

## Business Planning Proposals for 2022-27 – opening update and overview

To: Adults and Health Committee

Meeting Date: 22 September 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 Adults and Health Committee is asked to consider:

- The current business and budgetary planning position and estimates for 2022-27
- 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: The Adults and Health Committee is asked to:

- a) Note the overview and context provided for the 2022-23 to 26-27 Business Plan.
- b) Comment on the list of proposals (set out in sections 4 and 5) and endorse their development.

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## 1. Overview

1.1 The Council's Business Plan sets out how we will spend our resources to achieve our vision and priorities for Cambridgeshire, and the key outcomes we want for the county and its people. The business plan contains a five-year financial plan including estimates of investments, pressures and savings over the whole period. The business plan now under development is for 2022-27. It is a statutory requirement for local authorities to set a balanced budget ahead of each new financial year.

1.2 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

1.3 Since the 2021-26 business plan was produced, the Council has had a change of political leadership. Following Council elections in May 2021, a Joint Administration of the Liberal Democrat, Labour, and Independent groups was formed, with a Joint Agreement setting out the policy ambitions of the new administration. 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 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.

1.4 The impacts of COVID-19 on the Council have been unprecedented and the pandemic remains a key factor and uncertainty in planning our strategy and resource deployment over the coming years. The Council has taken 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 and winter illnesses re-emerge. 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. The Council is committed to ensuring that communities across Cambridgeshire emerge from the pandemic with resilience and confidence for the opportunities and challenges that face us.

1.5 During 2020-21, the Council received time-limited significant additional funding and compensation from government and the NHS in order to effectively respond to the pandemic. Whilst the financial settlement for the response to date has been sufficient, predicting and preparing for the on-going implications and financial consequences of COVID-19 remains challenging, particularly in terms of the impact on demand for council services. The 2021-26 budget includes estimates for these pressures in 2021/22 and experience of 2021/22 so far suggests these estimates were reasonable as the Council is not forecasting a significant variance against its budget in the current year. These will remain under review as new data is available. Significant pressures are expected in future

years beyond 2021/22 and details of how each service's specific demand pressure estimates for 2022-27 have been made are within section 4. It is especially important this year that we keep these estimates under review as circumstances are so changeable over the course of this year.

- 1.6 All service committees will consider their relevant revenue business planning proposals in December, at which point they will be asked to endorse proposals to January Strategy and Resources Committee as part of the consideration for the overall Business Plan. These proposals are currently being developed and will each have a robust implementation plan in place and allow as much mitigation as possible against the impact of current financial challenges. Where proposals reflect joint initiatives between different directorate areas and joined up thinking these will go before multiple Committees to ensure appropriate oversight from all perspectives.
- 1.7 Within the current context, the scope for traditional efficiencies has diminished, therefore the development of the Business Plan is focused on a range of more fundamental changes to the way we work. Some of the key themes driving the current thinking are;
- Economic recovery – Although we know that the UK economy is now rebounding from the impact of the pandemic, and overall Cambridgeshire is well placed to support growth and economic resilience we also know that there have been severe financial consequences for some sectors and individuals. There have been impacts on employment and household income levels for many across Cambridgeshire. The stress and anxiety caused by financial hardship, or not having enough money to maintain the right housing or buy basic necessities or afford basic utilities, is an important factor that affects demand for many of our services. Economic recovery is therefore at the heart of improving outcomes for people and managing demand for Council services.
  - Prevention and Early Intervention – We need to support people to remain as healthy and as independent as possible as well as reduce the health inequalities that have been exposed and exacerbated by the pandemic. This is all the more important in anticipation of latent demand generated by or delayed by the impacts of the pandemic. It is about working with people and communities to help them help themselves or the person they care for or their community e.g. access to advice and information about local support, asset building in communities and access to assistive technology. We saw communities rise to the challenges of the pandemic and support networks appearing to gather around those who needed it. We must continue to build on this and look at how we further support these networks and groups to continue, and where public services are needed. This is about ensuring support is made available early so that people's needs do not escalate.
  - Decentralisation – In support of the need to manage demand and enable people to remain living in their own homes in their local communities and delay the need for more specialist services, investment in our Think Communities approach is paramount. Harnessing the capacity within our local district and parish councils, the voluntary, community and faith sectors, volunteers and local place-based health, County Council and blue light services will enable us to build place-based support services wrapped around our vulnerable people and communities; which will reduce or delay the need for more specialist expensive services and build resilient and sustainable communities where people feel proud to live.

