

Agenda Item No: 4**ADULTS COMMITTEE REVIEW OF DRAFT REVENUE BUSINESS PLANNING PROPOSALS FOR 2015/16 TO 2019/20**

- To:** Adults Committee
- Meeting Date:** Tuesday 7th October 2014
- 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 revenue Children, Families and Adults (CFA) Service Business Planning proposals that are within the remit of the Adults Committee. .
- Recommendation:**
- a) It is requested that the Committee note the overview and context provided for the 2015/16 to 2019/20 Business Plan revenue proposals for the CFA Service.
 - b) It is requested that the Committee comment on those draft revenue savings proposals that are within the remit of the Adults Committee for 2015/16 to 2019/20 and provide a steer on their further development.
 - c) It is requested that the Committee comment on the proposed approach to inflation within the CFA Service for 2015/16 and provide a steer on the options set out in the paper (paragraph 6.21).
 - d) It is suggested that Officers work with Members of the Adults Committee to develop further detailed proposals for presentation to the Adults Committee on the 4th November.

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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 present huge challenges.
- 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 £70m in the last two years and are on course to save a further £31m this year (2014/15). 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 challenging. The Council is now in a position of having to consider what might previously have been considered unthinkable. The choices are stark and unpalatable but these very difficult decisions will need to be made as the Council has a duty to provide the best possible services for Cambridgeshire's communities alongside a statutory responsibility to set a balanced budget each financial year. 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 The Council undertakes 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.
- 1.4 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 projections remain fluid and will be reviewed as more accurate data becomes available.
- 1.5 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 endeavor to minimise variation in cash limits during the remainder of the process unless there is a material change in the budget gap.

2. BUILDING THE REVENUE BUDGET

- 2.1 The Council currently operates an incremental approach to revenue budgeting. Changes to the previous year's budget are put forward as individual proposals for consideration by committees, General Purposes Committee and ultimately Full Council. Proposals are classified according to their type, as outlined in Appendix B, accounting for changes to the forecasts of inflation, demography, and service pressures, such as new legislative requirements that have resource implications, as well as savings.

- 2.2 The process of building the budget begins by identifying the cost of providing a similar level of service to the previous year. The previous year's budget is adjusted for the Council's best forecasts of the cost of inflation and the cost of changes in the number and level of need of service users (demography). Known pressures and proposed investments are then added and the total expenditure level is compared to the available funding. Where funding is insufficient to cover expenditure, the difference is apportioned across services as a savings requirement in order to balance the budget.
- 2.3 The budget proposals being put forward include revised forecasts of the expected cost of inflation following a detailed review of inflation across all services at an individual budget line level. Inflation indices have been updated using the latest available forecasts and applied to the appropriate budget lines. Inflation can be broadly split into pay, which accounts for inflationary costs applied to employee salary budgets, and non-pay, which covers a range of budgets, such as energy, waste, etc. as well as a standard level of inflation based on government Consumer Price Index (CPI) forecasts. Key inflation indices applied to budgets are outlined in the following table:

Inflation Range	2015-16	2016-17	2017-18	2018-19	2019-20
Standard non-pay inflation	2.0%	2.0%	2.0%	2.0%	2.0%
Other non-pay inflation (average of multiple rates)	2.8%	3.4%	3.4%	3.4%	3.4%
Pay (admin band)	1.5%	2.0%	2.0%	2.0%	2.0%
Pay (management band)	1.5%	2.0%	2.0%	2.0%	2.0%
Employer pension contribution (average of admin and management band)	8.2%	5.5%	0.0%	3.3%	3.2%

- 2.4 Forecast inflation, based on the above indices, is as follows:

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	6,331	6,358	5,705	5,942	5,868
Children, Families and Adults (DSG funded)	351	378	401	400	400
Economy, Transport and Environment	1,106	1,230	1,046	1,080	1,040
Economy, Transport and Environment (Waste Private Finance Initiative (PFI))	798	855	892	945	977
Public Health	291	308	312	321	310
Corporate and Managed Services	448	406	368	385	386
LGSS Operational	330	328	222	271	256
Total	9,655	9,863	8,946	9,344	9,237

- 2.5 A review of demographic pressures facing the Council has been undertaken by the Research Group in conjunction with services and Finance. The term demography is used to describe all demand changes arising from increased numbers (e.g. clients services, road kilometres); increased complexity (e.g. more intensive packages of care as clients age); and any adjustment for previous years where demography has been under/overestimated. Forecast demography is as set out in the table overleaf:

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	8,973	9,433	9,642	9,617	10,016
Economy, Transport and Environment (ETE)	534	315	450	523	474
Public Health	76	169	160	159	159
Corporate and Managed Services	13	17	17	17	18
Total	9,596	9,934	10,269	10,316	10,667
Percentage cost increase	2.1%	2.2%	2.3%	2.4%	2.5%

- 2.6 These figures compare with an underlying population growth of around 1.7% per year (a total increase of 9.0% between 2014-15 and 2019-20). The difference is due to faster growth in certain client groups; changes in levels of need and catch up from previous years.
- 2.7 The Council is facing some cost pressures that cannot be absorbed within the base funding of services. These were reported to General Purposes Committee (GPC) in September who agreed to note the pressures. Some of the pressures relate to costs that are associated with the introduction of new legislation and others as a direct result of contractual commitments. These costs are included within the revenue tables considered by service committees alongside other savings proposals and priorities:

Service Block / Description	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
CFA: Young Carers – assessments and support	175	-	-	-	-
CFA: Deprivation of Liberty Standards	2,340	-1,540	-	-	-
CFA: Emergency Duty Team	300	-	-	-	-
CFA: Older People Service	3,000	-	-	-	-
ETE: City Deal - Adult Learning Skills	200	-	-	-	-
ETE: Waste PFI	916	336	319	341	-59
CS: Business Planning Support	50	-	-	-	-
CS: Reinstatement of Voluntary Sector Infrastructure Budget	48	-	-	-	-
CS: Exploitation of Digital solutions (<i>investment</i>)	258	-	-258	-	-
Total	7,282	-1,204	61	341	-59

- 2.8 The Council recognises that effective transformation often requires up-front investment and has considered both existing and new investment proposals that we fund through additional savings during the development of this Business Plan. The table below outlines investments by service. Note that negative figures indicate the removal of an investment from a previous year.

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-574	-64	-174	-	-
Economy, Transport and Environment	120	274	18	95	-
Corporate and Managed Services	-350	-205	-75	-50	-

Total	-804	5	-231	45	-
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Note: The figures for Corporate and Managed Services do not include the proposed Exploitation of Digital solutions investment already shown in paragraph 2.7.

