

Review of Draft Revenue Business Planning Proposals for 2022-2027

To: Adults and Health committee

Meeting Date: 9 December 2021

From: Wendi Ogle-Welbourn, Executive Director for People and Communities
Jyoti Atri, Director of Public Health
Tom Kelly, Chief Finance Officer

Electoral division(s): ALL

Key decision: No

Outcome: The committee is asked to consider:

- the current business and budgetary planning position and estimates for 2022-2027
- the principal risks, contingencies and implications facing the Committee and the Council's resources
- the process and next steps for the Council in agreeing a business plan and budget for future years

Recommendation: It is recommended that the Adults and Health Committee;

a) Note the progress made to date and next steps required to develop the business plan for 2022-2027

b) Comment on the budget and savings proposals that are within the remit of the Committee as part of consideration of the Council's overall Business Plan

c) Note the updates to Fees and Charges for 2022-23

Officer contact:

Name: Wendi Ogle-Welbourn / Jyoti Atri
Post: Executive Director / Director of Public Health
Email: Wendi.Ogle-Welbourn@cambridgeshire.gov.uk /
Jyoti.Atri@cambridgeshire.gov.uk
Tel: 01223 728192 / 01223 703261

Member contacts:

Names: Cllr Richard Howitt / Cllr Susan van de Ven
Post: Chair/Vice-Chair
Email: Richard.howitt@cambridgeshire.gov.uk
Susanvanden5@gmail.com
Tel: 01223 706398

1. Purpose and background

- 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. This paper provides an overview of the updates to the Council's financial position since October/Nov 2021 when Committees were last consulted on the draft Business Plan for 2022-27. The paper sets out the changes to key assumptions impacting financial forecasts, further risks and opportunities and next steps required to balance the budget and agree the Council's Business Plan for 2022-27.
- 1.2 The paper also seeks to highlight the environment within which the Business Plan has been developed this year, the added complexity of developing the business plan whilst continuing to be in the middle of a world-wide pandemic, and the challenges of being a relatively low spend but effective organisation has on the opportunities to reduce costs further to address the financial challenges caused by COVID-19.
- 1.3 Whilst the impact of COVID-19 continues to be felt by all councils across England, for Cambridgeshire this comes on the back of many years of under-funding compared to other councils. As one of the fastest growing counties in the country, Cambridgeshire has been managing disproportionate increases in demand over many years which have not been reflected in the revenue grant system.
- 1.4 This report builds on the information provided to this Committee during October/November and sets out the latest financial position regarding the Business Plan for the period 2022-27. A number of Business Cases have been developed which provide further details of the proposed changes to our budget, and these will be reviewed by their relevant Service Committees in December, prior to being reviewed by S&R in January for endorsement to full Council in February 2022.

2. Context

- 2.1 On 9 February 2021, Full Council agreed the Business Plan for 2021-2026. This included a balanced budget for the 2021-22 financial year with the use of some one-off funding but contained significant budget gaps for subsequent years as a result of expenditure exceeding funding estimates. These budget gaps (expressed as negative figures) were:

2021-22	2022-23	2023-24	2024-25	2025-26
balance	-£22.2m	-£14.7m	-£15.1m	-£12.0m

- 2.2 The impacts of COVID-19 on the Council have been unprecedented and the pandemic remains a key factor of uncertainty in planning our strategy and resource deployment over the coming years. The Council continues to take a central role in coordinating the response of public services to try and manage the complex public health situation, impact on vulnerable people, education of our children and young people and economic consequences. Looking ahead we know that challenges remain as the vaccination programme progresses, winter illnesses re-emerge and potential further mutations of the virus. We are already seeing the impacts of the pandemic on our vulnerable groups as well as those who have become vulnerable as a result of health or

economic impact of the pandemic. Longer term there will be significant increases and changes in the pattern of demand for our services alongside the economic aftereffects. In this draft business plan, there are COVID-19 impacts across demand for services, pricing and supplier changes, and impacts on funding and income. Emerging work is shifting the Council's decision-making framework to prioritise sustainable development for our county, whereby our citizens' social foundations are strengthened in the context of pandemic recovery and ongoing ecological emergency.

- 2.3 Predicting the on-going implications and financial consequences of COVID-19 remains challenging, particularly in terms of the impact on demand for council services. It is especially important this year that we keep these estimates under review as circumstances are so changeable over the course of this year. In this update there is a further re-baselining proposed to bring adult social care budgets in line with anticipated demand levels at the start of next year. While we expect demand growth in adult social care to be significant in 2022-27 and have allowed for such in the draft business plan, this will be from a starting point in April 2022 that is lower than previously budgeted.
- 2.4 Besides the pandemic, the other major risks and uncertainties in setting budgets for 2022-27 include the potential for national policy changes, such as reform of social care funding, the need for a multi-year funding settlement from government, the availability and sustainability of supply chains and resources, and changing patterns of demand for our services that has been a longer-term trend. The Council must make its best estimate for the effect of known pressures when setting its budget and retain reserves to mitigate against unquantifiable risks.
- 2.5 Government has announced that there will be significant reform of social care funding with effect from October 2023, this includes a cap on the amounts that people will have to contribute to their care costs during their lifetime and significant revisions to the asset thresholds for making contributions towards those costs. £5.4bn per annum has been identified nationally as the cost of these changes and further details are awaited in terms of how this will be operated. There are wide and complex changes for the Council as a result.

