

SERVICE COMMITTEE REVIEW OF DRAFT REVENUE BUSINESS PLANNING PROPOSALS FOR 2019-20 TO 2023-24

To: Adults Committee

Meeting Date: 18 October 2018

From: Wendi Ogle-Welbourn, Executive Director: People and Communities and 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 Proposals for services 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 2019-20 to 2023-24 Business Plan revenue proposals for the Service.**
- b) It is requested that the Committee comment on the draft revenue proposals that are within the remit of the Adults Committee for 2019-20 to 2023-24.**

<i>Officer contact:</i>	
Name:	Wendi Ogle-Welbourn
Post:	Executive Director; People and Communities
Email:	Wendi.ogle-welbourn@cambridgeshire.gov.uk
Tel:	01223 728192

1. OVERVIEW

- 1.1 The Council's Business Plan sets out how we will spend the resources we have at our disposal to achieve our vision and priorities for Cambridgeshire, and the outcomes we want for people.



- 1.2 To ensure we deliver this agenda, our focus is always on getting the maximum possible value for residents from every pound of public money we spend and doing things differently to respond to changing needs and new opportunities. The Business Plan therefore sets out how we aim to provide better public services and achieve better results for communities whilst responding to the challenge of reducing resources.
- 1.3 Like all Councils across the country, we are facing a major challenge. Demand is increasing and funding is reducing at a time when the cost of providing services continues to rise significantly due to inflationary and demographic pressures. Through our FairDeal4Cams campaign we are currently linking with the 39 Shire County areas who make up membership of the County Council's Network and who are raising the issue of historic underfunding of Shire Counties with our MPs and through them with Government. As the fastest growing County in the country this financial challenge is greater in Cambridgeshire than elsewhere. We have already delivered £186m of savings over the last five years and have a strong track record of value for money improvements which protect front line services to the greatest possible extent. However we know that there will be diminishing returns from existing improvement schemes and that the substantial pressure on public finances remains. It is therefore clear that we need to work more closely with local communities to help them help themselves as well as going further and faster in redesigning the way we commission and deliver services.
- 1.4 As such our Business Plan recognises the scale of change needed and proposes a significant programme of change across our services, with our partners and, crucially, with our communities. To support this we have a dedicated transformation fund, providing the resource needed in the short term to drive the change we need for the future.

- 1.5 As the scope for traditional efficiencies diminishes our plan is increasingly focused on a range of more fundamental changes to the way we work. Some of the key themes driving our thinking are;
- Income and Commercialisation - identifying opportunities to bring in new sources of income which can fund crucial public services without raising taxes significantly and to take a more business-like approach to the way we do things in the council.
 - Strategic Partnerships – acting as ‘one public service’ with our partner organisations in the public sector and forming new and deeper partnerships with communities, the voluntary sector and businesses. The aim being to cut out duplication and make sure every contact with people in Cambridgeshire delivers what they need now and might need in the future.
 - Demand Management – working with people to help them help themselves or the person they care for e.g. access to advice and information about local support and access to assistive technology. Where public services are needed ensuring support is made available early so that people’s needs don’t escalate to the point where they need to rely heavily on public sector support in the long term– this is about supporting people to remain as healthy and independent as possible for as long as possible.
 - Commissioning – ensuring all services that are commissioned to deliver the outcomes people want at the best possible price – getting value for money in every instance.
 - Modernisation – ensuring the organisation is as efficient as possible and as much of the Council’s budget as possible is spent on front line services and not back office functions taking advantage of the latest technologies and most creative and dynamic ways of working to deliver the most value for the least cost.
- 1.6 The Council continues to undertake financial planning of its revenue budget over a five year period 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, with a focus on those which are relevant to this Committee. Increasingly the emerging proposals reflect joint proposals between different directorate areas and more creative joined up thinking that recognise children live in families and families live in communities, so many proposals will go before multiple Committees to ensure appropriate oversight from all perspectives.
- 1.7 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.
- 1.8 Equally as our proposals become more ambitious and innovative, in many instances they become less certain. Some proposals will deliver more or less than anticipated, equally some may encounter issues and delays and others might be accelerated if early results are promising. To manage this we need to incorporate some changes to our business planning approach, specifically;
- We want to develop proposals which exceed the total savings/income requirement – so that where some schemes fall short they can be mitigated by

others and we can manage the whole programme against a bottom-line position

- We aim to establish a continual flow of new proposals into the change programme – moving away from a fixed cycle to a more dynamic view of new thinking coming in and existing schemes and estimates being refined
- A managed approach to risk – with clarity for members about which proposals have high confidence and certainty and which represent a more uncertain impact

1.9 The Committee is asked to comment on these initial proposals for consideration as part of the Council's development of the Business Plan for the next five years. Draft proposals across all Committees will continue to be developed over the next few months to ensure a robust plan and to allow as much mitigation as possible against the impact of these savings. Therefore these proposals may change as they are developed or alternatives found.

