

PEOPLE & COMMUNITIES

Budget



Overview

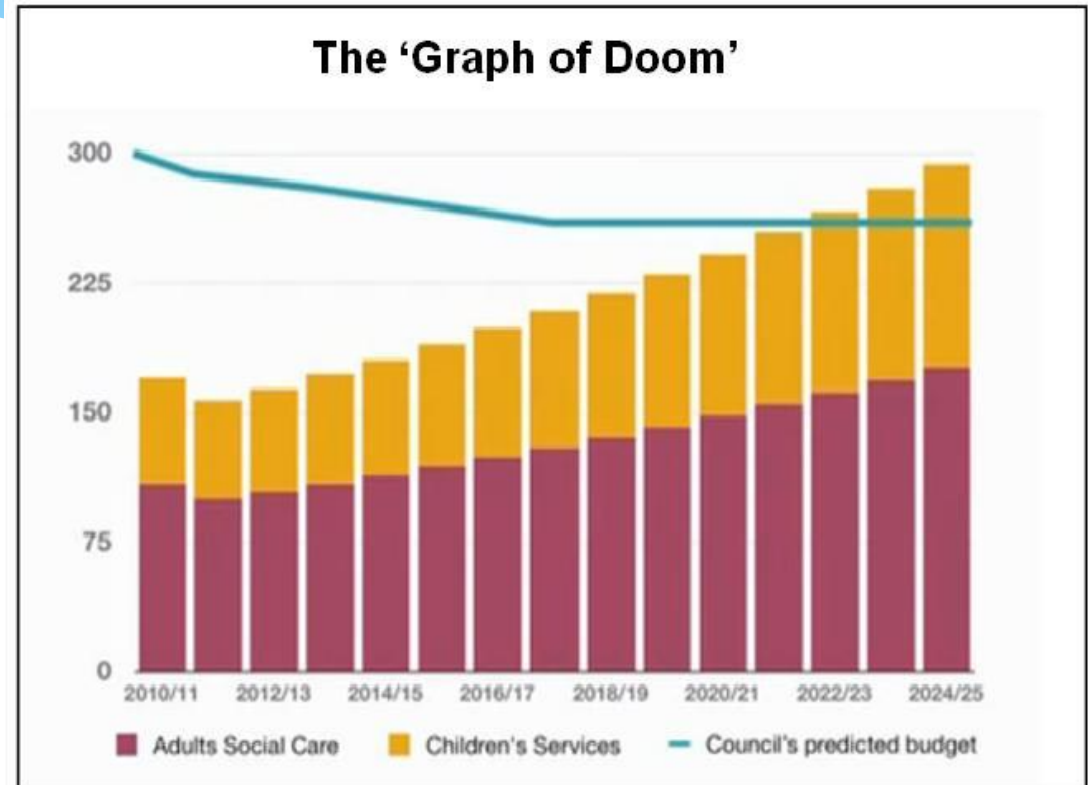
- * Nationally Adult and Children services are reporting rising demand and costs - professional bodies are lobbying for additional funding.
- * The Revenue support grant decreased by £38m compared to two years ago.
- * Cambridgeshire is amongst the lowest funded Adult and Children services
- * We are operating in one of the eleven most challenged health economies in the country - Addenbrookes is a particular challenge.
- * Both children and adult services have population growth pressures and increased complexity of need.
- * Inflation is now back on the scene and after years of enforced 0% increases imposed on a number of our providers - the cost of commissioning services is certain to increase.
- * Financial sustainability is uncertain for many of our providers and that there is a chronic shortage across several parts of the labour market.
- * All Local Authorities in the Eastern Region report reliance on the use of non- recurrent Integrated Better Care Fund (IBCF) funding to balance their adult's budget.

We have made significant savings and avoided additional costs by transforming the way we do things and are on track to achieve over 20m of savings this year; however we are starting to experience diminishing returns and the underlying pressures are starting to show....