It is important to note that the new funds announced nationally do not address underlying funding issues for social care, such as historic funding or surges in demand and costs emerging from the pandemic.

- 2.6 With changes in local and national policy coinciding with hopes for a stabilisation of the public health response to the pandemic, the overarching themes we have identified to help us develop the Business Plan are as follows:

- Economic recovery
- Prevention and Early Intervention
- Decentralisation
- Environment & climate emergency
- Social Value
- Efficiency and effectiveness of Council services

- 2.7 The Joint Agreement which explained the policy ambitions of the new administration was agreed in May 2021. The Joint Agreement prioritises COVID-19 recovery for all of Cambridgeshire and puts healthy living and bringing forward targets to tackle the climate

emergency, central to its agenda. It also signals a commitment to form strong and positive partnerships at a local level as members of the Combined Authority and the Greater Cambridge Partnership in the areas of public health, support for business, climate change, public transport, and building affordable, sustainable homes. This first business plan will begin to put into effect this new set of policies; concurrently a new Corporate Framework is being developed which recognises the importance of making decisions based on financial, social and environmental factors to ensure future sustainability. The plans for 2022-23 in the business plan are detailed and represent a transitional year ahead of reform and review of the budget allocation process for future years.

- 2.8 As per the Council's priorities, Cambridgeshire seeks to ensure that it provides high quality support to its citizens whilst ensuring best use of the taxpayers money. An indicator of how well it is doing this, is by reviewing benchmarking data on a regular basis. The most recent data highlights that compared to nearest neighbours the majority of our services are provided at a lower cost per person with the exception of Public Health and Adult Social Care. The impact of the pandemic for Adult Services within Cambridgeshire has been particularly notable. As mentioned above the Joint Administration is prioritising COVID-19 recovery and is closely monitoring the evolving needs of the citizens of Cambridgeshire. These needs have been taken into account when developing the budget proposals.

3. Financial Overview

- 3.1 The previous update to committees in October/November set out progress that had been made in closing the budget gap for 2022/23 and in refining the budgets for later years. After an increase in the opening budget gap resulting from rising demand projections and other service pressures, savings had been identified that brought the gap down to £19.5m.
- 3.2 Since the previous update, work has continued to identify ways to close the remaining budget gap in 2022/23 including additional savings work, further review of pressures and revision of funding assumptions. We have also identified several investments that are required into services. A further £5m of improvement has been made through this work.
- 3.3. In October, however, the Autumn Budget and Spending Review made clear that the Council would face several additional pressures in 2022/23. The cost of these is set out in the table below, but in summary relate to the expected rise in employer national insurance contributions, a rise in the minimum wage that was higher than expected, and the formal end of the public sector pay freeze which is expected to drive salary costs up. Additional funding for local government was announced to meet these pressures in the form of a further grant of £1.6bn a year nationally for three years, but the distribution methodology for this has not been announced and will not be until the Local Government Finance Settlement in mid-December 2021.
- 3.4 As well as those pressures and that further funding, the Autumn Budget also announced:
- Council Tax referendum limits to be set at 2% for general Council Tax and 1% for the Social Care Precept (SCP) 2022-23. It has also confirmed that authorities who carried-forward unused SCP from 2021/22 may use that in 2022/23. Cambridgeshire has a further 2% increase in SCP available from this.
 - £21bn for roads and £46bn for railways to connect towns nationally

- An increase in the core schools budget of £4.7bn nationally by 2024/25, with £2.6bn further being made available for places for children with special educational needs
- Business rates relief totalling £7bn, with Councils to be compensated for the effects through further grant

3.5 After factoring in the progress made towards closing the budget and the pressures resulting from the Autumn Budget, the revised budget gap is set out in the table below:

	£000				
	2022-23	2023-24	2024-25	2025-26	2026-27
Budget gap at November Committees	19,481	18,211	18,059	16,545	13,970
Budget Reviews and Re-baselining					
Budget rebaselining in Adults (offset by pressure below)	-3,345	0	0	0	0
Budget rebaselining in Children's	-600	0	0	0	0
Rebaselining of income budgets in Place & Economy	-500	100	150	0	0
Inflation and Demand Adjustments					
Demand updates in Children's	0	1,230	1,269	1,265	1,210
Service Pressures					
Pressures in Adults (Learning Disabilities)	2,500	0	0	0	0
Pressures in Children's	-924	750	0	0	0
Pressures in Place & Economy	407	-260	0	0	0
Pressures in Corporate Services	88	90	0	0	0
Service Investments					
Paying the real living wage to social care staff	1,187	4,408	3,619	409	543
Investment in the SAFE team	268	0	0	0	0
Investment in health in all policies	125	0	0	0	0
EGL investment	75	0	0	0	0
EGL investment	105	40	0	0	0
New or additional savings					
Savings in Place & Economy	-100	-20	0	0	0
Savings in Children's	-780	-570	-345	0	0
Savings in Corporate Services	-124	-9	-154	-132	-136
Savings in Adults	-357	-161	0	-478	0
Savings in Public Health	-100	0	0	0	0
Other changes					
Rephasing of income expected from NHS pooled budget contributions	750	-1,000	-1,000	0	0
Reduction in the revenue cost of capital	-1,325	398	0	0	0
Reduction in the revenue cost of capital - use of capital receipts from asset sales	-600				
Increase in Public Health Grant	-32	32	0	0	0
Increase in grant/funding estimates	-210	-15	0	0	0
Replace highways/footways revenue investment with capital	-1,300	-1,000	-1,000	-1,000	0
Energy schemes - phasing of spend and income	290	-549	111	-127	-32
Inflation update	23	0	0	0	0
Use of Public Health reserves to fund health-related pressures	-400	0	200	200	0
Impact of Autumn Budget					