3. SUMMARY OF THE DRAFT REVENUE BUDGET

- 3.1 In order to balance the budget in light of the cost increases set out in the previous section and reduced Government funding, savings of £32.6m are required for 2015-16, and a total of £121.4m across the full five years of the Business Plan. The following table shows the total amount of savings / increased income necessary for each of the next five years, split by service block.

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-25,904	-25,232	-19,332	-16,309	-7,131
Economy, Transport and Environment	-3,953	-4,881	-3,651	-2,645	-1,280
Public Health	-764	-91	-135	-780	-412
Corporate and Managed Services	-966	-2297	-704	-345	-565
LGSS Operational	-1,043	-744	-1,039	-788	-388
Total	-32,630	-33,245	-24,861	-20,867	-9,776

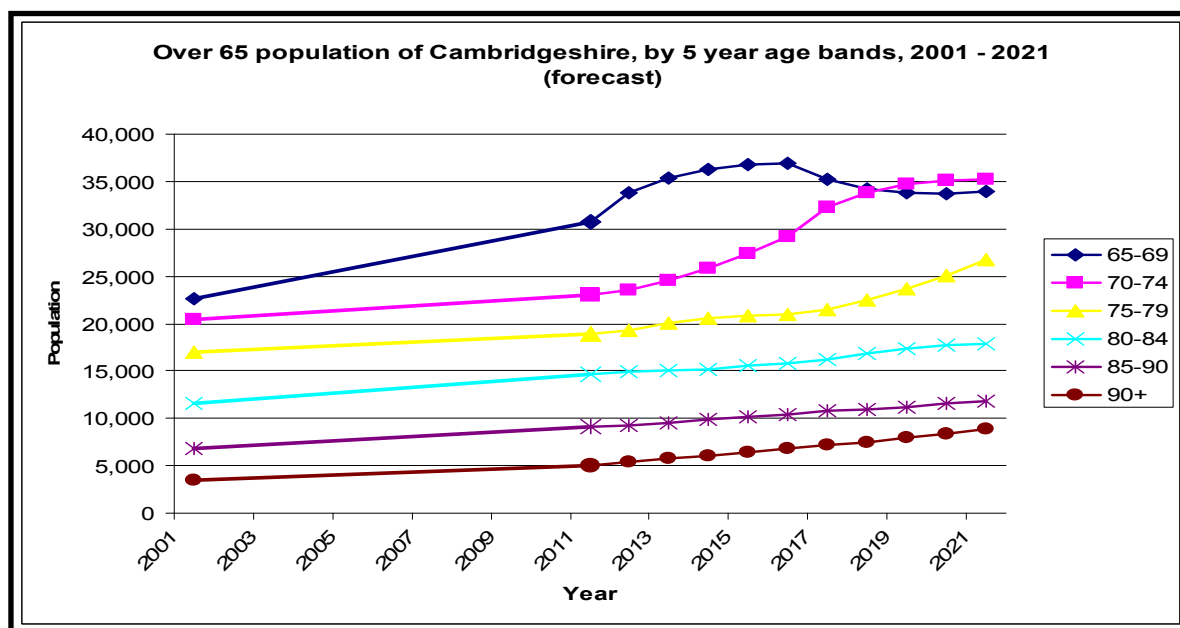
- 3.2 In some cases services have opted to increase locally generated income instead of cutting expenditure. For the purpose of balancing the budget these two approaches have the same effect and are treated in the same way.
- 3.3 This report forms part of the process set out in the Medium Term Financial Strategy whereby the Council updates, alters and refines its revenue proposals in line with new savings targets. New proposals are developed by services to meet any additional savings requirement and all existing schemes are reviewed and updated before being presented to service committees for further review during October and November.
- 3.4 Delivering the level of savings required to balance the budget becomes increasingly difficult each year. At this point in the Business Planning proposals are still being developed to deliver the following currently unidentified savings:

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-5,926	-12,653	-11,123	-15,909	-6,730
Children, Families and Adults (Dedicated Schools Grant (DSG) funded)	-	-378	-401	-400	-400
Economy, Transport and Environment	-	-1,011	-621	-2,579	-1,221
Public Health	-	-	-	-	-
Corporate and Managed Services	-	-275	-77	-50	-286
LGSS Operational	-	-	-	-	-388
Total	-5,926	-14,317	-12,222	-18,938	-9,026

- 3.5 Proposals will be revised to take into account feedback from October service committees and new proposals added to deliver the currently unidentified savings relating to 2015-16. Firm spending plans will be considered by service committees in November. GPC will also review the overall programme in November, before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.

4 COMPLEXITY OF NEED AND DEMOGRAPHIC CHALLENGES FOR ADULT SOCIAL CARE, OLDER PEOPLE AND MENTAL HEALTH SERVICES

- 4.1 The most significant challenge in developing plans to deliver the significant amount of savings required within the Children, Families and Adult (CFA) Service is that the demand for services from people who are eligible for adult social care, older people and mental health services continues at a level that exceeds the available budget.
- 4.2 For example, we anticipate that demand for our Learning Disability services within Adult Social Care will increase significantly over the next five years. The main areas that drive demand and therefore cost are:
- young people transferring from children to adult services;
 - new services users who move into Cambridgeshire or who meet the criteria to become an ordinarily resident in Cambridgeshire and therefore the responsibility of the authority for their care and support;
 - increasing level of support needed to maintain someone's care and wellbeing whilst living in the family home, due to the carers own reducing ability to do this through age or health related issues; and
 - the needs of service users increasing as they age or their condition changes.
- 4.3 The cost of our forecast demography within the Learning Disability Service is £3,078,400 in 2015/16 rising to £3,286,800 by 2019/20. To put it in real terms, there are currently 1646 people with a learning disability in receipt of a social care package of support. Our planning and assessment process shows us that in 2015/16 there will be 64 young people transitioning from children's services for which the Learning Disability Partnership (LDP) will have funding responsibility. There are also 54 people the teams have identified whose needs are likely to increase in 2015/16 and 46 people whose care situations may need additional support or need to be changed due to the needs of their carers.
- 4.4 Alongside this, we are challenged with making sizeable savings within the context of a rapidly expanding population of older people and the graph below breaks down the projected population increase in the number of over 65s by 5 year age bands.



4.5 We have a population of older people within Cambridgeshire who have increasingly intensive support needs. Our modelling estimates that the number of physically frail older people (65+) in Cambridgeshire will rise from being just over 10,000 in 2012 to almost 13,000 in 2021. Across the health sector we are seeing increased demand for services and our demographic predictions show increased demand over five years totalling £39.8 million by 2019/20. This is broken down as follows:

- ◆ Physical Disability Services: £6.1 million
- ◆ Mental Health Services: £5.4 million
- ◆ Older People's Services: £13.6 million
- ◆ Learning Disability Services: £14.6 million

4.6 Simply put, doing nothing is not an option. By 2022, the increases in demography and complexity of need mean that within older people's social care we estimate would need 1300 more home care packages, 465 more residential care places, 193 more nursing care places and £31million more funding (66%). Increased demand and restricted funding impacts on all partners within the health and care system and we need to take a co-ordinated approach to balance the short term delivery imperative with designing a more sustainable system. This report therefore sets out our thinking on future service models and arrangements, alongside savings proposals.