- Environment - Putting climate change and biodiversity at the heart of the council's work. As a council, we will aim to move forward the net zero target for Cambridgeshire County Council towards 2030, developing clear actions for delivery of our Climate Change and Environment Strategy and enabling service and investment decisions to be made in this context.
- Social Value - With a strong focus on outcomes and impact for our communities, we will be working with our public, private, voluntary and community partners to achieve our joint ambitions. We will seek to invest using social value criterion and reflect outcomes, including health, living wage and employment, and local, circular economies within our procurement, spending and organisational activities.

- 1.8 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 lack of 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.
- 1.9 Coinciding with the election of the new administration, during July and August the Council participated in a corporate peer challenge, facilitated by the Local Government Association, whereby experienced officer and member peers from elsewhere in the sector considered the Council's current position in order to recommend improvements. The peer challenge had a focus on the Council's financial planning and resilience and the emerging indications are that the peer challenge will support the planned approach to business planning which includes addressing:
- Devise a strategic approach to business planning for Cambridgeshire as a place
  - Ensure budget planning addresses the medium- term budget gap and incorporates contingency planning
  - Ensure that budget plans contain a multi-year strategy for Council tax
  - Review This Land (property company)
  - The capital strategy needs a stronger focus with a more robust prioritisation process for scheme approval, scheme delivery confidence and financing plans
  - Develop the plan to address the annual overspend and cumulative deficit within the high needs block of the dedicated schools grant

## 2. Building the Revenue Budget

- 2.1 As we have a five-year budget, the first four years of the new business plan already have a budget allocation. We revise the estimates for pressures first to confirm the budget needed to deliver the same level of service and add in any new pressures or investment proposals. These budget changes are presented first to service committees, and overall there will be a gap between our budget requirement and the funding available.
- 2.2 We then work to close the budget gap through savings and efficiency initiatives, identification of additional income and revision of pressure estimates, presenting these further changes to committees later in the year. Ultimately, a balanced budget needs to be set by 1 March.

- 2.3 The Council needs to draw on a range of approaches in order to arrive at a balanced budget, produce an overall sustainable financial strategy and meet the Joint Administration's policy objectives. This will include considering benchmarking and external information in order to identify opportunities for Cambridgeshire and using a zero-based or outcomes focused outlook where appropriate in order that resources can be aligned to priorities.
- 2.4 The Council remains subject to significant financial constraints and uncertainties heightened by the pressures arising from the pandemic. We cannot rely on an uplift in core funding from government or a continuation of pandemic related support and therefore difficult choices will continue prioritising efficiencies, productivity improvements, investment in prevention and generation of income ahead of reducing service levels or short-term financing solutions.

The following sections detail specific changes to budget estimates made so far.

- 2.5 In June 2021, Strategy & Resources Committee agreed some changes to 2021/22 budgets, including holding £1.7m to offset the budget gap in 2022/23.
- 2.6 Inflation - 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, transport, insurance and waste, with regard to relevant national inflation indices. This covers all of the material effects of inflation on Council expenditure.
- 2.7 Total Net inflation, including staffing and non-staffing, are as follows:

Service Block	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000
People & Communities (P&C)	5,011	4,651	5,383	5,439	5,497
Place & Economy (P&E)	1,765	1,818	1,884	1,926	1,994
Corporate & Managed Services	922	725	748	780	822

- 2.8 The inflationary pressures in the above table and all figures set out in the subsequent sections of this report are provided on an incremental basis. Positive figures indicate an increase on the budget required in the previous year or a reduction in income. Negative figures indicate a reduction on the budget required in the previous year or an increase in income. The figures show the impacts of each proposal on the budget gaps for the relevant financial years.
- 2.9 Demand - It is recognised that service costs are driven by the number of service users, levels of need, as well as cost and method of delivery of the support. Where appropriate this will be outlined in greater detail below. This table summarises the demand funding estimates for 2022-27:

Service	2022-23	2023-24	2024-25	2025-26	2026-27
People & Communities (P&C) - Adults	10,109	11,567	11,427	11,137	11,137
P&C – Children's	3,144	2,781	3,138	3,545	
P&C – Communities	57	61	66	71	76
Place & Economy (P&E) – Waste	266	308	272	245	238

For 2022-23, this is £1.2m more than was in the 2021-26 business plan.