Increase in national insurance - Council staff	998	0	0	0	0
Increase in national insurance - social care supply chain	1,000	0	0	0	0
Increase in minimum wage above estimate - impact on social care	3,019	1,762	-19	-19	-19
Staff pay inflation, increase in assumption	170	180	183	187	188
Revised budget gap in December	19,789	23,632	21,073	16,850	15,725
Change in budget gap	308	5,421	3,014	305	1,755

- 3.6 More detail about the proposals that make up this table relevant to this committee are set out in section 4 below.
- 3.7 As well as some ongoing investments into services, there will be a need to fund temporary (short term) investments to move towards more sustainable services. These are expected to be funded from Council reserves. The specific proposals for this committee are set out in section 6.7.2 below.
- 3.8 The latest updates in table 3.5 (and equivalent tables in previous updates) only show the changes made compared to the current draft business plan. In some cases, there were already proposals affecting 2022-27 in the existing published 2021-26 business plan, or in previous drafts of the new business plan presented at previous committee meetings. The full set of all proposed budget changes is presented in Table 3 of the budget tables in Appendix 1.

4. Assumptions and Risks

- 4.1 The Council's medium-term 2021-2026 budget currently assumes a 2% increase in Council Tax in 2022-23 and 0% increase in the Adult Social Care precept.

There are a number of budgetary risks which are being monitored closely, these include:

- **High Needs Deficit**
If the Government changes the approach to funding, the Council will have to fund the high needs deficit, resulting in the exhaustion of unallocated reserves.
- **Staff Pay Award**
As mentioned in previous reports, unions have rejected the most recent offer. If staff pay award is negotiated higher than budgeted for, then costs will be higher than predicted resulting in a cost pressure. Some additional budget has been factored in following the Autumn Budget.
- **COVID-19**
As stated earlier in the report, COVID-19 remains a high risk to our budgets. The long-term impact continues to be unknown and if there are further waves of COVID-19 and additional restrictions, then services may face disruption resulting in additional cost pressures.
- **Central Government funding and reforms**
If Central Government brings in reforms/ changes funding, then costs to deliver services may increase/ funding received may reduce resulting in additional cost pressures.

- **Uncertainty about demand for services**
Predicting demand continues to be difficult due to COVID-19 and if demand projections are inaccurate due to COVID-19/ other reasons, then financial projections will be incorrect resulting in incorrect budget provision allocated for demand.
- **Inflation/ interest rates**
If inflation/interest rates increase by more than advisors are suggesting, then costs to deliver services and borrowing will increase, resulting in a cost pressure.
- **Adult Social Care Provider Sustainability and Variation**
If the ASC market continues to be unstable, there may be an increased number of provider failures or variation requests for additional funding, resulting in increased budget pressures for the service.
- **Funding from Partners**
Budgets are based on an assumption of a certain level of funding from our partners, such as the NHS. Close monitoring is taking place to understand whether assumptions are correct.
- **Implications of the Adult Social Care Reforms**
We are currently waiting for further details but implementing the Adult Social Care Reforms could result in a number of potential risks to the authority e.g. proposal of a cap to contributions as mentioned above and a requirement to work with a much larger number of people. The implications are being monitored closely.

5. Capital Programme Update

- 5.1 Following on from October service committee, further work was required on some schemes, as well as continuing revision and update of the programme in light of ongoing review by the Capital Programme Board, changes to overall funding, or to specific circumstances surrounding individual schemes. The changes made since October committee can be summarised as follows:

New Schemes

- (A&H) Independent Living Services (+£40,148k)
- (CS&I) Library Minor Works (+£85k)
- (CS&I) EverySpace - Library Improvement Fund (+£389k) [externally funded]
- (S&R) IT Education System Replacement (+£2,460k)

Increased Cost

- (CYP) Sutton Primary Expansion (+£385k)
- (CYP) Waterbeach new Town Primary (+£375k)
- (CYP) Alconbury Weald secondary and Special (+£1,617k)
- (CYP) Sir Harry Smith Community College (+£291k)
- (CYP) Cambourne Village College Phase 3b (+£850k)
- (CYP) Duxford Community C of E Primary (+£195k)
- (CYP) New SEMH Provision Wisbech (+£489k)

- (H&T) A14 (+£920k)
- (H&T) Carriageway & Footway Maintenance including Cycle Paths (+£1,500k)
- (H&T) Footpaths and Pavements (+£10,000k)

Removed Schemes

- (CYP) St. Neots secondary (-£11,130k)

Changed Phasing or funding

- (CYP) Isleham Primary relocation & expansion
- (H&T) B1050 Shelfords Road
- (E&GI) Waste – Household Recycling Centre (HRC) Improvements
- (E&GI) Waterbeach Waste Treatment Facilities

In addition, the Capitalisation of Interest and Variation budgets have been updated in line with the above changes.