5 STRATEGIC DIRECTION FOR ADULT SOCIAL CARE, OLDER PEOPLE AND MENTAL HEALTH SERVICES

5.1 The Council's Business Planning processes inevitably provide a focus on the financial proposals for future years, but the financial challenges require a more radical and transformational response. Current service models and arrangements are not sustainable and the level and range of services that can be provided is generally reducing. Services will continue to seek to improve their effectiveness, but a lot of our focus will be on managing the triggers of demand rather than just making savings.

- 5.2 The scale of the savings requires a fundamental review and change of service provision that will lead to very different ways of working across CFA services compared to current arrangements. This section of the report provides an overview of the strategic direction proposed for Adult Social Care, Older People and Mental Health services over the next five years. This strategy work has underpinned the proposals for 2015/16 and will continue to inform planning for the following years.

A New Model of Social Work (Transforming Lives)

- 5.3 The Committee will be aware that work is being undertaken to develop a new strategic approach for social work and social care for adults in Cambridgeshire. It presents an opportunity to develop a model of adult social care which is markedly different from the current model. The model is based on the assumption that social work needs to be more proactive, preventative and personalised and aim to enable residents to exert choice and control and ultimately to live healthy, fulfilled, socially engaged and independent lives. We will need to have a greater emphasis on working with our partners to facilitate support for people, families and communities to be socially and economically productive.
- 5.4 The priorities for this new way of working are summarised below.
- A comprehensive, universal and accessible information and advice function, connecting people to their communities.
 - Supporting the development of stronger and better integrated community capacity based on a clear prevention strategy and support for carers and families.
 - Early intervention, to prevent people from reaching points of crisis
 - Increasing the use of assistive technology in care.
 - Ensuring the vulnerable adults are safe, providing on-going support for those who need it, based on a personalised, multi-agency assessment and plan.
 - Supporting integrated service delivery and decision making with partners, including the voluntary and community sector, NHS and wider public services.
 - Establishing a stronger community focus for social work and replacing the current emphasis on thresholds for accessing care with greater professional freedom to provide support when it is needed, matched with devolved accountability.

- 5.5 The model will require a significant shift in the way that services to adults are delivered currently and how services meet their statutory, financial and professional objectives. It underpins the Older People's Strategy, described below, and will be integral to the achievement of future Business Plan savings.

Older People's Strategy

- 5.6 There are significant opportunities to design and implement a better system of services for older people. These are set out within a new Older People's Strategy, which is in the final stages of agreement across our partners in Cambridgeshire. The collective vision is for older people to be more

independent, more active and more engaged in their communities for as long as possible, knowing that if they need them, they can rely on services which are flexible, creative, coordinated and focussed on keeping them well. The priorities for this new way of working can be summarised as below.

- Older people remain independent, living in homes that are appropriate to their needs and actively engaged in their communities for as long as possible.
- People retain or regain the skills and confidence to look after themselves and their families into older age.
- Carers of older people are able to cope with and sustain their caring role and choose the support which is right for them.
- Older people live with dignity, are safe and protected from harm and isolation.

- 5.7 There are a number of service delivery developments that can make the system for the care of older people more effective. These are based on evidence of good practice that has developed in other parts of the country and the professional experience of staff. Areas of focus include building strong, sustainable communities which support people to age well, helping people to help themselves, preventing crisis and helping people to recover from crisis. It also requires flexible, coordinated and creative long-term support for those that need it and appropriate and person-centred end of life care for residents and their families and informal carers.

Mental Health Strategy for Adults and Older People

- 5.8 A new Mental Health Strategy for Adults and Older People is in the early stages of development across our partnership, with a clear focus on delivering social care outcomes through efficient processes. Work is underway with partners to make better use of resources across agencies, with a continued focus on achieving personalised care that enables individuals to remain as independent as possible within their communities.

- 5.9 The priorities of the strategy will be to:

- Support people to live independently;
- Support people in a way that works for them;
- Support the development of strong, connected communities;
- Recognise the strengths of individuals, families and communities and build upon these; and
- Work in partnership to achieve this.

- 5.10 The strategy for Adult and Older People's Mental Health will build on the Council's *Transforming Lives* model (described above) and on the requirements of the Care Act 2014. It will also be shaped by listening to the views of service users and carers about the support they need, working closely with partners, including Cambridgeshire and Peterborough NHS Foundation Trust (CPFT), Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) and voluntary and community organisations.

6 DRAFT BUSINESS PLANNING PROPOSALS AND APPROACH TO ACHIEVING SAVINGS FOR ADULT SOCIAL CARE, OLDER PEOPLE AND MENTAL HEALTH SERVICES (2015/16 TO 2019/20)

- 6.1 We have not yet identified the total amount of savings required for the entire CFA Service for 2015/16 and future years. The current level of saving that remains to be found across CFA for 2015/16 is £5.956m. As explained later in this report, work is ongoing to close this gap across CFA and the outcome will be presented to the Committee at its November meeting.
- 6.2 The tables at Appendix B represent the full current savings proposals across the CFA Service. The budgets and proposed savings for Adult Social Care, Older People and Mental Health and Community Safety services fall within the remit of the Committee.
- 6.3 This section of the report sets out the budget and legislative pressures that have impacted on the development of savings proposals for Adult Social Care, Older People and Mental Health services for the 2015/16 Business Plan (paragraphs 6.4 to 6.17). It also sets out the detail of the savings proposals we have identified (paragraphs 6.18 to 6.39) and the steps that we are taking across CFA Services to identify further savings (paragraphs 6.40 to 6.53). ***We welcome a steer from the Committee as to where further savings should come from.***

Budget and legislative pressures

- 6.4 Our work to identify firm savings proposals for 2015/16 has included a detailed understanding of the pressures arising from the achievability of the savings set out in the current 2014/15 Business Plan (for both 2014/15 and 2015/16), alongside a number of pressures arising from changes in legislation, new duties or other factors.

Legislative pressures

- 6.5 We have undertaken a detailed assessment of the additional pressures created by the new duties set out within recent legislation and of the pressures arising from recent Supreme Court Judgements. These are set out in the accompanying financial tables and the Committee are asked to consider the risks associated with the identified pressures, which are described in more detail below.