1.10 Committees will receive an update to the revenue business planning proposals in December at which point they will be asked to endorse the proposals to GPC as part of the consideration for the Council's overall Business Plan.

2. BUILDING THE REVENUE BUDGET

2.1 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 the attached Table 3, accounting for the forecasts of inflation, demand pressures 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, the cost of changes in the number and level of need of service users (demand) and proposed investments. Should services have pressures, these are expected to be managed within that service where possible, if necessary being met through the achievement of additional savings or income. If it is not possible, particularly if the pressure is caused by legislative change, pressures are considered corporately. It should be noted, however, that there are no additional resources and therefore this results in an increase in the level of savings that are required to be found across all Council Services. The total expenditure level is compared to the available funding and, where this is insufficient to cover expenditure, the difference is the savings/income requirement to be met through transformational change, and or, savings projects in order to achieve a set of balanced proposals.

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.

All inflationary uplifts require robust justification and as such general inflation was assumed to be 0%. Key inflation indices applied to budgets are outlined in the following table:

Inflation Range	2019-20	2020-21	2021-22	2022-23	2023-24
Standard non-pay inflation	1.8%	1.9%	2.0%	2.0%	2.0%
Other non-pay inflation (average of multiple rates)	3.1%	2.2%	2.5%	2.4%	2.4%
Pay (admin band)	2.0%	1.0%	1.0%	1.0%	1.0%
Pay (management band)	1.0%	1.0%	1.0%	1.0%	1.0%

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

Service Block	2019-20	2020-21	2021-22	2022-23	2023-24
People and Communities (P&C)	3,010	2,692	2,697	2,699	2,699
Economy, Transport and Environment (P&E)	1,107	1,105	1,150	1,190	1,228
P&E (Waste Private Finance Initiative)	101	34	38	39	39
Public Health	16	18	18	19	19
Corporate and Managed Services	403	401	401	401	401
LGSS Operational	137	120	120	120	120
Total	4,774	4,370	4,424	4,468	4,506

2.5 A review of demand pressures facing the Council has been undertaken. The term demand is used to describe all anticipated demand changes arising from increased numbers (e.g. as a result of an ageing population, or due to increased road kilometres) and increased complexity (e.g. more intensive packages of care as clients age). The demand pressures calculated are:

Service Block	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
People and Communities (P&C)	8,326	8,847	9,011	10,385	10,621
Economy, Transport and Environment (P&E)	567	344	351	359	366
Total	8,893	9,191	9,362	10,744	10,987

2.6 The Council is facing some cost pressures that cannot be absorbed within the base funding of services. 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	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
New Pressures Arising in 19-20					
P&C: Looked After Children Placements	2,700				
P&C: Supervised contact (numbers of children)	235	-35			

P&C: Independent reviewing officers (numbers of children)	85		-85		
P&C: New duties – leaving care	390				
P&C: Children’s services reduced grant income expectation	295				
P&C: Education Directorate pressure	148				
P&C: Home to School Transport Special	750				
C&I: Closure of Cambridgeshire Catering & Cleaning Services	479				
C&I: Traded services to Schools	250				
Existing Pressures Brought Forward					
P&C: Fair Cost of Care and Placement Costs		1,000	2,000	1,000	
P&C: Impact of National Living Wage on Contracts	2,561	3,367	3,185	2,324	
P&C: Dedicated Schools Grant Contribution to Combined Budgets	3,079				
P&C: Pressures from 18/19 in Adult Social Care	2,000				
P&E: Libraries to serve new developments		49			
P&E: Minerals and Waste Local Plan		-54	-54		
P&E: Archives Centre	78				
P&E: Guided Busway Defects	200	-1,300			
CS: Disaster Recovery facility for critical business systems	41				
Impact of Local Government Pay offer on CCC Employee Costs (combined)	409	174	174		
CS: De-capitalisation of rolling laptop refresh	1,100				
C&I: Renewable energy – Soham	5	4	5	40	
Total	14,805	3,205	5,225	3,364	-