- 5.2 The Council is still awaiting funding announcements regarding various capital grants, plus the ongoing nature of the capital programme inevitably means that circumstances are continually changing. Therefore, Services will continue to make any necessary updates in the lead up to the January S&R meeting where the Business Plan will be considered.

6. Overview of Adults and Health Revenue Programme

- 6.1 This section provides an overview of the savings and income proposals within the remit of the Committee.
- 6.2 All of the proposals within the remit of the Committee are described in the business planning tables (Appendix 1) and business cases (Appendix 2).
- 6.3 The Committee is asked to comment on these proposals for consideration as part of the Council's Business Plan for the next five years. Please note that the proposals are still draft at this stage, and it is only at Full Council in February 2022 that proposals are finalised and become the Council's Business Plan. The following proposals can be found in Appendix 2

Savings

- A/R.6.185 Block bed revised inflation savings
- A/R.6.191 Extra Care savings
- A/R.6.192 Learning Disability Outreach service expansion
- A/R.6.194 Interim and respite bed savings
- A/R.6.197 Community Equipment service savings
- A/R.6.198 Domiciliary block care provision
- E/R.6.034 Public Health demand led savings

Investments:

- E/R.5.007 Health Impact Assessments
- A/R.4.040 Increased staffing in Young Adults Team
- A/R.4.041 Additional resource for Quality and Practice Team

A/R.5.006 Care home Support (also includes savings)
 A/R.5.009 Extending the Enhanced Response Service (also includes savings)
 A/R.5.010 Expanding Support for informal carers (also includes savings)
 A/R.5.011 Implementation of the real living wage

Temporary / one-off funding

N/A (Temporary Funding) Care Together
 N/A (Temporary Funding) Expansion of direct payments
 A/R.6.199 Independent Living Services – Huntingdonshire (also includes savings)

Capital investment

Independent Living services – new builds (also includes savings)

6.4 This paper provides an update on the position previously reported and discussed at Committee in October. Key areas of feedback from the Committee around the following areas are being incorporated into plans and associated business cases where relevant:

- Ensuring quality of services is maintained.
- Ensuring no detrimental impact to service provision.
- Ensuring the Council continues to deliver its statutory duties and focuses on outcomes.
- Maximising opportunities for social value returns on investment, e.g. increased development of small businesses contributing to wider community outcomes, increasing local employment opportunities, improved health and wellbeing by addressing low-income levels.
- Maximising opportunities for the join up of health, social care and community/voluntary services in local areas to make it easier to find early help and support (e.g., Care Together programme, GPs identifying and supporting carers)

6.5 Budget Position

6.5.1 We have identified budget reductions, savings or increased income opportunities of £9.785m for Adults and £328k for Public Health in 2022/23.

6.5.2 However, we have identified £21.912m of pressures and investments for 2022/23 as outlined below.

Pressure / Investment	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)
Demand and Demography (Ref: A/R3.002 to A/R.3.007 and A/R.3.017)	10,036	11,539	11,398	11,107	11,267
Inflationary Pressures on Care Costs (Ref: A/R.2.002)	1,866	1,984	2,918	2,918	2,918
Impact of National Living Wage on Adult Social Care Contracts (Ref: A/R.4.009)	7,172	7,565	4,883	4,883	4,883
Impact of Health and Social Care Levy on Care Providers (Ref: A/R.4.042)	1,000	-	-	-	-
Additional Investments	1,838	4,578	3,619	409	543
Total	21,912	25,666	22,818	19,317	19,611

6.5.3 This incorporates the following changes since the October 2021 committee reported position:

- Reduction in inflationary pressure on care costs from £2.080m to £1.866m in 2022/23
- Increase in National Living Wage impact to reflect the 6.6% National Living Wage increase announced in the Autumn Budget. This has increased the pressure from £3.939m to £7.172m in 2022/23
- Incorporation of £1m pressure associated with the impact of the Health and Social Care Levy on providers, due to the increase in employer NI contributions associated with the Adult Social Care reforms.
- Additional investments increased from £651k to £1.838m to incorporate investment in the Real Living Wage

6.5.4 Further detail on the developed proposals is set out in sections 6.5 and 6.6 and in Appendix 2

6.6 Joint Administration Priorities

6.6.1 Investment is required to support delivery of the Joint Administration priorities of:

1. Move from delivering social care through an overly focused emphasis on commissioning of care agencies, towards one of empowering people and communities using new models based on delivery at neighbourhood level and through new models of governance, including more 'in-house' provision.
2. Protect and enhance choice and control by service users, adopting a rights-based approach to service delivery and the concept of independent living, expanding opportunities for use of direct payments, individual budgets and personal assistants.
3. Driving up the quality and dignity of care work and services, integrating the Council's social value approach; making a major initiative to improve training, career development, pay and conditions for frontline care workers, including a phased implementation of the Real Living Wage.
4. Support the move towards integrated health and social care, seeking a clear shift towards prevention and 'early help' vis-a-vis the provision of acute services, with an emphasis on Health and Social Care outcomes.
 - a. Step-change to improve services for people.
 - b. Use leverage to make a major shift towards prevention in the system
 - c. Improve health and social care outcomes through a population health management approach
 - d. Assumption is budget neutral, but will continue to review
5. Combating health inequalities based on population health management across all geographies; leading a 'health in all policies' approach across the authority and seeking to implement a system wide obesity/healthy weight strategy.