The Care Act 2014

- 6.6 The Council operates within a national framework for social care and the Care Act 2014 is a major legislative change in health and social care policy. The Act brings together a number of existing laws, and also introduces new duties to local authorities, including its role towards all those in the population who might need care and in relation to carers. The Care Act also takes into account the findings of the Dilnot Commission's Report into the Funding of Care and Support and introduces a number of significant changes to how care is charged for, who has to contribute, and how much people will have to pay towards their care. The majority of the Care Act will come into force in April 2015, with the remainder coming into force in April 2016. The Council is

managing the implications of the Care Act through a Programme Board so that the necessary changes are in place by 2015 or 2016 as required.

- 6.7 The Council is participating in the national cost modelling exercises co-organised by the Department of Health, the Chartered Institute of Public Finance & Accountancy, the Association of Directors of Adults Social Services and the Local Government Association. On the 12 August 2014, the Department of Health announced provisional funding options for Care Act duties in 2015/16 as part of a consultation exercise. The total additional revenue funding for the Care Act is therefore anticipated as £3.243m in a standalone new grant, £1.367m as new funding received as part of the Better Care Fund and a further £354k for social care in prisons. The modelling exercises and internal costings suggest this funding will be fully deployed next year.
- 6.8 The major costs in the first year relate to care and financial assessments and reviews, as well as changed arrangements for carers. The Council is mindful that there will be challenging resourcing implications to meet the scale of the new duties at the same time as other local authorities. There is a high level of risk associated with implementation of the Care Act because, most significantly, the numbers of new people and carers who will require an assessment in future could be much higher than we are predicting. Aligned to this, we do not know how the new rules will impact on the independent care market.
- 6.9 For Business Planning for 2016/17 and beyond, the Council is currently assuming that the new burdens arising from 2016 onwards (around revised thresholds for assessing client income and assets and for implementing a total cap on care costs) will be fully funded and therefore not result in a new financial pressure. This remains an uncertainty, particularly from 2016/17, which will be re-visited as further information becomes available

Mental Capacity Act, Deprivation of Liberty Standards (DOLS)

- 6.10 In March 2014 the Supreme Court Judgement P v Cheshire West and Chester Council and P and Q v Surrey County Council ruled that any person who lacked capacity under the Mental Capacity Act and who was living in their own Tenancy and who was subject to close supervision was deemed to be deprived of their liberty. As such they should have a Court of Protection authorisation with regular court reviews. The Supreme Court ruling also alters the overall standards for when DOLS applies which will result in a greater number of applications requiring assessment and approval through the existing Schedule A1 process. The uplift in the number of schedule A1 applications through the exiting DOLS team has generated an estimated £800k pressure on the revenue budget for this service (full year effect). This will be a recurrent pressure based on the new standards set by the court.
- 6.11 Furthermore, services have identified additional people living in non-residential and non-hospital situations where the case of deprivation of liberty could be argued. This is based on the fact that should they leave their accommodation they would be accompanied by a staff member and are therefore not free to pursue their wishes without close supervision. It is proposed that this is treated as a one-off pressure for 2015/16 rather than a

recurring requirement. In theory and in law these legal costs would recur every year as DOLS is only granted for a max period of 12 months. However, given the scale of the pressure on all authorities we anticipate a national solution will be found by 2016/17. This assumption carries a degree of risk with it and therefore needs to be kept under review.

- 6.12 The resulting pressure is £800k every year from 2015/16, alongside an additional one-off pressure of £1.54m in 2015/16 (totalling a pressure of £2,340,000 in 2015/16 and £800k thereafter).

Budget pressures

- 6.13 We have also considered the savings within the current Business Plan for 2014/15 that will be met either partly or not at all. This increases the savings requirement for 2015/16. The table below sets out the pressures for Adult Social Care, Older People and Mental Health services in 2014/15 alongside the rationale for the variance.

<i>2014/15 pressure</i>	<i>Context</i>
Reductions through double up care (review of all Home Care packages for older people where two care workers are being deployed)	The target of £700k in 2014/15 will not be fully realised. Over the past year our understanding of the budget that transferred over from Cambridgeshire Community Services (CCS) has increased and this saving is not as straightforward to deliver as originally anticipated. Pressure is £200k.
Ordinary Residence rules not being applied	Historically, some Local Authorities have continued to fund people who have moved into a supported living model of service in another Local Authority area. Where people have moved into a supported living model they become the responsibility of the Local Authority where they are living (i.e. where they are “ordinarily resident”). The Learning Disability budget was increased to manage the expected pressure of people transferring to Cambridgeshire under the Ordinary Residence rules, but no transfers happened in 2013/14 and so a saving of £1,330K was identified against this budget with the understanding that any transfers in future years would create a pressure. In 2014/15 a pressure of £400K has been identified as other Local Authorities have contacted Cambridgeshire to transfer responsibility.
Management of triggers of demand for Nursing Care Placements, Residential Care Placements and Home Care Hours	In 2014/15, the Older People’s service is not expected to fully meet its demand management savings target. The service is faced with an increasing elderly population with needs that are increasingly complex. For 2014/15 the service is on course to achieve only a 1.0-1.5% reduction in the net cost of care, including meeting all new needs within existing resources. It is important to note that this

	<p>could change over the winter. We can evidence that many of the net reductions and improvements this year have been realised through improved administration, reconciliation and accountability for spending, rather than re-commissioning provision in a way that achieves recurring savings. This has implications for the savings required in future years. Ultimately, the nature of Older People's services is that there is restricted opportunity to adjust packages once in place and the planned levels of reduced activity are therefore unrealistic.</p>
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- 6.14 The situation within the Older People's service has been impacted by the recent decisions of the General Purposes Committee (GPC). If there was full achievement of the demand management savings within Older People's services in 2014/15, an underspend of £2.5m would have been delivered. This is because the £6.5m Older People's pressure funding was allocated to the Older People's directorate budget last year on the basis of the expected overspend at the time, which was £4 million. The GPC have recently taken the view that there is therefore a £2.5m excess in the Older People's budget and the CFA cash limit has been reduced accordingly for 2015/16.
- 6.15 Furthermore, within the current Business Plan there are £6.533m savings expected in 2015/16 from managing the triggers of demand within Older People's services. In order to make this level of saving, the service would need to achieve 8% reductions in the costs of care. This is the equivalent to averaging a decrease of 117 residential packages, 55 nursing packages and 325 home care packages. This position assumes that the service will have unfound savings still to find from the 2014/15 Business Plan and that there is sufficient capital available to enable £1.3m in equipment to be expended outside of revenue budgets for a second year. The nature of Older People's services is that there is restricted opportunity to adjust packages once in place and, as described above, the planned levels of reduced activity are therefore unrealistic.
- 6.16 Alongside this, there is growing evidence that the independent care sector, which is the recipient of the majority of the Council's spend in the Directorate, is under financial pressure within Cambridgeshire with the potential for system-wide consequences were any individual provider to fail for financial reasons. Cambridgeshire is in the lowest quartile for unit costs for comparable authorities for all types of care, and it is not expected that further efficiencies can be quickly realised through this route. CFA therefore recently requested £3m in additional funding from the GPC to meet the pressures set out in the paragraphs above.
- 6.17 These combined CFA pressures – arising from both the budget and legislative changes described above - were presented to the GPC on 9th September 2014. The Committee agreed that they should be noted for further consideration through the business planning process. The impact of this decision is that if specific funding is not allocated through Committee and Council decisions, CFA will need to identify additional savings to offset the pressure. These additional savings have therefore further increased the size of the currently unidentified savings gap for the CFA directorate for 2015/16

and beyond and it is going to be extremely challenging and risky to identify savings to meet these targets.