These demand projections include:

- The number of older people receiving council funded services increasing by 5%
- The average cost of a care package for a person with learning disabilities increasing by 2.5% more than inflation due to rising needs, and that 41 new service-users will receive care as they transition from children's services
- The number of children requiring council-funded transport to special schools will increase by 7.8% in line with the unprecedented rise in the number of Education Health and Care Plans
- The cost of children in care placements which, although numbers remain reasonably static, continues to increase due to the increased complexity of need and a shortage of available places as care numbers rise nationally
- The county's rising population will result in a 2% increase in waste sent to landfill

2.10 Other Pressures - The Council is facing several cost pressures that cannot be absorbed within the base funding of services. Some of the pressures relate to costs that are associated with responses to the pandemic, the introduction of new legislation and others as a direct result of changes to contractual commitments. New pressures are set out below, and those relevant to each committee are detailed in section 4 below.

2.11 Some changes to funding estimates have been made where appropriate given the latest information available.

2.12 Overall, these revisions to budget estimates have resulted in a current budget gap for 2022-23 of £23.4m, a £2.9m increase in the gap since the 2021-26 business plan. The changes that have been applied to reach that revised gap are:

£000	2022-23	2023-24
<b>Gap per February 2021 Full Council</b>	<b>22,175</b>	<b>14,700</b>
Pressures funded at Strategy & Resources Committee in July	956	
Downward budget adjustments at S&R in July	-2,651	
<b>Revised gap after S&amp;R rebaselining</b>	<b>20,480</b>	<b>14,700</b>
<b>Demand and Inflation</b>		
Adults demand refresh	1,581	3,108
CYP demand refresh	222	-877
CSMI demand refresh	-3	-3
Waste disposal COVID demand funding not required	-638	
Inflation refresh	-852	

Adults care uplifts strategy refresh	182	1,445
<b>Pressures</b>		
Occupational Therapy – Children's (delivered with NHS partners)	490	
Property Team - Resourcing	209	
Information Management– Children's Social Work Police Requests	54	
Guided Busway defects (pending litigation)	1,300	-650
SEND teams capacity requirement (current demand)	565	
Waste and odour permit conditions	2,684	-1,600
Expansion of Emergency Response Service (Adults)	185	
Additional capacity in Learning Disability Young Adults Team	150	
Children's Disability	400	
<b>Funding</b>		
Capital receipts flexibility to continue until 2024-25	-1,982	
Uplift in Better Care Fund to meet Adults pressures	-750	
P&E Income – faster return to pre-COVID levels	-866	
<b>Revised gap after updates at September Committee</b>	<b>23,411</b>	<b>16,123</b>
<b>Change</b>	<b>2,931</b>	<b>1,423</b>

Scrutiny and review of all of the above items will be repeated prior to submission to the December committee cycle in order to ensure estimates remain current and necessary.

- 2.13 It is important to bear in mind that the 2021-26 business plan included some savings for future years. These are already budgeted in and therefore form part of the budget gap calculation. The feasibility of these savings is being reviewed, and any changes will affect the budget gap. The level of savings already in the business plan are:

Ref.	Saving	2022-23	2023-24	2024-25	2025-26
A/R.6.176	Adults Positive Challenge Programme	-100	-100		
A/R.6.177	Cambridgeshire Lifeline Project	-10	-122	-50	
A/R.6.179	Mental Health Commissioning	-24			
A/R.6.180	Review of commissioning approaches for accommodation based care	-350	-375		
A/R.6.185	Additional block beds - inflation saving	-583	-456	-470	-484
A/R.6.188	Micro-enterprises Support	-133			
A/R.6.189	Learning Disability Partnership Pooled Budget Rebaselining	-2,574			
A/R.6.267	Children's Disability: Reduce overprescribing	-100	-100		

### 3. Budget Setting Considerations

- 3.1 To balance the budget in light of these pressures set out in the previous section and uncertain Government funding, savings, additional income or other sources amounting to **at least** £23.4m are required for 2022-23, and a total of around £75m across the full five years of the Business Plan.

3.2 The actions currently being undertaken to close the gap include:

- Reviewing all existing business plan proposals, and in particular pressures and investments to ensure these are accurate, up-to-date and appropriately mitigated.
- Reviewing all income generation opportunities and deployment of grant funding
- Identifying any areas across the organisation we could potentially look to find additional efficiencies or productivity whilst ensuring outcomes are maintained.
- Costing areas which we wish to invest in- for example areas identified as part of the Joint Agreement action plan, prioritising those that will improve outcomes and prevent escalating demands or costs facing Council budgets.