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 or additional

income of £33.0m are required for 2019-20, and a total of £62m across the full five years of the Business Plan. The following table shows the total level of savings necessary for each of the next five years, the amount of savings attributed from identified savings and the residual gap for which saving or income has still to be found:

Service Block	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Total Saving Requirement	38,509	7,989	5,368	7,822	3,151
Identified Savings	-14,178	347	-1,438	246	-
Identified additional Income Generation	-2,826	502	-123	10	-
Residual Savings to be identified	21,505	8,838	3,807	8,078	3,151

3.2 As the table above shows there is still a significant level of savings or income to be found in order to produce a balanced budget for 2019-20. While actions are being taken to close the funding gap, as detailed below, it must be acknowledged that the proposals already identified are those with the lower risk and impact profiles and the further options being considered are those considered less certain, or with greater impact.

3.3 The actions currently being undertaken to close the gap are:

- Reviewing all the existing proposals to identify any which could be pushed further – in particular where additional investment could unlock additional savings
- Identifying whether any longer-term savings can be brought forward
- Reviewing the full list of in-year and 2019-20 pressures – developing mitigation plans wherever possible to reduce the impact of pressures on the savings requirement
- Bringing more ideas into the pipeline – this work will continue to be led across service areas - recognising that it is the responsibility of all areas of the Council to keep generating new proposals which help meet this challenge. This ongoing focus on finding new ways of working includes the new programme of 'outcomes focused reviews' which have been commissioned in priority areas; this means looking in-depth at services where it is considered further savings or opportunities for creating additional income may be possible

3.4 There are also a number of risks or assumptions which are not included in the numbers above, or accompanying tables. These will be incorporated (as required) as the Business Plan is developed and the figures can be confirmed:

- The Business Plan includes a combined pressure relating to the increase in the National Living Wage however the apportionment of this pressure between service areas has not been confirmed. Additionally, the size of this pressure is likely to change following an update of establishment information in the Autumn.
- The result of schools funding reforms, in particular the control of the Dedicated Schools Grant shifting further toward individual schools, is still

under discussion and the significant current pressure will be updated as the outcome of this discussion becomes clear.

- Movement in current year pressures – Work is ongoing to manage our in-year pressures downwards however any change to the out-turn position of the Council will impact the savings requirement in 2019-20. This is particularly relevant to demand led budgets such as children in care or adult social care provision.
 - Due to the level of reduction in Government grants in later years the Council did not take the multi-year settlement offered as part of the 2015 Spending Review. The settlement included a negative allocation of Revenue Support Grant for the Council in 2019/20. There has been a recent consultation regarding Negative Revenue Support Grant however the outcome will not be known until the provisional local finance settlement in mid-December. Our business plan currently makes a prudent assumption of a £7m negative RSG allocation in 2019/20 as proposed in the 2015 Spending Review. The Government's preferred treatment is to eliminate negative RSG using the central share of business rate receipts.
 - From 2020/21, local authorities will retain 75% of business rates, the tier split of business rates between Counties and Districts is subject to change, and the funding baselines for local authorities will be reassessed. There is therefore a significant level of uncertainty around the accuracy of our funding assumptions from 2020/21 onwards. The Council's future funding position will remain unclear until Government provides an indicative allocation of business rates in Spring 2019.
- 3.5 In some cases services have planned to increase income to prevent a reduction in service delivery. For the purpose of balancing the budget these two approaches have the same effect and are treated in the same way.
- 3.6 This report forms part of the process set out in the Medium Term Financial Strategy whereby the Council updates, alters and refines its revenue and capital proposals in line with new savings targets. New proposals are developed across Council to meet any additional savings requirement and all existing schemes are reviewed and updated before being presented to service committees for further review during December.
- 3.7 The level of savings required is based on a 1.99% increase in general Council tax and an additional 2% increase through levying the Adults Social Care precept. It should be noted that the Government has only confirmed that ASC precept will be available up to and including 2019-20. For each 1% more or less that Council Tax is changed, the level of savings required will change by approximately +/-£2.5m.
- 3.8 There is currently a limit on the increase of Council Tax to 2.99%, above which approval must be sought from residents through a positive vote in a local referendum. This presents the Council with the option to increase Council tax by a further 1%. It is estimated that the cost of holding a referendum for increases above 2.99% would be around £100k, rising to as much as £500k should the public reject the proposed tax increase (as new bills would need to be issued).

- 3.9 Following October and December service committees, GPC will review the overall programme in December, before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.