Savings proposals for 2015/16

- 6.18 The savings proposals we have identified are set out in detail in the accompanying draft tables (at Appendix B) to this report and are highlighted below. Where possible, we have RAG (Red, Amber, Green) rated the savings according to the impact we consider they will have on those who use our services and according to the deliverability risk of the proposal. It is important to emphasise that there are many risks within these savings proposals in terms of the impact they will have and they are almost all high risk in terms of our ability to deliver them because of the demand led nature of services.

Inflation: proposed approach and options for discussion

- 6.19 Year on year inflation increases the real costs of providing and commissioning services for children, families and adults. The County Council's Financial Strategy recognises and models these inflationary impacts and allocates funding to Directorates to cover the costs. For the 2015/16 Business Plan, the Council's Financial Strategy suggests a 2% inflationary impact over the next five years. These increased costs are not currently matched by increased funding from central government and so represent an additional financial pressure.
- 6.20 As part of our business planning strategy, CFA is considering whether it is possible to manage inflationary pressures within existing budgets or at rates below the 2% increase, to contribute to the CFA savings target. The approach creates considerable challenges and risks for Council services and those commissioned through independent providers. This impact is felt across all teams, but is most significant when considering the costs of packages of care support for older people, vulnerable adults and children in care. These are the biggest areas of spend in CFA and care is primarily delivered by independent providers who bear the cost of any under-funding of inflation, the Council has not been in a position to fully fund estimated inflationary costs of providers for the last four years, some of which saw actual reductions in fees paid. Continuing this trend potentially threatens the financial sustainability of some providers at a time when demand for care is increasing. However, the financial position makes funding inflationary costs extremely difficult.
- 6.21 ***The Committee is asked to consider the proposed approach and provide a steer on the options below***, which weigh the financial benefits of not applying full effect inflation against the potential risks.

Option 1 - All budgets, including those directly funding care and support, are expected to operate with 0% inflation uplift. This option would achieve £6,331k savings in total. However, it would put significant and potentially unsustainable pressure on independent care providers who might become financially unviable, stop offering services to the County Council or seek to increase prices to cover the shortfall.

Option 2 – Apply the currently modelled 0% inflation for non-care based services (with a saving included in the tables) and 1% inflation for care

services, seeking to balance the achievement of savings with the need to cover increased costs to care providers at least in part. This would achieve £1,874k in savings, and is our recommended approach, assumed in the tables presented to the Committee.

Option 3 – Apply a total 1% inflation uplift for the budgets as a whole, but give flexibility for Directorates to apply this differentially to different services and providers, potentially offering more than 1% to some areas but less in others.

Option 4 – apply 2% inflation as modelled in the Council's Financial Strategy (where 2% has been used as the general inflation rate), meeting costs in full but increasing the amount of unidentified savings for CFA by £1,874k.

Adult Social Care Services

- 6.22 Due to the nature of the budget, savings within this Service are proposed through the management of packages for people with learning difficulties and people with physical disabilities and sensory needs (A/R.6.124, savings total £5,793k in 2015/16, £4000k in 2016/17 and £4200k in 2017/18). This is the approach to be taken to ensure that demographic investment is used in the most efficient way to respond to new demand and to assist the Service in managing the ongoing demand within the budget available. The savings we have identified towards the 2015/16 target are set out below and are high risk in terms of their deliverability given the number of variables that we cannot control.
- 6.23 We will further reduce the budget for care packages within the Learning Disability (LD) and Physical Disability (PD) services. Current costs for PD care packages are below budget because the Service models costs based on assessed need, but actual spending has been slightly lower (A/R.6.108, savings total £600k in 2015/16). Alongside this, we propose absorbing some additional demand for increased need and potential demand from young people reaching adulthood who are not previously known to services (A/R.6.122, savings total £282k for LD and £40k for PD in 2015/16). The impact of this approach on service users will be significant as it amounts to a reduction in the cost of the care packages they receive.
- 6.24 Savings are proposed through a continuation of work to review all LD cases to ensure personal budget allocations fit with the reduced Resource Allocation System (RAS) introduced in 2014/15 (A/R.6.115, savings total £899k in 2015/16). Similarly, a continuation of a review of all PD cases will promote progression and use of local community resources to reduce dependence on statutory services and transport requirements (A/R.6.121, savings total £384k in 2015/16).
- 6.25 For new and existing service users there will be a continued focus on Assistive Technology (ATT), supporting family carers and supporting the integration of people with disabilities within their local communities. Further use of ATT to maximise independence for people with LD is aimed to achieve savings of £350k in 2015/16 (A/R.6.113) and £100k in 2015/16 for people with PD (A/R.6.117). The ATT service is already under a high level of pressure and some investment may be required to deliver the intended savings. Further savings will be achieved through reinforcing the use of

reablement as the pathway before completion of formal statutory assessments (A/R.6.118, savings total £200k in 2015/16).

- 6.26 We will achieve greater efficiencies through Direct Payments within the LD Service. Monitoring of the use of Direct Payments has shown that service users and their families can meet their needs more cost effectively given the freedom to manage their own Direct Payments. Any surplus is reclaimed by the Council and savings planned total £300k in 2015/16 for LD (A/R.6.110) and £100k in 2015/16 for PD (A/R.6.111).
- 6.27 Alongside the actions identified to manage the triggers of demand for care package, we will make further savings through our Learning Disability Partnership contracts (A/R.6.101, savings total £702k in 2015/16). The development of a central placements team to manage negotiations with providers of specialist high cost placements will secure better value for money and manage use of any vacancies arising in local supported living services.
- 6.28 We have also been working closely with the Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) to identify the funding we will receive through the Better Care Fund (BCF), to put in place preventative and early intervention measures to reduce emergency admissions to hospital and improve outcomes for service users. £2.5m of the BCF has been allocated in the CFA budget for 2015/16 to ensure that social care services can be protected. The detail of this has been provided previously in separate papers to the Committee and contributes to the savings target.