Complexity in Demand Led Budgeting

Total net expenditure in People and Communities is £236m per year , of this approximately £205m (86%) is in demand-led budgets

- * This means even a 5% variance from anticipated demand results in budget pressure of more than £10m
- * Demand budgets are hit by wide range of factors not fully within our control including demographic trends, the economy, the pressures on and behaviour of partners, the behaviour of independent providers, seasonal trends and changes in national policy



Every authority is battling the 'graph of doom' where demand overwhelms all other spending

Multiplying Impacts

The financial impacts of additional demand multiply and cause knock on effects....
2 examples

Each extra child in care beyond plan might mean

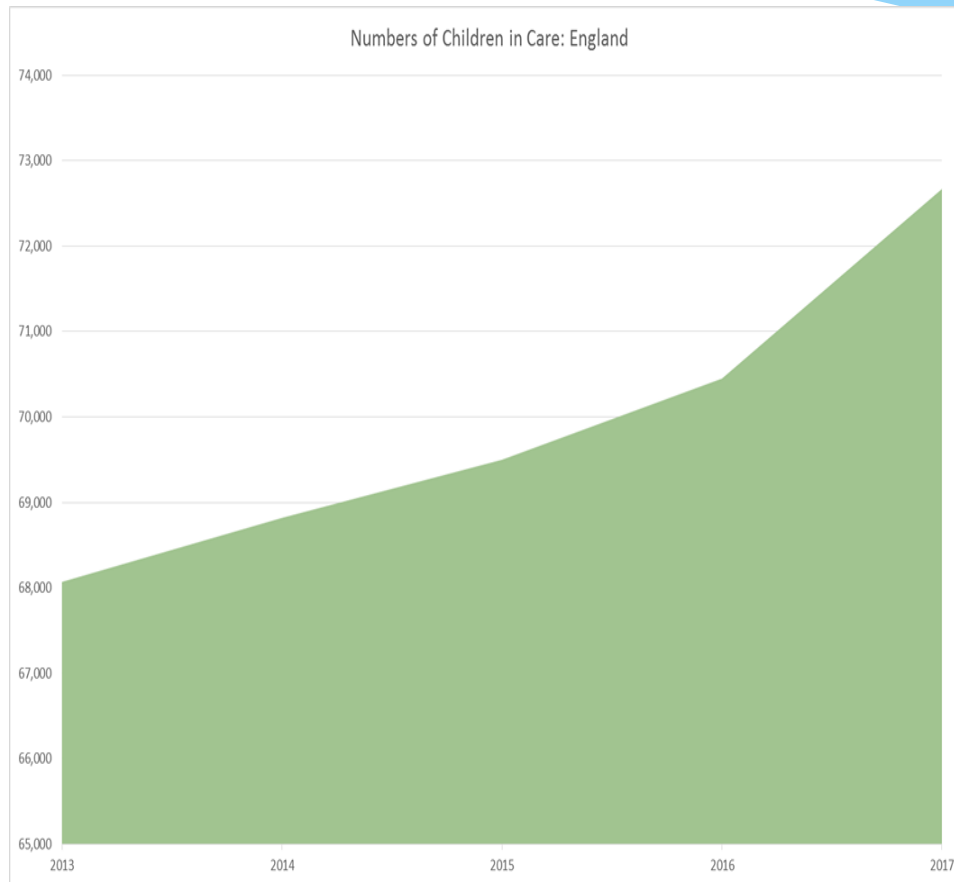
1. Paying for an independent sector placement (as in house provision is full)
2. Pushing up the unit price of independent sector placements (as sector knows we need capacity)
3. Another child who might have been placed with a foster carer having to go into a residential placement instead
4. Paying for dedicated / individual transport to school
5. Pressure on the legal budget for family court proceedings

