

**Agenda Item No: 6**

**BUSINESS PLANNING**

*To:* **Adults Committee**  
*Meeting Date:* **12 September 2019**  
*From:* **Will Patten, Director of Commissioning**  
*Electoral division(s):* **All**  
*Forward Plan ref:* **N/A**                      *Key decision:* **No**

*Purpose:* **This report provides an update on the current business planning process for Adults and Safeguarding.**

*Recommendation:* **To consider and comment on the contents of the report.**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
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## 1. BACKGROUND

1.1 This paper provides an update on the business planning process for Adults and Safeguarding.

## 2. MAIN ISSUES

### 2.1 BUSINESS PLANNING

Business Planning is a rolling five year process and the Council is currently working on development of the 2020-2025 plan. The purpose of the Business Plan is to provide a summary of the Council's:

- Long term vision
- Medium term financial strategy (MTFS)
- Budget allocations for services
- Capital plan
- Funding estimates
- Priorities and planned activities across the organisation for the next five years

The Business Plan is refreshed every year and formally approved by Full Council each February. During the period of this plan the Council will continue to face financial challenges as the continuing issues with fairer funding formula, coupled with significant growth, affect both demand for services and the level of resources the Council has available to fund their provision.

### 2.2 FINANCIAL CHALLENGES

The Council is legally required to set a balanced budget each year. In the current year's 2019-24 Business Plan a council wide budget gap for 2020/21 of £14m was identified. The Council continues to face significant financial pressures as a result of increased demand and rising costs of care and within the current years Business Plan we have already proposed £3.8m of demand mitigations through the Adults Positive Challenge Programme in 2019/20. Since the start of the financial year we have been revising costs and demographic pressure forecasts for 2019/20, as well as identifying further savings and efficiencies to mitigate these.

#### **Demand Pressures**

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 areas forecast to see the biggest growth are South Cambridgeshire (34%) and East Cambridgeshire (29%). Cambridgeshire's population is also ageing; the population aged 65+ in Cambridgeshire is expected to increase by 64% between 2016 and 2036, an additional 76,300 people. The area forecast to see the biggest increase in people aged 65+ is Huntingdonshire (67%).

In addition to demographic demand, with an increasingly ageing population we are experiencing more complex support needs. The below diagram shows the predicted increase in a range of conditions by 2025.

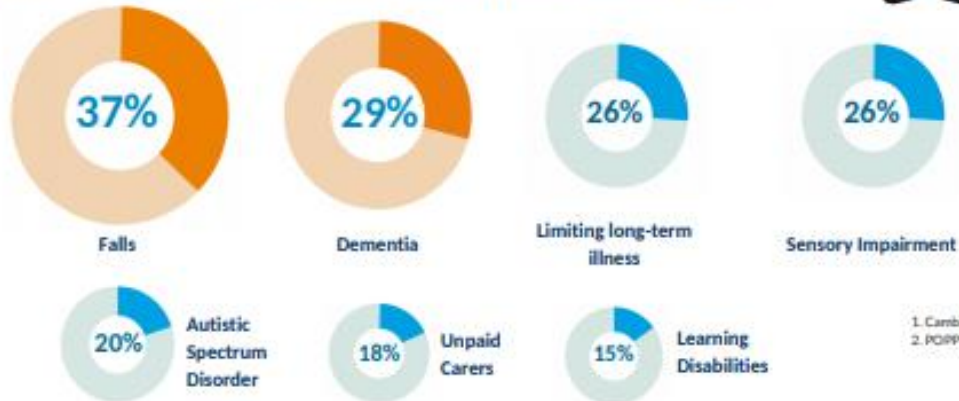
## Ageing Population

Our population of older people is increasing at a much higher rate than that of the general population. These increases will mean a much higher demand on our services for older people.

