Business Planning proposals are aligned. In particular the work being led within Public Health around falls prevention will be important to our objective to reduce the need for care for older people and the public health focus on preventative mental health support will be part of the model to reduce the reliance on social care for people with mental health needs.

Source Documents	Location
None	