If more older people are discharged from hospital than anticipated it might mean

1. Paying for expensive interim beds to ensure they leave hospital as soon as medically fit
2. Those beds then not being available for people who do need a residential setting – meaning we have to spot purchase residential placements at very high cost
3. The market responding with an across the board price increase
4. People staying in the Reablement service too long – preventing reablement from working with the people they can actually help
5. Teams not having capacity to undertake all reviews of care needs – missing opportunities to develop the best solutions which maximise independence
6. People's needs not being met in the right way – leading to quicker deterioration, crisis and readmission

Children's Social Care – Context

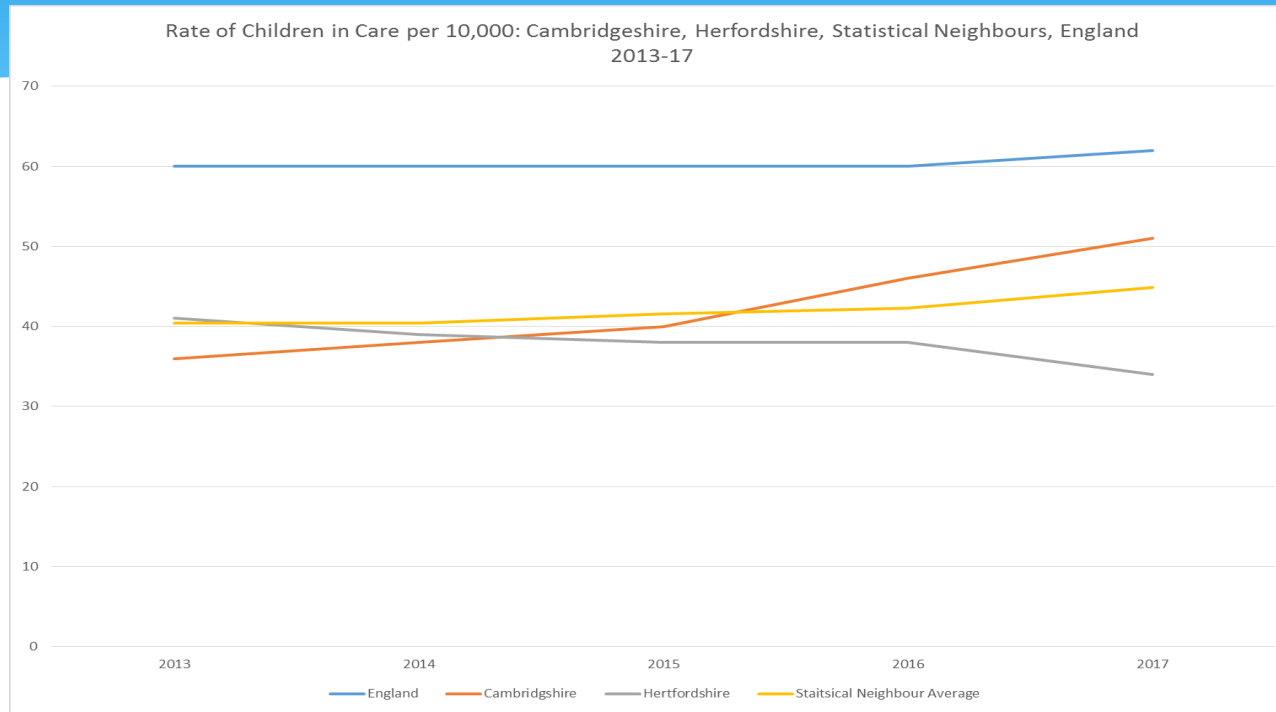
Numbers of children in care have been increasing nationally over recent years, with a particular increase in the last financial year..



