

SERVICE COMMITTEE REVIEW OF DRAFT REVENUE BUSINESS PLANNING PROPOSALS FOR 2018-19 TO 2022-23

To: Adults Committee

Meeting Date: 12 October 2017

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 2018-19 to 2022-23 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 2018-19 to 2022-23.

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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.

Outcomes	
Older people live well independently.	
Places that work with children help them to reach their full potential.	
People lead a healthy lifestyle and stay healthy for longer.	
People with disabilities live well independently.	
People live in a safe environment.	
The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents.	
People at risk of harm are kept safe.	

- 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 FairDeal4Cambs 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 5 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	2018-19	2019-20	2020-21	2021-22	2022-23
Standard non-pay inflation (CPI)	2.2%	2.0%	2.0%	2.0%	2.0%
Other non-pay inflation (average of multiple rates)	3.5%	2.3%	1.7%	1.7%	1.7%
Pay (admin band)	1.0%	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	2018-19	2019-20	2020-21	2021-22	2022-23
People and Communities (P&C)	2,197	2,659	2,673	2,673	2,673
Economy, Transport and Environment (ETE)	1,086	1,267	849	874	853
ETE (Waste Private Finance Initiative)	856	918	971	953	945
Public Health	16	19	24	24	24
Corporate and Managed Services	279	128	138	138	138
LGSS Operational	72	88	114	114	114
Total	4,506	5,079	4,769	4,776	4,747

- 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	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
People and Communities (P&C)	6,693	7,115	7,583	7,626	8,415
Economy, Transport and Environment (ETE)	269	265	267	265	271
Total	6,962	7,380	7,850	7,891	8,686

- 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	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
New Pressures Arising in 18-19					
P&C: Children's Change Programme	886	0	0	0	0
P&C: Legal	400	0	0	0	0
P&C: Adoption	367	0	0	0	0
P&C: DSG Contribution to Combined Budgets	3,612	0	0	0	0
ETE: Cambridgeshire and Peterborough Minerals and Waste Local Plan	108	0	-54	-54	0
ETE: Waste PFI	1,175	0	0	0	0
ETE: Removal of P&R charges	1,200	0	0	0	0
ETE: Ely Archives Centre	0	78	0	0	0
ETE: Norwich Tech Partnership Contribution	25	0	0	0	0
ETE: Guided Busway Defects	1,100	200	-1,300	0	0
ETE: Coroner Service	95	0	0	0	0
CS: Commercial approach to contract management	340	0	0	0	0
Existing Pressures Brought Forward					
P&C: Fair Cost of Care and Placement Costs	0	1,500	2,500	1,000	0
P&C: Impact of National Living Wage on Contracts	3,770	3,761	3,277	0	0
P&C: Local Housing Allowance limits - impact on supported	0	412	595	199	0

accommodation					
P&C: Children Innovation and Development Service	50	0	0	0	0
P&C: Multi Systemic Therapy (MST)	63		0	0	0
ETE: Libraries to serve new developments	0	0	49	0	0
CS: Contract mitigation	0	2,000	0	0	0
A&I: Renewable energy - Soham	4	5	4	5	0
Professional and Management Pay Structure - combined	84	0	0	0	0
Impact of National Living Wage on CCC employee costs (combined)	18	74	174	174	174
Total	-	-	-	-	-

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 £37.2m are required for 2018-19, and a total of £85m 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	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
Total Saving Requirement	37,169	23,614	14,221	3,862	5,951
Identified Savings	-25,433	-3,961	-2,304	-581	-278
Identified additional Income Generation	-6,196	-1,712	542	-201	-13
Residual Savings to be identified	5,540	17,941	12,459	3,080	5,660

- 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 2018-19. 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 2018-19 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:

- While the Business Plan includes a pressure relating to the increase in the National Living Wage, the phasing of this increase has not been confirmed. Once this is known the pressure will be updated to reflect this.
- 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 2018-19. 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. As such there is some uncertainty around the accuracy of our funding assumptions which will become clearer after the Government's Autumn Budget is announced on November 22nd and the Local Government Finance settlement due in mid-December.