6.6.2 A number of proposals have been identified to progress the joint administration priorities which require investment, as outlined in section 6.6.

6.7 Investment/Pressures

6.7.1 A number of investment areas have been identified, which equate to £1.838m of permanent investment in 2022/23, as outlined below and included in the Finance Tables at Appendix 1. The main adjustment since the October Committee reported position, is the inclusion of the Real Living Wage investment, which equates to an investment of £1.187m in 2022/23.

Budget Table Ref	Investment Area	Description	22/23	23/24	24/25	25/26	26/27
A/R.4.040	Learning Disabilities – Young Adults Team	To increase the staffing structure in the Young Adults Team, in order to better manage demand and deliver a safe cost-effective service. This will support us to deliver our statutory duty. Increased capacity in the team will enable cases to be allocated to workers at an appropriate level and reduce waiting lists. This will result in the safer management and prompt allocation of new cases.	149	-	-	-	-
A/R.5.006	Care Home Support Team (Note: current Business Plan removes £120k in 2022-23 which will be deliverable. Change here is new proposal)	The Care Home Support Team was established in response to the pandemic on a temporary two-year basis (funding is already in the MTFS for 22/23. This business case is requesting permanent funding for 23/24 onwards). Since its introduction, it is clear there is a widespread need for social care providers to be supported to improve practice quality. By supporting care homes where issues or concerns have been identified, the team is able to mitigate potential provider failure, the cost of which can be significant to the Council.	-	220	-	-	-
A/R.4.041	Quality and Practice Team	To increase capacity in the Quality Practice Team to ensure we are meeting our statutory responsibilities under the new framework and Care Quality Commission oversight, as outlined in the Governments White Paper on social care. Current capacity	68	-	-	-	-

		in the team is not sufficient to respond to the new changes and ensure compliance. The risk of a poor inspection would be reputationally damaging to the Council, as well as requiring remedial action which could be costly.					
A/R.5.009	Expansion of Enhanced Response Service (ERS)	<p>Extension of the ERS to deliver earlier intervention, preventing escalation of need and associated cost avoidance.</p> <p>The extension of the service will enable a greater volume of referrals to be responded to where there is an urgent social care need. This will include referrals from additional Carelines, GPs and 111 across Cambridgeshire.</p> <p>The current ERS service provides a 24/7 urgent response to calls from alarm receiving centres where someone's telecare alarm has been activated. Typical types of calls that are responded to include non-injured falls, one off personal care and silent calls.</p> <p>This service is expected to deliver a saving, as outlined above.</p>	181	-	-	-	-
A/R.5.010	Increased Support for Carers	<ul style="list-style-type: none"> · Increase capacity of the Carers Support Service to provide urgent support · Increase capacity of Listening Ear Service to provide counselling, wellbeing and emotional resilience support · Roll-out the Short Breaks for Carers pilot countywide to support the recruitment of volunteers 	253	-50	-	-	-

		<ul style="list-style-type: none"> Specific media campaign to reach hidden carers <p>This service would deliver a saving as outlined above.</p>					
A/R.5.011	Real living wage for the adult social care market	Investment in the adult social care market to allow care providers to pay their staff the real living wage by April 2024, whilst working with providers to secure a social value return on investment.	1,187	4,408	3,619	409	543
E/R.5.007	Health Impact Assessments	<p>Health in all Policy and Tackling Health Inequalities:</p> <p>Fund for health impact assessments to be established to support the council in understanding the impact of major policy decisions or commissions to inform action to maximise health outcomes and minimise health harms. Applications for the fund will be prioritised according to agreed health and well-being priorities.</p> <p>This will be funded from Public Health Grant monies.</p>	125	-	-	-	-
			-125				
Total			1,838	4,578	3,619	409	543

6.7.2 The following areas require one-off investments and could be funded by reserves as noted below. The values for these investments are shown at the amount required as investment in each year as opposed to being shown as a change in the permanent budget since these are proposed one off investments. Public Health investments will be funded from Public Health reserves.

Investment Area	Description	22/23	23/24	24/25	25/26	26/27
Care Together Expansion	<p>Roll out of the East Cambridgeshire pilot across the county over four years, commencing in 2022/23.</p> <p>One off reserves funding could be used – total requirement £2.915m</p>	689	735	739	752	-