In Cambridgeshire the national increase in rate of care is compounded by both local population expansion and the increase in the number of unaccompanied asylum seekers requiring care

Funding has been reducing – in particular with the reduction to the dedicated schools grant and expectation that this is retained by schools rather than funding local authority services

Children's Social Care - Trends



Cambridgeshire has gone from well below to significantly above average for the rate of children in care. We are now looking after approximately 90 more children than we would be if the rate were at the average for a similar authority

Analysis of threshold decisions in Cambridgeshire shows that we are not looking after children who do not need to come into care. **Growing numbers are therefore likely to be the result of children spending more time in care than is optimal**

Children's Social Care

The financial impact of the rising numbers of children in care is compounded by the lack of capacity in both the in-house services and local independent market to cope with the higher numbers

- * Most significantly we do not currently have nearly enough in-house foster carers to meet the needs of our looked after children – meaning we are reliant on independent providers which are twice as costly
- * The overall lack of supply makes it much more difficult to match the right carer or setting to the needs of each child – leading to instances of placement breakdown when carers cannot cope – and then a more specialist/costly placement
- * The lack of capacity also has a straightforward unit price effect with independent providers able to charge high premiums to meet the needs of any child who has more complex needs or who comes into care in an emergency

Children's Social Care – Current Position

The position has stabilised for the most part in 2017/18

- * Overall numbers of looked after children have only increased very slightly since April 2017
- * And similarly demand management activity is having positive impact on numbers of external placements.
- * However a **pressure of £2.4m** is being forecast for the end of 2017/18 and will only begin to be substantially reduced if numbers in care fall and when we increase the supply of foster placements

Children's Social Care – Agreed Actions

- * Development of a 'No Wrong Door' model that will enable rapid de-escalation of crisis situations in families preventing admissions to care, and delivery of an all-inclusive team of support for young people with the most complex needs, improving outcomes for young people and preventing use of expensive externally-commissioned services.
- * Weekly panel that all requests for placements have to go to and review of high-cost placements on a regular basis - chaired by the Assistant Director.
- * Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time.
- * All new admissions to care have to be agreed at Assistant Director or Service Director level.
- * A new Access to Resources Manager has been engaged to add specific capacity to ensure the right placement at the right cost is secured in all cases.

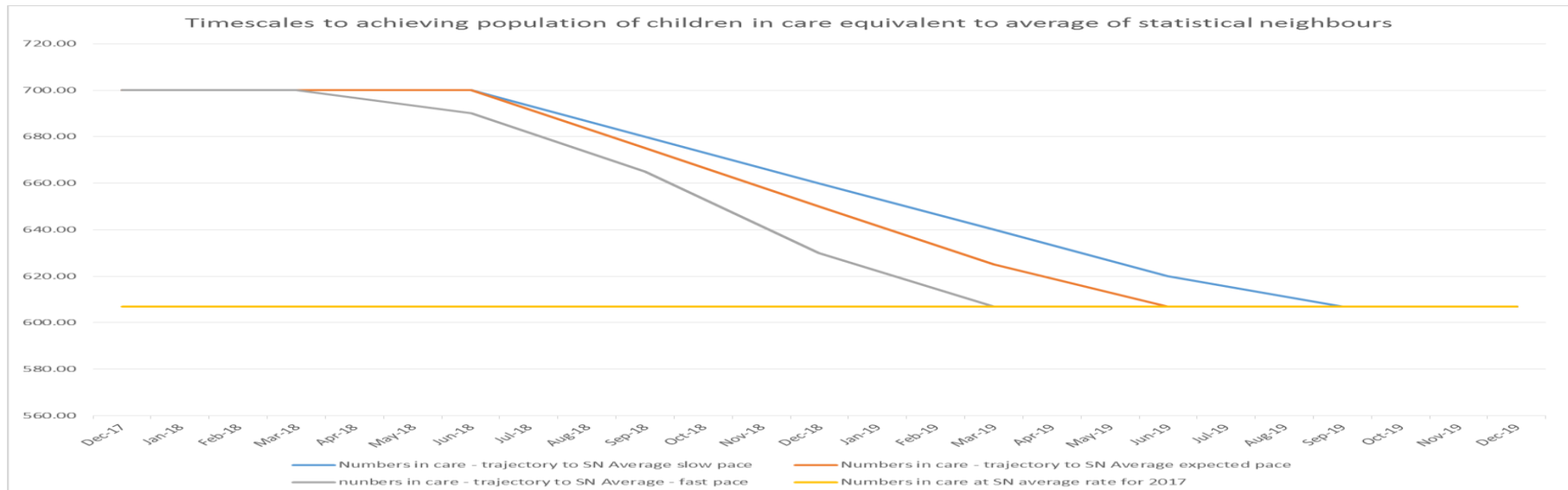
Children's Social Care – Looking Forward