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 2% increase in Council Tax, through levying the Adults Social Care precept in, but a 0% general Council Tax increase. 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 1.99%, above which approval must be sought from residents through a positive vote in a local referendum. It is estimated that the cost of holding such a referendum 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 and locally adult social care services and the health and care economy are under pressure. Financial pressures exist as a result of the increase in demand and complexity of care needs and the rising cost of care placements in the external market. Capacity pressures exist as a result of a shortage of residential and nursing beds, social workers and care workers and demand pressures exist due to a combination of population growth, changing demographics and increasing complexity of need. There are also pressures directly related to demand on the NHS and the need to ensure timely discharge of patients from our local hospitals.
- 4.2 The level of demand goes beyond that which can be absorbed within services and so it needs to be met by additional investment, as well as changing the way we do things (see 1.5). 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 and the associated modelling and business cases are attached as appendices to this report.

Demand Area	Description	Amount £000 2018/19
Physical Disability	An investment of 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 increased complexity of existing service users needs we are increasing funding by £430k (3.7%) to ensure we can provide the	430

	care that is needed	
Autism and Adult Support	An investment of additional funding to ensure we meet the rising level of needs amongst people with autism and other vulnerable people. It is expected that 9 young people will enter this service from Children's Social Care service and so based on the anticipated average cost we are investing an additional £39k to ensure we give them the help they need	39
Learning Disability	Additional funding to ensure we meet the rising level of needs amongst people with learning disabilities. Includes 707k in 2018/19 to provide care for a projected 56 new service users (primarily young people) who outnumber the number of people leaving services. Also £992k for the increasing needs of existing service users and the higher complexity in adults over age 25.	1699
Older People	Funding to ensure we meet the increased demand for care amongst older people. Population growth and the fact that people are living longer results in steeply increasing numbers of people requiring care with more complex needs. We estimate around 3.4% more service users each year and account is also taken of increasing complexity of people's needs coming through the service.	2135
Older People Mental Health	Funding to ensure we meet the increased demand for care amongst older people with mental health needs, 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.	202
Community Equipment	Additional investment in equipment which enables people to stay living independently at home and reduces or avoids care costs. Our social work strategy is successfully supporting a higher proportion of older people and people with disabilities to live at home (rather than requiring higher cost services) and this needs to be supported by additional investment in the equipment and home adaptations which supports independence.	63

4.3 This pattern of rising demand and pressure across the system creates the imperative for change, and so in response we are committed to;

- Investing in our services to transform them, delivering better outcomes and constrained demand
- Transforming the way we work – making improvements to how we manage our business, our people and our money
- Better managing the contracts we have with the independent and voluntary sector, suppliers and external providers
- Developing new and deeper partnerships – bringing benefits for all
- Only considering reducing services as a last resort

- 4.4 Section 5 of this paper describes the transformation proposals we have developed for 2018/19 to deliver these commitments – addressing the financial challenge without cutting services.

5. OVERVIEW OF ADULTS COMMITTEE'S DRAFT REVENUE PROGRAMME

- 5.1 The paragraphs below provide an overview of the draft 2018/19 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 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. A report will be prepared for General Purposes Committee detailing the additional resource requirements, the associated savings and therefore the return on investment. This report will go to the November meeting of General Purposes Committee.

Investing in our services to transform them, delivering better outcomes and constrained demand

- 5.3 A/R.6.172 – Managing Demand in Older People's Services (-1000k in 2018/19)
Across Older People's Services we continue to invest with our partners in new service models which help us respond to the rising demand for care by supporting service users to retain and regain their independence. The programme is succeeding – we have seen increasing numbers of people receiving a period of help but then returning to independence, the proportion of services users still living in their own homes rising rapidly, a decreased use of residential and nursing care and consistently strong feedback from service users about the quality of care. We expect to deliver further savings through demand management in 2018/19 of circa £1000k in total. We are working to further improve the Reablement Service offer, reaching more people in the community and improving the proportion leaving the service without ongoing care needs. We are continuing to expand the successful Adult Early Help provision, further widen our assistive technology offer, the use of community equipment and investment in housing related support. We are piloting the Neighbourhood Cares model which we hope will see a reduction in back office costs and reduce the need for high cost care packages.
- 5.4 Through the Sustainability and Transformation Plan we are investing with our health partners in a range of key demand management initiatives. This includes a significantly enhanced falls prevention programme which will ease the demand for care driven by older people suffering injury as a result of a fall. This joint work is led via our Public Health teams and a range of social care and health partners and will deliver investment in:-
- Enhancement and expansion of strength and balance exercise provision