By 2026 the population is projected to increase by <sup>1</sup>



By 2025 people aged 65+ are projected to have an increase in these conditions <sup>2</sup>



1. Cambridge Research Group  
2. POPPI (<http://www.poppil.org.uk/>)

## Increasing Costs of Care

In addition, costs of care are rising significantly across Cambridgeshire, a symptom of a supply led market where there is limited supply to meet demand and competition for beds between the local authority, NHS and self-funders inflate market prices. Key reasons for increasing costs, relate to:

- Recruitment and retention of staff, particularly nursing staff (Cambridgeshire has the second lowest ratio of care workers to population – age 65 plus with 919 care workers per 10,000 population).
- Financial pressures for providers - National living wage increases (on 1<sup>st</sup> April 2019 the national living wage increased by 4.9%), Automatic Enrolment and Care Quality Commission (CQC) fee increases.
- Inflation rates (in November 2018 the RPI inflation rate was 2.9%).
- A market with high demand a low voids
- Available capacity – geographical variances
- Affordability of capacity due to competition with self-funders and NHS commissioners

## 2.3 PRIORITIES

Business Planning is underpinned by the following vision and strategic priorities for People and Communities.

The vision is outlined below:



The following strategic priorities help us to deliver on this vision:

- A strength, assets based approach to conversations
- Maximisation of community assets to support delivery of place based provision of services
- Emphasise early help to prevent problems escalating to the point of crisis
- Give service users choice and control through self-directed support
- Working with the care market to create sustainable capacity and new models of care, including development of outcomes based commissioning
- Build and use individual and community capacity to create resilience, maintain health and wellbeing, with an increasing focus on delaying the point at which people require additional support and minimising the reliance on public services
- Involve service users in shaping services, and provide individually tailored support for the specific needs of each child, family or adult along with access to quality information and advice
- Ensure services are coordinated (including with partners) and underpinned, wherever possible, by a single assessment and support plan which avoids duplication
- Make sure that all our services and those provided on our behalf meet the quality standards that people have a right to expect
- Follow the commissioning cycle for all services– analysing needs, specifying a service model and continually reviewing outcomes
- Use high quality workforce development to ensure that staff in the Council and across the sector have the right skills, knowledge and qualifications to provide high quality services

## 2.4 PROCESS AND TIMELINES

To inform the Business Planning process, costs and demographic pressure forecasts have been revised. Part of this process has included the identification of further savings and efficiencies to mitigate these. The formal Business Planning process will go through Committees and Council

throughout the autumn and winter and the below outlines the next steps and milestones associated with this process:

- Business planning strategies discussed at General Purposes Committee – 10<sup>th</sup> September 2019 (Medium Term Financial Strategy, Capital Strategy, Corporate Strategy)
- Business Planning proposals and reports (capital and revenue) presented to committees – October and December 2019
- Draft business plan and strategies presented to General Purposes Committee – January 2020
- Business Plan approved at Full Council – February 2020

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

Report authors should evaluate the proposal(s) in light of their alignment with the following three Corporate Priorities.

#### **3.1 A good quality of life for everyone**

Managing the provision of services to support people to access the right care in the right place to support a good quality of life for everyone.

#### **3.2 Thriving places for people to live**

There are no significant implications for this priority.

#### **3.3 The best start for Cambridgeshire's Children**

There are no significant implications for this priority.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

*There are no significant implications within this category.*

#### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

*There are no significant implications within this category*

#### **4.3 Statutory, Legal and Risk Implications**

*There are no significant implications within this category*

#### **4.4 Equality and Diversity Implications**

*There are no significant implications within this category*

#### **4.5 Engagement and Communications Implications**

*There are no significant implications within this category*

#### 4.6 Localism and Local Member Involvement

*There are no significant implications within this category*

#### 4.7 Public Health Implications

*There are no significant implications within this category*

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	N/A
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	N/A
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	N/A
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	N/A
<b>Have any engagement and communication implications been cleared by Communications?</b>	N/A
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	N/A
<b>Have any Public Health implications been cleared by Public Health</b>	N/A

<b>Source Documents</b>	<b>Location</b>
None	