4.0 BUSINESS PLANNING CONTEXT FOR ADULTS COMMITTEE

- 4.1 Nationally, Adult Social Care is facing unprecedented financial pressures resulting from reducing budgets, increasing costs of care, and greater complexity of needs due to an expanding ageing population.

Adult Social Care Budget

The Council has a lower budget compared to statistical neighbours, as shown in the table below. Despite this however, recent analysis has found that the quality of outcomes for service users in Cambridgeshire was in line with national averages despite a lower than average level of expenditure.

Table 1: Total budget per adult resident (whole population) vs statistical neighbours.

Local Authority	Adult Social Care
Surrey	439.69
South Gloucestershire	435.89
Bath and North East Somerset	401.12
Essex	400.45
Suffolk	394.11
Dorset	389.55
Hertfordshire	388.67
Wiltshire	381.14
Oxfordshire	380.2
West Berkshire	374.38
Hampshire	366.16
Central Bedfordshire	363.58
North Yorkshire	355.73
Peterborough	347.91
Buckinghamshire	341.25
West Sussex	338.06
Somerset	335.67
Warwickshire	325.6
Gloucestershire	312.36
Cambridgeshire 2017/18	302.47
Worcestershire	299.66
Leicestershire	295.9
Cambridgeshire 2018/19	286.43

Cost of Care

The cost of care is increasing, which is a symptom of a market where demand outstrips supply and where providers face cost pressures that they seek to pass onto the Council. The supply of market capacity is a result of a number of factors linked to attracting and retaining staff, the complex nature of care requiring double up packages and the rurality of parts of Cambridgeshire. Although the Council is working hard to mitigate pressures, additional provider pressures have resulted from legislative changes such as automatic enrolment into pension schemes, national living wage increases and inflation.

A pressure of £2,561 is included in the business plan to mitigate the pressure on care budgets as a result of legislative changes, particularly the projected increase in the national minimum wage.

Demand

Cambridgeshire was the fastest growing county authority between 2001 and 2011 and is expected to continue to grow. The estimated population in 2014 was 639,800, with 17.7% of the population (113,500 people) aged 65 and over, which is in line with the England average. The population of Cambridgeshire is forecast to grow by 23% between 2016 and 2036, an additional 147,700 people.

The level of demand is such that it cannot be absorbed within services and so it needs to be met by additional investment, as well as changing the way we do things. A number of demand funding allocations are therefore proposed across services within the remit of the Adults Committee as part of business planning to ensure we continue to be able to support eligible adults who need help from services. An overview of the additional funding is provided below.

Demand Area	Description	Amount £000 2019/20
Physical Disabilities	Additional funding to ensure we meet the rising level of needs amongst people with physical disabilities. Based on modelling the expected increased number of service users and the increase complexity of existing service users' needs the proposal is to increase funding by 3.7% to ensure we can provide the care that is needed.	407
Autism and Adult Support	Additional funding to ensure we meet the rising level of needs amongst people with autism and other vulnerable people. It is expected that 17 people will enter this service in 19/20 and so, based on the anticipated average cost, we are investing an additional £87k to ensure we give them the help they need.	87
Learning Disability Partnership (LDP)	Additional funding to ensure we meet the rising level of needs amongst people with learning disabilities. We need to invest an additional £899k in 2019/20 to provide care for a projected 60 new service users (primarily young people) who outnumber the number of people leaving services. We also need to invest £728k in the increasing needs of existing service users and the higher complexity we are seeing in adults over age 25. The total additional resource we are allocating is therefore £1,627k to ensure we provide the right care for people with learning	1,627

	<p>disabilities.</p> <p>The NHS, as a partner in the pooled LDP budget, is expected to proportionately invest in this demand pressure.</p>	
Adult Mental Health	Additional funding for a net increase of 2 full time effect packages for 2019/20.	38
Older People	Additional funding to ensure we meet the increased demand for care amongst older people, providing care at home as well as residential and nursing placements. Population growth in Cambridgeshire and the fact that people are living longer results in steeply increasing numbers of older people requiring care. We estimate that numbers will increase by around 2.7% each year and the current pattern of activity and expenditure is modelled forward to estimate the additional budget requirement for each age group and type of care. Account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £2,446k in 2019/20 to ensure we can continue to provide the care for people who need it.	2,446
Older People Mental Health	Additional funding to ensure we meet the increased demand for care amongst older people with mental health needs, providing care at home as well as residential and nursing placements. The current pattern of activity and expenditure is modelled forward using population forecasts to estimate the additional budget requirement for each age group and type of care. Some account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £260k in 2019/20 to ensure we can continue to provide the care for people who need it.	260

These demand and cost pressures have also manifested in 2018/19 above the level budgeted for, particularly in Learning Disability Services, and so a further investment is needed to offset these and give the service a balanced starting position in 2019/20.