Older People's Services

- 6.29 Management of the triggers of demand for Nursing Care Placements, Residential Care Placements and Home Care Hours (A/R.6.201, savings total £1177k in 2015/16, £2400k in 2016/17, £2092k in 2017/18). These savings are based on managing the triggers of demand for Older People's services to ensure that the demographic investment is applied in the most efficient way and the Directorate is able to manage the demand for services within net available resources. This is a demand led budget which is subject to a wide range of factors, including decisions by partner organisations, increasing levels of need and complexity amongst service users and seasonal changes. These savings will be very challenging to deliver. During 2015/16 work will continue to be undertaken to address the main triggers that lead to an older person becoming frail and requiring a care package or being admitted to hospital. These triggers include a fall, continence issues, mental health issues and carer break down. This work to develop a joint pathway which increases preventative activity during 2015/16 is expected to contribute towards the reduction in demand in 2016/17 and subsequent years. This work and other strategic planning, is described in more detail in the section of the paper setting out our approach to savings for the later years of the Business Plan.
- 6.30 A detailed action plan is being taken forward to deliver savings within this demand led budget and is monitored through the Older People's Programme Board. It is important to note that it is not possible to break down the full savings figure and ultimately the demand management saving will become a target for Locality Teams. We will continue our focus during 2015/16 on making sure that care packages that cover residential, nursing and home care

are planned and reviewed carefully, and close management scrutiny is applied to the financial impact. Work will be carried out across the Locality Teams to examine the highest cost packages in home care and identify any areas for change. Work will also take place with NHS partners to ensure that transparent arrangements are in place to agree funding in those situations where joint funding is appropriate or if someone is eligible for Continuing Health Care (CHC).

- 6.31 We will reduce our spend on interim beds so that distribution and level of funding is appropriate across the County (A/R.6.203, savings total £270k in 2015/16). A review of the provision of interim beds has shown that the Council has developed an unequal level of spend across the County in interim beds in response to pressures in the acute system and availability of NHS beds for rehabilitation and interim care. Any reduction will be managed slowly and in partnership with the local NHS systems to avoid creating hospital delays. Aligned to this, we will rationalise the way that respite care is commissioned and contracted (A/R.6.204, savings total £120k in 2015/16).
- 6.32 We will continue to make improvements in performance in reduced hospital delays due to social care reasons (A/R.6.205, savings total £350k in 2015/16). Successful implementation of the Discharge to Assess approach should result in a reduction in reimbursement fines for delayed transfers of care. Alongside this, we have agreed with NHS partners that NHS funded care will continue until the completion of a Continuing Health Care (CHC) assessment, even if social care funded provision is used whilst an older person is awaiting a CHC assessment.
- 6.33 We will retender the Integrated Community Equipment Service contract to achieve better prices for equipment to manage increasing demand within the available budget (A/R.6.213, savings total £190k in 2015/16, £185k in 2016/17 and £185k in 2017/18).

Adult and Older People's Mental Health Services

- 6.34 There will be a higher level of scrutiny of the spend against the budget for older people with mental health needs. Following the move of Older People's services from Cambridgeshire Community Services (CCS) to Cambridgeshire County Council, work is underway to have a more detailed understanding of spend and practice in relation to support within mental health services for older people. Older People's Mental Health services sits within Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) as part of the Council delegated services under the Section 75 partnership agreement. Work is taking place to ensure that front line staff and managers understand their roles and responsibilities and have a greater understanding of the correct procedures to follow, best options for quality and financial efficiency. In parallel to this work, the Council is working with Health Commissioning colleagues to improve the joint decision making process when care packages require joint funding. The revised joint funding tool and decision making process is currently being piloted and once details are finalised a programme of joint training will be completed. It is expected that these improvements and the establishment of a robust system will realise financial and quality benefits. This work will continue into 2016/17 (A/R.6.208, savings total £306k in 2015/16 and £433k in 2016/17).

- 6.35 Savings are planned in respect of improved assessment and reviews, and the implementation of strategies to manage the triggers of demand for individual social care packages within Adult Mental Health Services. We will undertake work to ensure that (as for older people) there is a detailed scrutiny of care packages already in place, alongside the process for agreeing any new packages, to ensure best value for money. This is a continuation of the work that began in 2014/15 and during 2015/16 a particular focus will be on agreeing a robust and equitable joint funding tool for those mental health care packages that are funded jointly with health commissioning colleagues (A/R.6.211, savings total £198k in 2015/16, £100k in 2016/17 and £100k in 2017/18).
- 6.36 We will make further efficiencies from monies paid to CPFT to deliver the adult mental health section 75 agreement. Savings are achievable through redesigning learning and development, and reforming services commissioned through CPFT for young onset dementia, social inclusion and CPNs. (A/R.6.209, savings total £135k in 2015/16 and £48k in 2016/17).
- 6.37 We will absorb additional demand for specific adult mental health conditions and services within existing resources. This includes young onset dementia, autism, and drug and alcohol issues. Efficiencies will be within the enhancement and redesign of Approved Mental Health Professional Duty service and total £201k in 2015/16 (A/R.6.212).
- 6.38 We will make budget reductions to services commissioned through the voluntary and community sector (A/R.6.210, savings total £249k in 2015/16 and a further £26k in 2016/17) for a range of commissioned services for early support in mental health. This proposal is likely to result in the closure of some community support services and so we will keep this saving proposal under review as the impact of this could be counterintuitive in terms of reducing demand.

Safer Communities Partnership Team

- 6.39 The Safer Communities Team will make reductions through staff redundancies and disinvestments, in part due to changes in grants and responsibilities, and a reduction in allocations received from the Police and Crime Commissioner budget. This will lead to the loss of two posts in the Drug and Alcohol Action Team (DAAT) Commissioning Team, which will reduce commissioning capacity more broadly. In addition, the training post for Domestic Violence programmes will come to an end. The remainder of the specialist Supporting People budget was moved to the Safer Communities Team in 2013 and it is anticipated that a saving will need to be identified from this core budget. The budget covers the following providers: Cyrenians, Jimmy's, Luminus, the Refuge and Women's Aid (A/R.6.507, savings total £171k in 2015/16).

Addressing the shortfall in savings required for 2015/16

- 6.40 A gap of £5.956m currently exists between the identified and unidentified savings across the CFA Service for 2015/16. Across CFA Services we have taken – and continue to take – a number of steps to identify the remaining

savings required for the 2015/16 Business Plan. We are considering where we can bring down our demography funding further and options for services to meet an increased level of demand with the same size (or less) budget as this year. We are looking again at where we are taking inflation, whether we can bring savings proposals forward from later years, whether we can make any savings through the services we commission, whether we can identify any areas where we can consider invest to save options, using reserves to provide investment funding, and whether there is anything we can simply stop doing.

- 6.41 ***We would welcome a steer from the Committee about the areas where we should focus our attention*** and will bring further proposals to the Committee in November.