	<p>Care Together is an initiative designed to transform the way care and support is commissioned and delivered to older people living at home. It is focused on changing and improving the way care is provided to older people living at home who either receive council funded homecare or may benefit from early help and support to maintain their independence. The aim is to enable older people to remain living happily at home, cared for by locally based carers, working within their own communities.</p>					
Independent Living Services – Huntingdonshire	<p>(Investment: Savings will be delivered). Revenue investment of £180k in 22/23 and £120k in 24/25 is also needed to support roll out.</p> <p>One off reserves funding could be used – total requirement £300k</p> <p>Enhance the offer to local residents who may have a need for residential and nursing care by developing a tenancy-based model of care: Independent Living Service's (ILS's) specifically support people being able to stay in their own tenancy longer as care can be stepped up as needs increase, unlike residential care where they may need to move to get increased care needs met.</p> <p>This investment relates to the development of the Rheola site in Huntingdonshire.</p>	120	-	180	-	-
Expansion of Direct Payments	<p>One off reserves funding would be required of £222k but generates savings to more than repay in future years</p> <ul style="list-style-type: none"> • Additional capacity to accelerate improvement in the uptake of Direct Payments • Investment in an additional system able to maintain robust and user-friendly oversight of the Individual Service Funds; • Development of a short term Personal Assistant Support Service able to bridge the gap between the need for immediate care and 	222	-222	-		-

	<p>support and the recruitment of personal assistant</p> <ul style="list-style-type: none"> Additional Contract Management capacity to monitor and quality assure support services being accessed by direct payment and individual service funds as they begin to increase. 					
Total Adults		1,031	513	919	752	-
Training for Health Impact Assessments	<p>Targeted tackling of health inequalities:</p> <p>One off reserves funding would be required</p> <p>In order to support the JAA priority of health in all policies, training will be commissioned to support the system in understanding the potential health impacts of their policies, services and commissions. Basic training on health impact assessments, their purposes and potential benefits will also be included in the package.</p>	45	-	-	-	-
Use of Public Health reserves	<p>Proposal for £1m of Public Health reserves to be used over a 3-year period to support public health related spend outside of the Public Health Directorate. Areas of spend are being developed but likely to include Loneliness and Isolation support work amongst other areas.</p>	400	400	200	-	-
Total		1,476	913	1,119	752	-

6.7.3 Capital investment would be required to generate further savings from Independent Living Services. In addition to the two planned Independent Living Service sites (East Cambridgeshire and Huntingdonshire) we are proposing three additional sites across Cambridgeshire. These have been reprofiled to commence work in 2024/25, at a rate of one per year. Each Independent Living Service will take three years to build from the time land is acquired. The capital investment required, and associated savings expected are set out below. The schemes are anticipated to pay back the capital investment in full as well as generating revenue savings in future years.

Independent Living	Amount £000 2022-23	Amount £000 2023-24	Amount £000 2024-25	Amount £000 2025-26	Amount £000 2026-27	Amount £000 2027-28	TOTAL £000
Capital costs (one off)	-	-	3,161	15,597	14,955	6,435	40,148

6.7.4 The proposal is scheduled for savings to flow from the year after the opening of the new services as shown below (figures in £000).

	Build volumes (in units) and savings flow (in £000's)						
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Volume				48	64	48	160
Savings				418	557	418	1393

6.7.5 The Impacts of COVID-19 in Cambridgeshire continue to bring a significant pressure to the provision of care and support in the community, both due to the additional demand on services and the impact of the pandemic, governance guidance on the workforce and mandatory vaccination legislation. In addition, changes to national legislation, including the increased rate of the National Living Wage to £9.50/hr from April 2022, the introduction of the Health and Social Care Levy and the proposed social care reforms, will introduce additional financial pressures to the local authority and wider provider market. Whilst there has been government funding to help address some of these pressures, particularly in relation to infection and prevention control, this is one off in nature and is due to end at the end of March 2022. Meanwhile, the costs borne by providers will continue to prevail; including increased staffing costs, loss of income due to reduced private occupancy, increasing insurance costs and inflation on non-staff costs e.g., fuel, food, and equipment.

6.7.6 These issues are impacting across all elements of care provision, including residential/nursing care, home care and learning disabilities provision, creating additional risks to the health and social care system, at a time when capacity is already stretched by increased demand, winter pressures and financial challenges. We are currently exploring additional targeted opportunities to provider longer term security to providers and address the rising pressures that they are currently facing. This includes opportunities to provide uplifts to address staffing and non-staffing inflation pressures, workforce development and addressing workforce capacity issues. These proposals and investments are being finalised.

6.8 Savings and Income

6.8.1 Adults and Health have identified £10.113m of savings and increased income for 2022/23 which can offset this gap, this comprises the following:

- o £3.097m of existing savings in the Business Plan for 2022/23 as outlined in the below table.
- o £7.016m of new opportunities as outlined in the below table.

Savings opportunities have been focused predominantly on the prevent, reduce, delay model. Through a targeted approach to prevention and early intervention to maximise people's independence, we are able to prevent or delay the unnecessary escalation of needs to more costly provision of services, whilst delivering better outcomes for people.