5. OVERVIEW OF ADULTS COMMITTEE'S DRAFT REVENUE PROGRAMME

- 5.1 The paragraphs below provide an overview of the draft 2019/20 business planning proposals within the remit of the Adults Committee. In each case the reference to the business planning table is included along with the anticipated level of financial saving or additional income. It is important for the Committee to note that the proposals and figures are draft at this stage and that work on the business cases is ongoing. Updated proposals will be presented to Committee again in November and December at which point business cases and the associated impact assessments will be final for the Committee to endorse.
- 5.2 Additional investment is required to deliver transformation at this scale and the programme of savings described below will need to be supported by resource agreed through the Council's Transformation fund process. On 20 September 2018, the General Purposes Committee approved an investment of £3m to deliver the Adults Positive Challenge Programme (APC) over the next two years. This funding will be drawn down in tranches triggered by full business

cases signed off by the Section 151 Officer in consultation with the Chairs of Adults and GPC committees.

Summary of proposals:

5.3 **A/R.6.114 - Learning Disabilities - Increasing independence and resilience when meeting the needs of people with learning disabilities (-£200k in 2019/20)**

This has been a three-year programme of reassessment work for all people open to the Learning Disability Partnership with a view to ensuring that service-users had the appropriate level of care in line with the Transforming Lives model and the revised policy approved by Adults Committee in 2016 - this saving is the remaining impact of part-year savings made in 2018/19.

5.4 **A/R.6.126 - Learning Disability - Converting Residential Provision to Supported Living (-£250k in 2019/20)**

This is an opportunity to de-register a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence.

5.5 **A/R.6.127 - Care in Cambridgeshire for People with learning disabilities (-£250k in 2019/20)**

Work to enable people with learning disabilities who have been placed 'out of county' to move closer to their family by identifying an alternative placement which is closer to home. This will be approached on a case-by-case basis and will involve close work with the family and the person we support. Will also involve ensuring out of county placements are cost effective and are appropriately funded by the NHS.

5.6 **A/R.6.128 - Better Care Fund - Investing to support social care and ease pressures in the health and care system (-£300k in 2019/20)**

The Better Care Fund (BCF) is our joint plan with health partners aimed at providing better and more joined up health and care provision and easing financial and demand pressures in the system. This saving represents an additional contribution from the Improved Better Care Fund to offset demand and legislative pressures faced within adult social care budgets. There is not an accompanying business case for 2019/20 as this saving was agreed in a previous business plan.

5.7 **A/R.6.132 – Mental Health Social Work PRISM Integration Project (-£200k in 2019/20)**

The introduction of social workers and social care support staffing into the community / primary care health services (PRISM) and Adult Early Help (AEH) will deliver improved mental health outcomes for Cambridgeshire residents and reduce demand for services through a focus on prevention, early intervention and strengths-based approach. The funding will constitute bridging funding to enable short term interventions to be delivered and caseloads to be built up in the new service, while the capacity needed in the specialist mental health services is reduced and can then be reviewed. It will also allow deficiencies in delivery of Local Authority Care Act responsibilities to be addressed.

5.8 **A/R.6.133 - Impact of Investment in Occupational Therapists (-£220k in 2019/20)**

Investment in Occupational Therapists (OT) for Reablement and Adult Early Help Team (AEHT) goal-setting and review will improve outcomes at the end of the pathway through achieving greater service user independence at the end of reablement, resulting in lower costs in care budgets. By OTs being proactively involved in reablement goal setting and, most importantly, the review of those goals, evidence shows that people are able to achieve greater independence at the end of reablement which results in avoided costs in terms of domiciliary care. A dedicated OT resource for AEHT is required as a matter of urgency so that the 'seconded' can return to their substantive posts within the CPFT Neighbourhood Team Structure, thereby releasing capacity in the mainstream community OT service.

5.9 **A/R.6.143 - Review of Support Functions in Adults (-£150k in 2019/20)**

Following the creation of the Adults Finance Team and launch of Mosaic we now need to review support functions to ensure that capacity is aligned appropriately to the needs of the services supported.