2016/17 and beyond

- 6.42 A significant amount of unallocated savings for the subsequent years of the Business Plan also exists (£12.653m in 2016/17, £11.123m in 2017/18, £15.909m in 2018/19 and £6.730m in 2019/20). We have considered whether any proposals for 2016/17 could be brought forward a year to meet the immediate challenge for 2015/16. We have also reviewed our current allocations for demand management across the Adult Social Care, Older People and Mental Health services, on the basis of what is achievable. This has mainly resulted in our initial projections being lowered, which has in turn increased the amount of unallocated savings for 2016/17 and later years.
- 6.43 Our recent work to set out the strategic direction for Adult Social Care and Older People's and Mental Health services over the next five years will continue to inform planning for the remaining years of the Business Plan. The areas of focus and investigation that we are pursuing to further identify the required savings are set out below.

Building community capacity

- 6.44 Across Adult Social Care, Older People and Mental Health services, we need to be more explicit about how *Transforming Lives* and building community capacity will support business planning. Within CFA Services this means shifting our focus from meeting the needs of individuals to supporting communities and families. Communities that are more connected and resilient need fewer public services, create good places to live and improve outcomes. People are not passive recipients of services. They have an active role to play in creating better outcomes for themselves and others, and will be the starting place for tackling issues. We will create the means to get closer to communities and understand their needs and aspirations.
- 6.45 Work is in development to consider how we can build community capacity both across and within our services, and what the cost implications will be in terms of reducing demand for intensive support. This includes our assessments for Adult Social Care, work to improve support for children and adults with a learning or physical disability, support for carers, supporting individuals with mental health problems to remain in their communities through early intervention, and identifying operational factors to build community and family capacity within Older People's services and how we

will work with the voluntary and community sector (VCS) to achieve this. We also need to consider the professional workforce development we need to support this agenda.

Understanding the triggers of demand to prevent escalation of need

- 6.46 Work is underway to better identify the triggers of demand for our services and where we could intervene at an earlier stage to manage that demand. For example, we are considering the opportunities for the development of health and social care services that could lead to avoided cost for social care by preventing people from entering service or reducing the need for service once people are receiving it (by supporting people back towards independence as far as possible or delivering services more efficiently). The particular challenge is that expanded preventative capacity might identify and addresses demand that is currently unmet, resulting in no overall saving compared to current spending. Further exploration and testing of the opportunities presented here, with partners, will be essential to develop these ideas into commissioning plans and eventually new or different services.

Cross-directorate/thematic reviews

- 6.47 We are looking at all the services involved in supporting adults with certain needs or in delivering strategic priorities to more fundamentally change how needs are met or priorities are delivered with the funding that is available. This work will bring innovation and efficiencies to the whole system and is set out in the approaches to the Older People's services and Learning Disability savings described above. It will lead to very different services and structures and we will bring further detail to the Committee in November.
- 6.48 We are, for example, considering support to children, young people and adults with learning and physical needs. This includes exploration of how we ensure we are aware of people transitioning from children's to adult social care services and assist them in planning accordingly, and how we can improve our offer for people on the autistic spectrum. We are exploring how improved participation in education, employment and training could be achieved, and how this could have a beneficial impact on employment and independence rates as people transition to adulthood. The work will also consider services as a whole for children and adults with profound and multiple learning disabilities, to examine whether support can be improved whilst generating savings.
- 6.49 We are also undertaking comparative work with other local authorities on activity and costs and improving how we use management, financial and performance information to identify where further efficiencies can be made. We are undertaking work to rationalise our contracts with a view to making efficiencies. We are also looking at areas where we can make investments in order to achieve more in savings further down the line. This will form part of our plans for making longer term savings and we will provide further detail to the Committee in November. It will mean further reductions in service and high risk in terms of deliverability, not least because of the long lead in time needed to truly transform services and the way we work.

Invest to save proposals

- 6.50 As we - across CFA - continue to explore new solutions, a range of proposals have been highlighted which would require an initial start-up investment, but which would have the potential to deliver savings in the long term. These proposals and ideas will need to be developed and refined over the coming weeks and we will bring more detailed proposals to the Committee in November. The initial investment funding for these proposals would be from CFA non-recurrent Directorate reserves and so would not require members to authorise additional specific funding. However, the proposals impact on County Council's savings plans and would in the short term commit us to additional spending.
- 6.51 The table below lists the potential invest to save bids which are currently being explored.

Proposal	Impact on CFA Service budgets
Highest Quality Social Work Practice	Consideration might be given to changing the job descriptions, responsibilities and pay scales of social work professionals (children and/or adult services) in order to attract the highest quality social work practitioners on a permanent basis. This has the potential to achieve savings by reducing the reliance on agency staff and also by ensuring that our workforce is best equipped to work successful and preventatively to reduce need, manage risk and find solutions.
Adapting service pathways in response to identified triggers of demand in Older People's Services – in particular looking at the prevention of and response to service users whose need is triggered by falls and continence	Would seek to reduce the number of clients in Older People's Services, the level of supported needed by each client or the length of time support is required for. Likely to require an investment in additional preventative capacity, including potentially joint arrangements with health sector teams
Continuing Health Care (CHC)	The County Council could decide to employ its own staff to undertake CHC assessments – ensuring they are completed in a transparent way with a view to ensuring that those who are eligible for CHC receive it. This would allow us to address the issues whereby clients with continuing health needs are currently being funded in full by Social Care Services.

Payment by outcomes for Adult Care Providers	<p>We want to move towards commissioning care providers on a payment by outcomes basis, incentivising them to help us manage demand and reduce/shorten packages</p> <p>In the short term this would require an increase in the level at which we pay providers – either through inflation uplifts or basic cost levels.</p>
Foster Care for Older People	<p>Developing a “foster care” scheme for older people, based on volunteers or a paid service where a brief stay could be appropriate when someone needs respite/ is ready to come out of hospital and medically fit but not quite ready to come home</p> <p>Establishing this kind of scheme could help us respond to capacity issues regarding home care, especially in the Fenland area, which currently drive additional cost by forcing us to place older people in most expensive arrangements.</p>
Live in Care	<p>We might explore the creation of live-in arrangements which give staff who work in home care the option of offering rental accommodation to older people who they also provide some care and support to. This would increase the capacity for live in care and might also help respond to the difficulty in employing people to work in home care by giving them a second income stream.</p>
Home Care	<p>We might consider establishing a local authority run (or controlled) home care provision. By offering this ourselves we could ensure the provision is directly targeted to our needs and aligned with our demand management strategy. Potentially the provision could be an arms-length unit which would need to be financially self-sustaining. It could provide additional capacity, would give us a chance to get a better handle on real cost and quality issues to increase our influence on the market.</p>

Community Impact Assessments

- 6.52 All of the Council’s services, policies and functions are required to conduct Community Impact Assessments (CIAs) when they are first developed or when changes are being made. They are a planning tool to identify the potential relative impact of any changes in service provision on different sections of the community and to help us to fulfil our equality duties. CIAs

have been completed for the more detailed draft savings proposals in 2015/16 and are attached for the Committee to read (at Appendix C) alongside this report.