6.8.2 Existing Reprofiled Savings and Income in the Business Plan

Budget Table Ref	Saving / Income Opportunity	Description	22/23	23/24	24/25	25/26	26/27
A/R.6.176	Adults Positive Challenge Programme	The Preparing for Adulthood Workstream of the Adults Positive Challenge Programme will continue to have an effect by reducing the level of demand on services from young people transitioning into adulthood. *This saving has been increased by £54k in 22/23 and 23/24	-154	-154	-	-	-
A/R.6.177	Cambridgeshire Lifeline Project	The aim of this project is for Cambridgeshire Technology Enabled Care (TEC) to become a Lifeline provider so that the income from the charges to customers funds to provision of the Lifeline service, as well as additional savings.	-10	-122	-50	-	-
A/R.6.179	Mental Health Commissioning	A retender of supported living contracts gives an opportunity to increase capacity and prevent escalation to higher cost services, over several years.	-24	-	-	-	-
A/R.6.180	Independent Living Service – East Cambridgeshire	We are exploring alternative models of delivery for residential and nursing care provision, including a tenancy based Independent Living Service model that will deliver savings to the council. *This saving has been reprofiled in line with the timelines for implementation	-	-	-244	-162	-

		of the first Independent Living Service					
A/R.6.185	Additional Block Beds – Inflation saving	Through commissioning additional block beds, we can reduce the amount of inflation funding needed for residential and nursing care. Block contracts have set uplifts each year, rather than seeing inflationary increases each time new pot placements are commissioned. *This saving has been reprofiled to reflect the number of block beds successfully commissioned in 2021/22	-390	-263	-277	-291	-
A/R.6.188	Micro-enterprises support	Transformation funding has been agreed for a new approach to supporting the care market, focusing on using micro-enterprises to enable a more local approach to domiciliary care and personal assistants. As well as benefits for the people we support of an increased local approach and competition, this will result in a lower cost of care overall.	-133	-	-	-	-
A/R.7.111	Client Contributions Policy Changes	The contributions policy for Adults was revised by Adults committee in 2020. This reflects the additional income as reassessments are carried out.	-562	-325	-	-	-
A/R.7.113	Learning Disability Partnership (LDP) Pooled Budget	The LDP is a pooled budget with the NHS covering most spend on people with learning disabilities by the Council and NHS in Cambridgeshire. In November 2019, Adults Committee agreed funding for a programme of work to review the relative health and social care needs of people with learning disabilities to establish if the Council and NHS contributions to the pool should be re-baselined. While this work has been	-1,824	-1,000	-1,000	-	-

		delayed by COVID-19 and is now expected to be undertaken in 2021/22, early work on a sample of cases suggests a re-baselining will result in a rebalancing of the Council's share of the pooled budget. This line is based on the outcomes of the sample being representative, with some dampening.					
Total			3,097	1,864	1,571	453	-

6.8.3 Changes to highlight since the October committee reported position, are:

- Client Contributions saving has increased in 2023/24 to £325k in response to the need to rephase the implementation of the revised contributions policy due to the impact of COVID-19.
- Learning Disabilities Partnership (LDP) Pooled Budget has been reprofiled to reflect delays to this work due to the impact of COVID-19.

6.8.4 New Opportunities Identified

Budget Table Ref	Opportunity	Description	22/23	23/24	24/25	25/26	26/27
A/R.1.020	Adults budget re-baselining	We are forecasting a significant underspend on the Adults budget for this financial year as a result of the devastating impact of COVID-19 on older people. This is reflected by a reduction in the baseline budget for next year. This does not reflect any reduction in care to individual service users but recognises the lower numbers of people we are supporting compared to pre Covid expectations.	-3,250	-	-	-	-
A/R.6.190	Unallocated Improved Better Care Fund monies	Contribution from the Improved Better Care Fund to contribute to demand pressures in Adult Social Care in line with the national conditions.	-240	-	-	-	-
A/R.6.191	Extra Care Tendering	A number of older people's extra care schemes were retendered for in 2021/22 and have delivered contractual savings across the following four schemes: <ul style="list-style-type: none"> o Doddington (Fenland) o Jubilee (Fenland) 	-87	-	-	-	-

		<ul style="list-style-type: none"> o Park View (Hunts) o Nichols Court (City/South) <p>Savings were not identified in time to be incorporated into the 2021/22 business planning cycle, and so are being included for 2022/23.</p>					
A/R.6.192	Learning Disability Outreach Service	Increasing the in-house outreach capacity. This will enable more support to be delivered in house at a lower cost to external provision.	-50	-	-	-	-
A/R.6.193	Expansion of Enhanced Response Service	<p>Extension of the ERS to deliver earlier intervention, preventing escalation of need and associated cost avoidance. The extension of the service will enable a greater volume of referrals to be responded to where there is an urgent social care need. This will include referrals from additional Carelines, GPs and 111 across Cambridgeshire.</p> <p>The current ERS service provides a 24/7 urgent response to calls from alarm receiving centres where someone's telecare alarm has been activated. Typical types of calls that are responded to include non-injured falls, one off personal care and silent calls.</p> <p>The service requires further investment as detailed below.</p>	-210	-	-	-	-
A/R.6.194	Interim and Respite Bed Recommissioning	Redesign and recommissioning of interim and respite bed provision. This has created a more efficient model. The use of the new, more flexible block bed provision for unplanned respite will result in a reduction of spot purchased respite provision.	-412	-70	-	-	-
A/R.6.195	Expanding Support for Informal Carers	<ul style="list-style-type: none"> · Increase capacity of the Carers Support Service to provide urgent support · Increase capacity of Listening Ear Service to 	-219	-	-	-	-