5.10 **A/R.6.176 - Adults Positive Challenge Programme (-£3,800k in 2019/20)**

The Adults Positive Challenge (APC) Programme is about designing a new approach and service model for Adult Social Care in Cambridgeshire and Peterborough which will continue to improve outcomes for individuals and communities whilst also being economically sustainable in the face of the huge pressure on the sector.

The fundamental principle of the strategic change is a model which is based on *putting choice and independence directly into the hands of individuals and communities*. The new model will be driven by a neighbourhood, 'place based' approach, and success will mean that citizens have greater independence and better outcomes with reduced state intervention by:

- addressing citizens' needs early to prevent them from escalating - working in partnership with communities and health partners, to share information, act as one care workforce & be proactive;
- empowering individuals to do more for themselves - providing them with the resources, tools and local support network to make it a reality; and
- building self-sufficient and resilient communities - devolving more preventative care & support resources at a neighbourhood level and enabling individuals to spend their long term care budget within their community.

5.11 **A/R.6.177 - Savings through contract reviews (-£412k in 2019/20)**

Part-year savings were delivered in 2017/18 through the retender of the domiciliary care contracts, which took effect from 1 November 2017. The remaining effect of this saving will be delivered in 2018/19. Several contracts have been retendered throughout 2017/18 and 2018/19 and have delivered efficiencies, which can now be taken as savings in 2019/20. The largest of these was a retender of domiciliary care block car rounds in late 2017/18. The work for this saving has already been completed.

6 LONGER TERM TRANSFORMATION TO CREATE A SUSTAINABLE SERVICE MODEL

- 6.1 This programme of work includes innovative approaches that will improve outcomes whilst continuing to deliver a further level of efficiency and significant savings.
- 6.2 A Transformation resource was established in 2016 to enable investment in longer term initiatives, identifying opportunities where better outcomes can be delivered at reduced cost and demand for services can be reduced. To date, savings of £9.7m have been released as a result of services using this resource.

7. NEXT STEPS

- 7.1 The high level timeline for business planning is shown in the table below.

November	Service Committees will review draft proposals again, for recommendation to General Purposes Committee
December	General Purposes Committee will consider the whole draft Business Plan for the first time
January	General Purposes Committee will review the whole draft Business Plan for recommendation to Full Council
February	Full Council will consider the draft Business Plan

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

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 so we need to work with external providers to ensure that we can find solutions which are both affordable for the public purse but represent sustainable business models for the providers. We are also working actively to expand the care market, looking in particular to bring individuals, microenterprises and community providers into the market, creating new employment opportunities as well as new care solutions for service users.

8.2 Helping people live healthy and independent lives

The impact of these proposals is summarised in the community impact assessments which are contained within the Business Cases attached in Appendix 1. 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.

8.3 Supporting and protecting vulnerable people

The impact of the proposals on our ability to support and protect vulnerable people is provided for each key proposal within the Community Impact Assessments attached as an appendix. Our intention is transform services, ensure we deliver value for money and work in new ways – rather than reduce service provision. These proposals do not include any change to the threshold for care and we will fulfil our role in protecting vulnerable people in full.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

The proposals set out the response to the financial context described in section 4 and the need to change our service offer and model to maintain a sustainable budget. The full detail of the financial proposals and impact on budget is described in the financial tables of the business plan, attached as an appendix. 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. This set of business planning proposals, is subject to 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.

9.2 Statutory, Legal and Risk implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. 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 model of help provided to people with statutory needs will change.

9.3 Equality and Diversity Implications

The Community Impact Assessments describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups.

9.4 Engagement and Consultation Implications

Our Business Planning proposals are 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 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.

Draft Community Impact Assessments (CIAs) for the savings proposals are attached to this paper for consideration by the Committee, and where applicable these will be developed based on consultation with service users and stakeholders.

9.5 Localism and Local Member Involvement

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, the voluntary sector and other groups about where

they can make an impact and support us to mitigate the impact of budget reductions.

9.6 Public Health Implications

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.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Tom Kelly
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes Debbie Carter-Hughes
Are there any Equality and Diversity implications?	Covered in business case impact assessment Julia Turner
Have any engagement and communication implications been cleared by Communications?	Yes Christine Birchall
Are there any Localism and Local Member involvement issues?	No Julia Turner
Have any Public Health implications been cleared by Public Health	Yes Liz Robin

Source Documents	Location
Strategic Framework	https://cmis.cambridgeshire.gov.uk/cc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/580/Committee/2/Default.aspx

APPENDIX 1: Draft Business Cases for business planning proposals within the remit of Adults Committee

APPENDIX 2: Financial summary – table 3