We have commissioned a diagnostic review of our care system -to be followed by a major programme of work focussed on

- * Reducing number coming into care
- * Facilitating prompt reunification work and exits from care
- * Major investment in in-house provision, recruitment and retention of foster carers

We anticipate that the numbers in care and financial pressure should be reducible over time

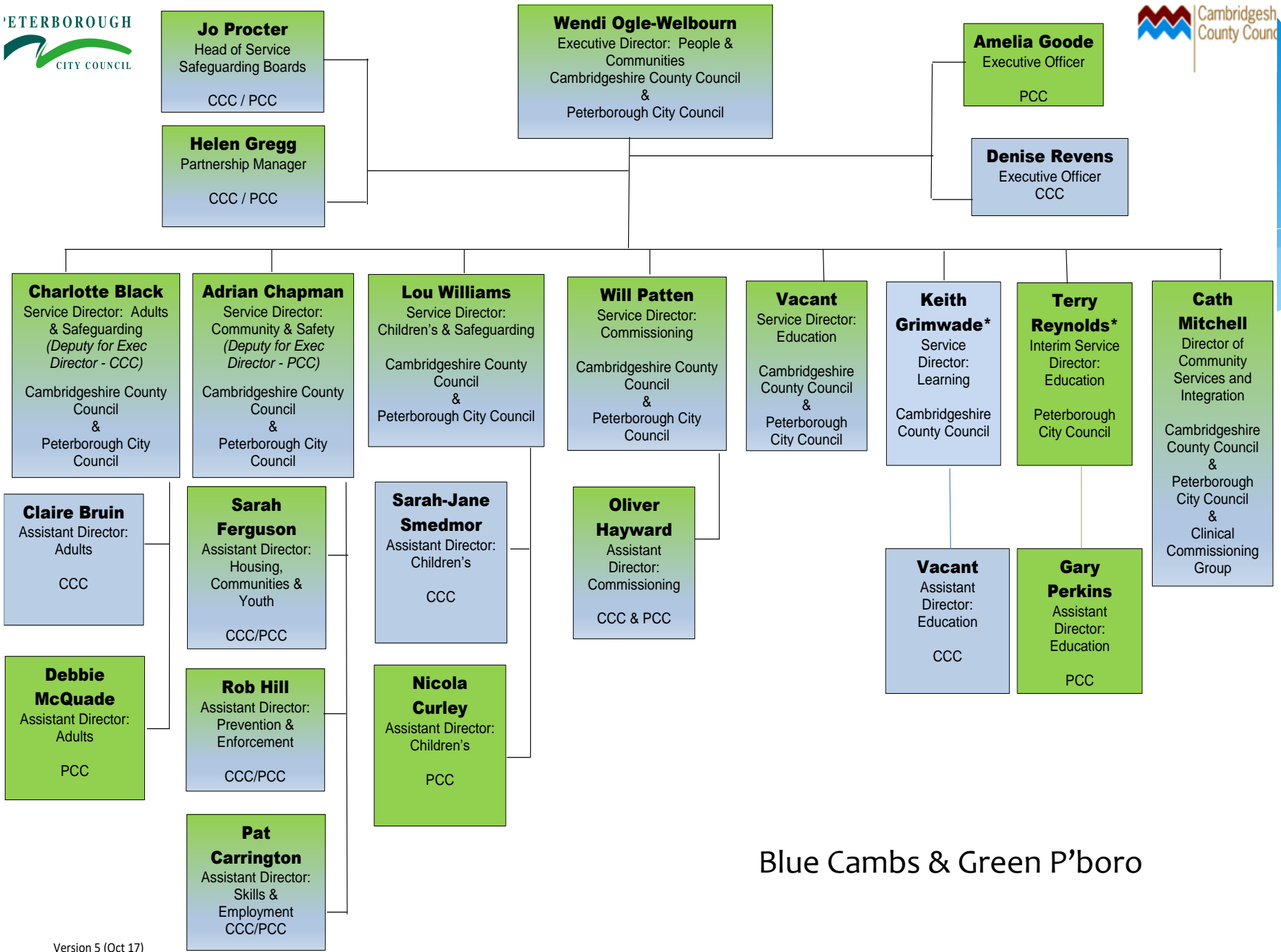
However in the short term the pressure will remain significant