		<p>provide counselling, wellbeing and emotional resilience support</p> <ul style="list-style-type: none"> Roll-out the Short Breaks for Carers pilot countywide to support the recruitment of volunteers Specific media campaign to target hidden carers <p>With better support, carers will be able to maintain their caring role, preventing carer breakdown, and preventing the escalation of someone's care needs.</p> <p>The service requires further investment as detailed previously.</p>					
A/R.6.197	Community Equipment Service Contract Re-tender	The contract for the community equipment service has been retendered, with the new contract beginning in April 2022. This is a pooled budget with the NHS. The retender will deliver £252k savings to the pool, the Council's share of which is 48.2%.	-121	-	-	-	-
A/R.6.198	Decommissioning of domiciliary care block provision	As part of the Council's strategic plan for domiciliary care, a number of the under-utilised rapid discharge and transition cars funded by the local authority are being decommissioned, with demand being met in alternative ways.	-236	-	-	-	-
A/R.6.199	Independent Living Service - Huntingdonshire	We are exploring alternative models of delivery for residential and nursing care provision, including a tenancy based model that should deliver savings to the council.				-478	
A/R.7.211	Prisons Grant Underspend	This is an un-ringfenced corporate grant. We have consistently underspent in the last 3 years and this can be sustained permanently.	-20	-	-	-	-
A/R.7.210	Uplift in Better Care Fund to meet Adults Pressures	The 2021/22 and 2022/23 Better Care Fund annual uplift. Full allocation to enable us to offset the demand and demography pressures in Adult Social Care in line with the	-1,688	-	-	-	-

		national conditions of the grant.					
A/R.7.112	ICES Community Equipment pooled budget	The ICES community equipment budget is a pooled budget with the CCG. As part of the re-tendering process, the budget contributions were reviewed, and the health contribution will be increasing for next financial year by £155k per annum.	-155				
Adults Total			-6,688	-70	-	-478	-
E/R.6.034	Demand led Public Health Budgets	Public Health business planning for 2022/23 pulls together outstanding underspends across several service areas. These will have minimal disruption as they are demand led services. In addition, savings are available from contingency and holding funds where the funding is no longer required.	-328	-	-	-	-
Total			-7,016	-70	-	-478	-

6.8.5 Changes to highlight since the October committee reported position, are:

- Following further work to review the adults re-baselining position, this budget reduction has increased from £2.405m to £3.025m in 2022/23.
- Addition of Community Equipment Contract re-tender saving of £121k in 2022/23.
- Addition of Decommissioning of domiciliary care block provision saving of £236k in 2022/23.
- Addition of Independent Living Service – Huntingdonshire to deliver a saving of £478k from 2025/26.
- Increased Uplift in Better Care Fund Grant to £1.688m to account for a higher forecasted percentage uplift.
- Public Health savings have been increased by £100k

7. Next steps

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

November / December	Draft business cases are considered at service committees before they go forward to January Strategy and Resources committee.
January	Strategy and Resources Committee will review the whole draft Business Plan for recommendation to Full Council

8. Alignment with corporate priorities

The purpose of the Business Plan is to consider and deliver the Council's vision and priorities and section 1 of this paper sets out how we aim to provide good public services and achieve better outcomes for communities, whilst also responding to the changing challenges of the pandemic. As the proposals are developed, they will consider the corporate priorities:

- 8.1 Communities at the heart of everything we do
- 8.2 A good quality of life for everyone
- 8.3 Helping our children learn, develop and live life to the full
- 8.4 Cambridgeshire: a well-connected, safe, clean, green environment
- 8.5 Protecting and caring for those who need us

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 will be described in the financial tables of the business plan. The proposals will seek to ensure that we make the most effective use of available resources and are delivering the best possible services given the reduced funding.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for the proposals set out in this report. Any implications within specific proposals will be included within the individual business cases within Appendix 2.

9.3 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. Cambridgeshire County Council will continue to meet the range of statutory duties for supporting our citizens.

9.4 Equality and Diversity Implications

Each business case will consider whether there are any impacts (positive or negative) to vulnerable, minority or protected groups and this information is included within each of the business cases in Appendix 2.

Full Equality Impact Assessments that will describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups are being refreshed or developed where identified / required.

- 9.5 Engagement and Communications Implications
Our Business Planning proposals are informed by the CCC public consultation and will be discussed with a wide range of partners throughout the process. 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 Strategy and Resources Committee.
- 9.6 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.
- 9.7 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.
- 9.8 Environment and Climate Change Implications on Priority Areas
The climate and environment implications will vary depending on the detail of each of the proposals. The implications will be completed accordingly within each business case in Appendix 2.

Have the resource implications been cleared by Finance?

Yes

Name of Financial Officer: Justine Hartley

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the CCC Head of Procurement?

Yes

Name of Officer: Henry Swan

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?

Yes

Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Beatrice Brown

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Matthew Hall / Eleanor Bell

Have any localism and Local Member involvement issues been cleared by your Service Contact?

Yes

Name of Officer: Julia Turner

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Jyoti Atri

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

8. Source Documents

Appendix 1a: Introduction to the finance tables

Appendix 1b: P&C Revenue Tables 1-3

Appendix 1c: Public Health Revenue Tables 1-3

Appendix 1d: P&C Capital Tables 4&5

Appendix 2a: Business cases – A&H Savings Proposals

Appendix 2b: Business cases – A&H Pressures / Investments

Appendix 2c: Business cases – Temporary Funding

Appendix 2d: Business cases – Capital Investment

Appendix 3: P&C Fees and Charges