- Enhancement of the existing specialist Falls Prevention Health Trainer Service
- Strengthening Falls Prevention Delivery and Integration in the Community
- Development and implementation of Fracture Liaison Services (FLS) across all acute Trust areas
- Employment of Public Health Falls Prevention Coordinator

We are also working with STP partners to develop and implement a 'discharge to assess' approach which will enable people leaving hospital to have their needs assessed in the community. This is expected to reduce duplication and result in a more realistic care and support plan reflecting people's potential for independence.

5.5 Better Care Fund - Investing to support social care and ease pressures in the health and care system (-7,200k in 2018/19)

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. Priority areas of focus are protecting frontline services, preventing avoidable admissions to hospital and ensuring people can leave hospital safely when their medical needs have been met. The Cambridgeshire BCF plan includes new schemes around preventing falls, increasing independence, investment in suitable housing for vulnerable people and investment in increased reablement capacity which will form part of the intermediate tier. The Better Care Fund includes an element of funding intended to protect Adult Social Care services, as the revenue support grant has decreased and demand continues to increase. On this basis a proportion of the overall BCF spend will be used to avoid the need for any service reductions. Cambridgeshire and Peterborough's full BCF plan is contained within the papers for the Health and Wellbeing Board, available at https://cmis.cambridgeshire.gov.uk/ccs_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/12/Default.aspx

Details of the Cambridgeshire and Peterborough Sustainability and Transformation Plan are available at <http://www.fitforfuture.org.uk/>

5.6 A/R.6.114 - Increasing independence and resilience when meeting the needs of people with learning disabilities (-3,600k in 2018/19)

Significant savings in learning disability are anticipated by designing care packages which promote greater independence close to home for people with eligible needs for ongoing care. This is done in consultation with the service user, their family members and any external provider organisations and the process re-examines a person's needs and uses the Transforming Lives approach to determine the best and most cost-effective way to meet them. The focus is on building on people's existing strengths, using family and community resources and technology to reduce the reliance on formal care provision. To support this work and give clarity to the service users and social workers involved, the County Council developed a revised policy framework for the provision of Adult Social Care. Agreed by Adults Committee in March 2015 (<https://tinyurl.com/y6w5nzud>), the revised policies emphasise that the Council has a duty to meet needs rather than provide specific services and so will develop and review flexible support plans for each person that are tailored to circumstances and needs and referencing latest best practice and technology.

The saving anticipated for 2018/19 represent the continuation of the existing programme of service user care reassessments which is already supported by the dedicated Project Assessment Team.

5.7 A/R.6.111 - Physical Disability - Supporting people with physical disabilities to live more independently and be funded appropriately (-440k in 2018/19)

As part of the ongoing implementation of the Council's Transforming Lives Programme and in line with the Council's commitment to promoting independence, work will be undertaken to establish more creative ways to meet the needs of people with physical disabilities or autism. This will include making better use of early help, community support and building on community and family support networks. It will also include work with the NHS making sure that when someone has continuing health care needs, these needs are funded by health. To deliver these savings we will continue the existing programme of service user re-assessments using the new care model, revised policy framework and applying the appropriate joint care funding tools with health partners. Further detail about the Transforming Lives Programme is available

http://www5.cambridgeshire.gov.uk/info/20166/working_together/579/delivering_the_care_act/3

5.8 A/R.6.126 Learning Disability - Converting Residential Provision to Supported Living (-694k in 2018/19)

The opportunity has been identified to work with providers of residential care and to consider whether any individuals they support could have their needs met by supported living arrangements instead of residential care. Where this is the case we will work with the providers to convert the provision from residential to supported living. This approach can be beneficial for all parties with a lower cost of care for providers and commissioners and service users holding their own tenancies and having access to additional flexible income as a result of changes to benefit entitlements. We have identified an initial list of priority projects and discussions have therefore commenced with the providers who have expressed an interest in working with us on this agenda. A detailed project plan is being developed for each setting and the scope for benefits here is potentially significant with over 90 service users potentially benefitting across the county. This is part of the ongoing work of the Project Assessment Team but it does have a relatively long lead time for the conversion and so the saving is anticipated largely in 2018/19.