Minimising the Cost to Serve

Over and above the demand strategies we are focussed on ensuring our cost to serve is as low as possible

- * Shared senior management across Cambridgeshire & Peterborough
 - * Children's Change Programme middle management £500k (6.5FTE)
 - * Commissioning £300k (10FTE)
 - * Adults £121k (2.5 FTE)
 - * Directors £133k (1.5FTE)
 - * Total saved = £1054k
 - * Further shared posts being considered – e.g. Adult Skills, Housing
- * Children Change programme reduced middle management and reduced the number of Children Centre Managers which will contribute £900k saving
- * Each Service Director has reviewed layers of management – reports have been presented to Children and Adult committees
- * Work to further reduce cost to serve underway; however diminishing returns



Blue Cambs & Green P'boro

Financial Summary

- * Forecast to end 2017/18 with **£5.5m pressure** across the directorate as a whole (children's and adults)
- * We have identified significant mitigations (including from Integrated Better Care Fund) and are continuing to look at all opportunities to bring this figure down
- * **But many of the mitigations are only temporary one-off opportunities and the underlying picture is of sustained pressure across the care budgets into the longer term**

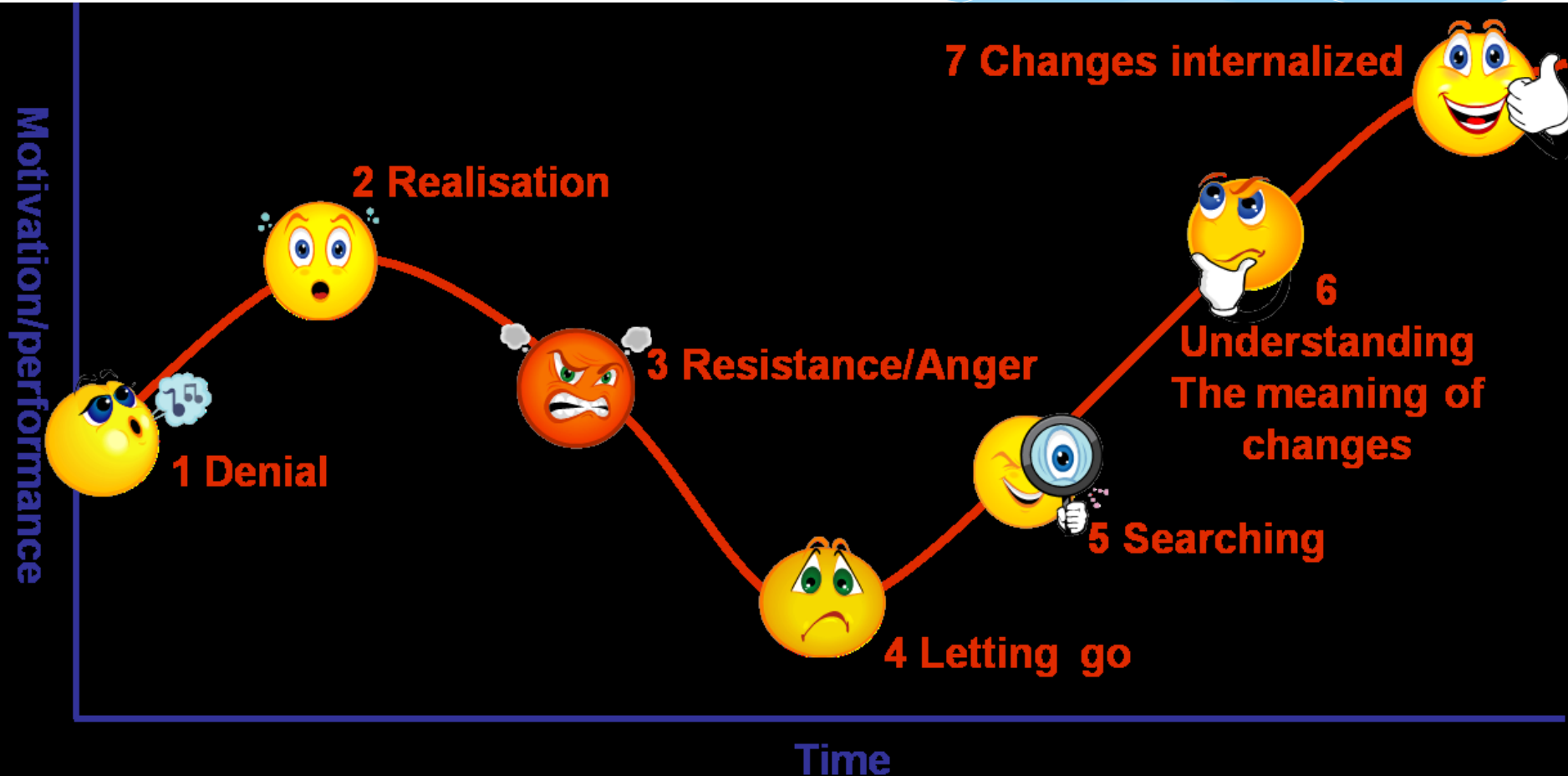
OPTION 1

- **Carry on as we are and hope everything works out for the best...**



OPTION 2: Take a different approach altogether...

- Transformation: do things differently, do things together, invest in enablers e.g. technology, supporting our staff and community better..... better, but not as easy...



Responding Strategically..