- 6.53 When considering the CIAs, it is important to bear in mind that the significant nature of the savings target means that the savings proposed are about reducing services for some and are high risk in terms of deliverability. They will have an impact on the communities we serve.

7. NEXT STEPS

- 7.1 The table below sets out the activity over the coming months to build the Business Plan for 2015/16 and the next four years. We will update the Committee on progress throughout the coming months.

October	Committee considers draft revenue proposals for Business Plan and CIAs for these proposals. Ongoing work to develop budget plan and deliver savings proposals.
November	Committee considers final draft revenue and capital proposals. Ongoing work to develop budget plan and deliver savings proposals.
December	Ongoing work to develop budget plan and deliver savings proposals.
January	General Purposes Committee review draft Business Plan for 2015/16.
February	Draft Business Plan for 2015/16 discussed by Full Council.
March	Publication of final Cambridgeshire County Council (CCC) Business Plan for 2015/16. Ongoing work to deliver savings proposals.

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

There are no significant proposals linked to delivery of this priority.

8.2 Helping people live healthy and independent lives

The proposals in the report supporting this priority include:

- Assisting more ASC users to take up personal budgets to influence the type of care they want to meet their needs.
- Using Community Navigators to help older people find their way to activities they would enjoy or find useful.
- Expansion of our reablement scheme, which helps those adults with social care needs to return to, or remain in, their homes.

- The range of measures to manage the triggers of demand for Adult Social Care services by helping people to stay healthy for longer.
- Working with communities to support vulnerable adults and older people, as well as carers and their families, to enable them to live as independently as possible.

8.3 Supporting and protecting vulnerable people

The proposals in the report supporting this priority include:

- Investing in more sheltered housing for older people to reduce demand for residential facilities.
- Supporting people with physical and sensory disabilities.
- Supporting adults and older people with mental health problems.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

There are significant resource implications associated with the proposals set out in the current Business Plan and that we are considering for future years. Our proposals seek to ensure that we are using the most effective use of available resources across the health and social care system. The implications of the proposals will be considered throughout the Business Planning process and the Committee will be fully informed of progress.

9.2 Statutory, Risk and Legal Implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Advice will be sought on possible legal implications and brought back to the Committee during the Business Planning process.

9.3 Equality and Diversity Implications

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 scale of the savings requires a fundamental review and change of service provision that will lead to very different way of working across CFA services compared to current arrangements.

9.4 Engagement and Consultation Implications

Our Business Planning proposals are informed by our knowledge of what communities want and need. They will also be informed by the County Council 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). Community Impact Assessments (CIAs) on the more detailed savings proposals contained within this paper for 2015/16 have been drafted and are attached to this paper for consideration by the Committee.

9.5 Localism and Local Member Involvement

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. As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities.

9.6 Public Health Implications

A number of the proposals within this report will have implications for the health of vulnerable adults and older people. We are working closely with Public Health colleagues to ensure our emerging Business Planning proposals are aligned.

SOURCE DOCUMENTS GUIDANCE

Source Documents	Location
Cambridgeshire County Council Business Plan for 2014-15	http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2014_to_2015

APPENDIX A - EXPLANATION OF THE CFA BUSINESS PLANNING TABLES

CFA has 6 finance tables in the Business Plan.

TABLE 1 presents the net budget split by policy line for each of the five years of the Business Plan. It also shows the revised opening budget and the gross budget, together with fees, charges and ring-fenced grant income, for 2015-16 split by policy line. Policy lines are specific areas within a service on which we report, monitor and control the budget.

The purpose of this table is to show how the net budget for a Service Area changes over the period of the Business Plan.

TABLE 2 presents additional detail on the net budget for 2015-16 split by policy line.

The purpose of the table is to show how the budget for each policy line has been constructed: inflation, demography and demand, pressures, investments and savings are added to the opening budget to give the closing budget.

TABLE 3 presents the gross budget and the detailed changes to the gross budget for the CFA core budget (excluding the Dedicated Schools Grant) for each of the next 5 years. At the top it takes last year's gross budget (opening budget) and then adjusts for inflation, demography and demand, pressures, investments, savings, leaving you with the new total gross budget.

The funding section (near the bottom) then shows how the new total gross budget is funded – which includes central council funding (cash limit funding), fees and charges, school income, and specific grants.

The purpose of this table is to show how the CFA budget changes due to inflation, demography & demand, pressures, investments, and savings.

TABLE 4 presents CFA's capital schemes, across the ten-year period of the capital programme. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table. The third table identifies the funding sources used to fund the overall programme. These sources include prudential borrowing, which has a revenue impact for the Council.

TABLE 5 lists a Service Area's capital schemes and shows how each scheme is funded. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table.

TABLE 6 presents the Dedicated Schools Grant budget changes and is similar to Table 3, which covers just the CFA core budget, but purely relates to the Dedicated Schools Grant. Tables 1 and 2 present both the core CFA budgets and the Dedicated Schools Grant budgets together in an integrated format.

Tables 1, 2, 3 and 6 all show the same revenue budgets in different presentations. Table 3 details all the savings and then Table 2 shows the impact of the Year 1 savings on each policy line. Table 1 shows the combined impact on each policy line over the 5 year period. Some savings in Table 3 impact on just one policy line in Tables 1 and 2, but other savings in Table 3 are split across various policy lines in

Tables 1 and 2. The following examples track through the budgets for Integrated Community Equipment Service across Tables 1, 2 and 3.

Example 1: Integrated Community Equipment Service (ICES) : mapping budget changes through the tables

Table 3 - all the sections which impact on ICES budget

A/R 2.001	Inflation – total CFA inflation is £6,348k in 15/16, and of this £54k relates to ICES.
A/R 3.001	Demography – Funding of £112k is allocated to ICES in 15/16 to reflect demographic pressures (with £117k £118k £129k £128k in the following 4 years).
A/R 6.205	Savings of £190k are identified for 15/16, and £185k in each of the following two years.

Table 1 – following the ICES policy line across.

ICES is a policy line in Older People and Mental Health Services. It will have a net budget (third column of table) of £2,237k for 2015-16. In the following 4 years the change in budget is the net impact of the demography, investment and the savings requirement.

Table 2 - following the ICES policy line across.

This table only relates to the 2015/16 year and therefore shows an opening budget (revised 14/15 budget) of £2,261K, adds £54k of inflation and £112k of demography, and takes away £190k of savings – giving a net budget of £2,237k for 2015/16 as shown in Table 1.

Opening Budget	£2,261k
Inflation	+£54k
Demography	+£112k
Savings	<u>-£190k</u>
Gross Budget 15/16	£2,237k