5.9 A/R.6.132 Mental Health Demand Management (-400k in 2018/19)

We are working closely with the Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) to transform the social care offer for adults and older people with mental health needs. Savings totalling an estimated £400k are anticipated from a range of approaches. There is a focus on strategic commissioning of external providers with savings anticipated from the re-tender of a major supported accommodation contract and of domiciliary care. Through 2018/19 we are looking to significantly increase the use of assistive technology for service users with mental health needs, so reducing the cost of care packages. We are continuing to invest in the range of community based support models for people with mental health needs, helping people to remain living in their own home or a community setting whilst they get support – and

reducing the reliance on costly residential and in-patient settings. We are developing preventative services and ensuring that voluntary and independent sector provision including CPFTs Recovery and Inclusion service is part of the integrated pathway. A range of internal efficiencies have been driven out as part of an ongoing restructure within CPFT – returning a saving to the Council.

Better managing the contracts we have with suppliers and external providers

5.10 A/R.6.143 Homecare Retendering (-306k in 2018/19) & A/R.6.115 Retendering for domiciliary care for people with learning disabilities (-100k in 2018/19)

We expect to achieve further savings through the retendering of our main homecare contracts. From November 2017, the domiciliary care contract will be on a new framework which we expect to lead to an average unit cost reduction linked to the introduction of a new ceiling cost. As a result of using the same contracting arrangements across all client groups in need of domiciliary care (children, older people and people with disabilities and mental health needs), we also expect there to be an expanded market in the longer term for this support, therefore bringing about a further reduction in cost. This work should generate a permanent saving over the twelve month period following the new framework starting with a proportion in 2017/18 financial year and the remainder in 2018/19. The Council is also developing alternative ways of delivering personal care building on innovation and best practice across the country including the expansion of direct payments, and the introduction of pre-paid cards,.

5.11 A/R.6.127 Learning Disability - Out of Area Placements (-315k in 2018/19)

This is an opportunity to enable people with learning disabilities who have previously been placed 'out of county' to move closer to their family by identifying an alternative placement which is closer to home. This will not only reduce cost but will also mean that it is easier for family and friends to visit and supports the Council's commitment to build on assets and take a strengths based approach. This will be approached on a case by case basis and will involve close work with the family and the person we support. A business case for transformation funding was been submitted to General Purposes Committee seeking funding for additional dedicated social work capacity to deliver the programme of work to commission and arrange suitable in-county placements. The project will also deliver a wider review of the placement market and how we need to develop it in order to minimise the number of out of County placements made in future.

5.12 A/R.6.129 Russel Street Learning Disability Provision Re-design (-70k in 2018/19)

We propose to re-purpose the existing care provision at Russell Street as part of our ongoing work to re-shape the care provision market for people with learning disabilities and manage the market to provide appropriate care in the most cost-effective way. An opportunity has been identified for the existing residents to move into an external supported living accommodation which is lower cost and provides greater independence. This will allow us to develop a traded in-house service that can respond to immediate needs for carer and support using the vacated residential provision at Russell Street. This will support the work to

move people from 'out of county placements' back into Cambridgeshire with the Russell Street provision being an option for people to move in to from out of County.

making improvements to how we manage our business, our people and our money

5.13 A/R.6.122 Transforming Learning Disability in-house Services & Day Care (-50k in 2018/19 and further savings in 2019/20)

Savings will be achieved through an ongoing review of the County Council's in-house Learning Disability Services which has achieved efficiencies by establishing leaner management structures. The initial phase of work focussed on efficiencies in management structures is leading to a wider review of the role of in-house services and in particular day care - where the intention is to develop a model of day opportunities for people with learning disabilities that is focused on enabling progression and skills development to support people into employment where appropriate. The majority of the saving from the wider review will be delivered in 2019/20 with potentially a small amount in the latter part of 2018/19.