To avoid the cliff edge we need to develop fundamental solutions which deliver sustainable models

- * CapGemini – external support to develop future demand model in adults
- * Neighbourhood cares – trialling and refining a completely different model of care in and by the community
- * Full independent diagnostic review in children's followed by programme to change the service model
- * Focus on sustainable solutions with partners through STP, public service reform agenda



WHAT MATTERS

“Putting people at the heart of a system that makes sense to them”

“Championing equality and diversity in our communities”

“Working together –seeing success as collective – if one part is failing we all are”


“Being ambitious and creative – can do - not cannot do approach ”

“DRIVING DELIVERY OF

- ▶ The right services
- ▶ To the right people, families and communities
- ▶ By the right people
- ▶ At the right time
- ▶ In the right place
- ▶ At the right cost”

LEADERSHIP VALUES / BEHAVIOURS

- * Outcomes focused – not organisation focused
- * Getting done what needs to be done by who is best to do it
- * Empathy - understanding and appreciating the perspectives of all parties
- * Openness and transparency – putting cards on the table
- * Using evidence based sources and best practice to ensure what we deliver has the best chance of success
- * Working together, not undermining each other

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- * Speaking well of each other, in public and private
 - * Behaving well, especially when things go wrong
 - * Keeping our promises – small and large
 - * Speaking with candour and courage
 - * Delivering on promises made
 - * Seeing success as collective not as a tribe