5.14 A/R.7.108 Client Contributions - Short Term Overnight Support (-100k in 2018/19) & A/R.7.109 Accounting for all appropriate benefits in contributions from service users receiving day time adult social care (-500k in 2018/19)

We have commissioned a review of our social care contributions or charging policy, benchmarking it to the approaches of other local authorities and considering options for potential changes. In particular the focus is on ensuring that we are taking into account all of the benefits people receive when determining the level of contribution they might make for their care. This is work in progress and the detailed analysis of the options which should be considered and the impact this would have on the payments made by families is not yet complete. Further detail around this proposal will be available for the updated business plan report in December, but some of the options being looked at include

- Accounting for the full rate of Attendance Allowance or Disability Living Allowance (as opposed to the lower and intermediate rates) in the financial assessments.
- Financially assess all temporary stays in residential accommodation under residential charging rules, unless the reason for the respite stay is due to Cambridgeshire County Council being unable to source a care package.
- Reviewing the charging policy for when services are put in place to manage a crisis.
- Offering an appointeeship service at a fixed charging rate

We are talking to other local authorities about their charging policies and many of the changes listed above have already been implemented by geographical and statistical neighbour authorities we have been working with. Prior to implementing any change a public and stakeholder consultation would be held, including engagement with our service users, advocacy and participation organisation and all key stakeholder groups.

5.15 A/R.7.111 Modernising Payments, Direct Debits, Debt Collection in Social Care (-30k in 2018/19)

We are reviewing and changing the way in which the Councils manages the process of charging for care, modernising it and bringing it into line with normal business practice and the way in which citizens would normally pay for things. This will include expanding the use of direct debit and recurring debit / credit card payments – which enable us to take payments ‘at the point of sale’ rather than invoicing for goods and services. We also plan to use Behavioural Insights approaches to increase the rates of payments received on time and to shape our debt recovery processes.

Developing new and deeper partnerships – bringing benefits for all

5.16 A/R 7.110 Learning Disability - Joint Investment with Health Partners in rising demand (-500k in 2018/19)

The Council manages and delivers support for people with Learning Disabilities through the Learning Disability Partnership (LDP) – a joint multi-disciplinary service with our health partners. We are working with those partners to respond to the rising demand and level of need amongst people with learning disabilities. As such, the additional investment the County Council is making in disabled people (A/R.3.004) is expected to be matched by investment from the Clinical Commissioning Group to ensure people's health and social care needs are both met and that the health element of the increasing cost is reflected proportionally. This will enable us to continue to deliver an integrated service to people with learning disabilities and their families and make best use of the total resource available. It is important to note that the figure of £500k investment from health is an estimate based on current identified trends rather than an agreed figure with health partners at this stage and so the final amount may vary.

6 CROSS CUTTING PROPOSALS

6.1 In addition to the proposals outlined above which fall within the remit of the Adult's Committee, there are a number of cross-cutting initiatives which are of relevance to all Committees. These proposals will be particularly highlighted to General Purposes Committee in their overarching role across the business plan but are described in outline below for information. As the work progresses and the specific implications for individual committees become clearer further updates will be provided.

6.2 C/R.6.103 Automation (-500k in 2018/19)

We are undertaking a systematic review of service processes, identifying where there is scope for automation to add value and investigating the end-to-end process for further efficiencies. We are building on the work of the Citizen First, Digital First programme which identified a range of potential efficiencies that could be made at the Contact Centre and in the back-office through integrating different systems. This work fundamentally considers how and why we provide what we do which could lead to larger savings and which will enable us to more fully exploit the technologies that the Citizen First, Digital First programme have

invested in. Some of the areas where we think automation might have strong potential include;

- Training - with a move to e-learning
- Elements of Education Transport Processes
- Element of the schools admission process

6.3 C/R.7.102 Fees & Charges (-80k in 2018/19)

Exploring the potential to review our policy and approach to fees and charges – in particular ensuring that the true full cost of delivery (including all overheads) has been captured in calculating the maximum charge we are allowed to apply. This has the potential to generate more income to fund council services and presents an opportunity for us to ensure that the costs of delivering services are fully covered. It's estimated that this will generate £80k of additional income.

6.4 C/R.6.101 Shared Arrangements with Peterborough City Council (-300k in 2018/19)

We are exploring further opportunities to share activities and costs and learn from one another's best practice with Peterborough City Council. We have already achieved savings through joining senior roles across PCC and CCC and believe there are further opportunities for savings across both Councils and a greater impact on shared outcomes for our citizens. It's estimated that this will save £300k. A number of areas are being explored:

- Shared senior roles across PCC and CCC
- Closer relationships and resource sharing between corporate functions across PCC and CCC
- Review of back office functions to see if there any further opportunities to join up and make savings
- Review of customer front door and contact centre functions
- Further analysis of joint commissioning and procurement opportunities
- All Outcomes Focused Reviews will consider opportunities to join delivery and commissioning with PCC and other partners

7.0 LONGER TERM TRANSFORMATION TO CREATE A SUSTAINABLE SERVICE MODEL

7.1 The programme of work described above and proposed for 2018/19 includes innovative approaches that will improve outcomes whilst delivering a further level of efficiency and significant savings. However we recognise that the budget and savings programme is now approaching the point of diminishing returns and believe the current trajectory of savings cannot continue without a significant step change. As such we are investing and working now for the longer term.

7.2 Through the Neighbourhood Cares project we are piloting a radically different model which is flexible, responsive and acting as part of a community. The two pilot sites are now operational and will allow us to trial different approaches which move away from a system of separate, specialist countywide teams and a reliance on statutory assessments, annual reviews and remotely commissioned care to reach the point where our teams know their local

communities, and build support around people's needs in a way which makes sense to them. The pilots of Neighbourhood Cares areas will be a rich source of learning - helping us answer some key questions such as

- How can we stimulate new local provision in the homecare market, establish micro-enterprises and get local people more involved in care?
- How can we address people's health needs and care needs simultaneously and seamlessly at the earliest opportunity?
- How we can we build community resilience and skills and get people helping people?
- What shape should our local teams take – how far can we decentralise and give freedom or where do we need to retain specialist professional disciplines?

7.3 In March 2017, General Purposes Committee approved investment (C/R5.319) in a considered, whole system transformation of the way all aspects of adult social care are organised and delivered. The focus of this work will be on reducing demand and containing cost as well as designing systems that make sense to those delivering and receiving services. The scope will include analysis of management and financial information; engagement with service users, carers and staff; analysis of best practice; business process analysis to identify issues driving delay, cost, inefficiency or poor customer experience; and a review of the role of IT in supporting transformation. It will also include development of a demand management strategy to improve understanding of where demand is created, why and how to reduce and delay it.

7.4 The work will be undertaken by a consortium of CapGemini, iMPower, and Grant Thornton. The consortium impressed the procurement panel with their innovative approaches to developing new ideas; their focus on service user and employee engagement; and their experience of developing social care solutions elsewhere. The cost of the work is £344,723. It is anticipated that they will begin work on site in early October and will support us for a period of around four to five months. Whilst the consortium will primarily work to secure longer-term transformation, they will also consider in the early stages any savings opportunities that may feed into the Council's Business Planning process for 2018/19 and support us to refine the draft proposals which are detailed in this paper.

8. NEXT STEPS

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

December	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

9. ALIGNMENT WITH CORPORATE PRIORITIES

9.1 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.

9.2 Helping people live healthy and independent lives

The impact of these proposals is summarised in the community impact assessments, attached as an appendix. 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.

9.3 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.

10. SIGNIFICANT IMPLICATIONS

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

10.6 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 or No Name of Financial Officer:
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer:
Are there any Equality and Diversity implications?	Yes or No Name of Officer:
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer:
Are there any Localism and Local Member involvement issues?	Yes or No Name of Officer:
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer:

SOURCE DOCUMENTS GUIDANCE

It is a legal requirement for the following box to be completed by the report author.

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