Chairs and Vice-Chairs are leading engagement with Services to identify initiatives to be recognised in the business plan and receiving detailed budget briefing. This will enable identification of areas of the budget subject to the most risk and sensitivity and where there is opportunity for collaboration and new approaches to lead to improved or more cost-effective outcomes.

3.3 Additionally, the Council has worked closely with local MPs in campaigning for a fairer funding deal for Cambridgeshire and this will be renewed following a motion passed at the July meeting of Full Council. We argued that given how much the Cambridgeshire economy was supporting the Treasury that a new approach to business rates that enabled councils to retain a greater element of the local tax take would help to underwrite the costs of supporting that growth. The implementation of both the multi-year CSR and the localization of business rates have been deferred on several occasions. With the pandemic and the uncertainty over the national position we cannot expect this position to change in the short term. However, it is important to recognise that the Government have used one off interventions of additional finance in Adult Social Care and Highways to negate some of the growing pressure on Councils.

3.4 There are also a small number of financing options that may be available to the Council to contribute towards closing the gap for 2022-2023:

- Additional central Government funding *may* be forthcoming in response to the pandemic and previously announced funding (such as Roads Fund and support for Social Care) rolled forwards. The peer challenge has rightly cautioned the Council about assuming any such funding will be realised.
- Funds could be re-allocated on a one-off basis from reserves. Whilst this would contribute to reducing the pressure for the 2022-2023 financial year, the pressure would be delayed until the next financial year as the option to use this funding could not be used again. The Chief Finance Officer's professional view is that the General Fund balance should not be reduced from its current level in view of the risks the Council is currently facing. Members are also reminded that the Council is currently carrying a deficit of £26m in the high needs block of DSG, as it stands the ringfence for this item will lapse in 2023, meaning that the Council may need to fund this locally from its own reserve. This primarily leaves the amounts currently earmarked as:
  - Transformation Fund (currently £24m unallocated)



- Pandemic-related carry forward (currently £21m)
- Additionally, there are smaller service specific levels of reserve held in Public Health and Adult Social Care.

Any use of the reserves listed above is only a temporary solution which would reduce the Council's ability to respond to any future national or local challenges and compound the savings ask in future years. We know that there will be long-range impacts of the pandemic where deployment of grant funds received to date could be carefully planned. The Joint Administration will want to consider its approach to reserves as part of a refreshed budget strategy.

- There is an option to increase the planned levels of council tax (see paragraph 3.6)

3.5 There are a number of additional risks and assumptions with potential impacts on the numbers above. These will be monitored closely and updated as the Business Plan is developed to ensure that any financial impacts are accurately reflected in Council budgets:

- The National Joint Council pay scales have not been confirmed for 2022-23 onwards and it is possible that the agreed uplifts will be greater than those modelled.
- Movement in future year pressures. We are putting monitoring measures in place so we can put in place mitigations before trigger points are met. This is particularly relevant to demand led budgets such as children in care or adult social care provision.
- IT pressures – work is underway to quantify a potential impact on the IT & Digital Service, predominantly related to hardware and software costs and the costs of data facilitating remote working.

3.6 The level of savings required is based on a 2% increase in the Adult Social Care precept and a 0% increase in Council Tax. This potential to increase ASC precept has been carried forward from 2021-22. It is likely, therefore, that the Council will be presented with the option to increase general Council Tax by not less than a *further* 1.99% in 2022-23, on top of the 2% ASC precept carried forward. The value of a 1.99% increase in the Council Tax equates to additional revenue of £6.1m. With general inflation higher than in recent years, it is possible that the government may permit a higher general council tax increase, or announce an Adult Social Care precept potential for a further year. In those scenarios the Council tax potential would increase further.

## 4. Business Planning context for Adults and Health committee

4.1 COVID-19 has had a significant impact on adults and health services, including a devastating impact on the lives of older people and those with mental health and learning needs. We are still living with the impacts of COVID-19, alongside changing public behaviours, increasing demand for health and social care services as people start to access services again and continuing workforce pressures for the wider market. This makes future planning challenging, with uncertainties over the long-term impact. The impact on service demand and pressures is still emerging and no firm trends have been established yet, but the direction does appear to be a growth in demand and complexity both in the community and referrals from hospitals. Current data across Adults services highlights the following key areas:

- Higher numbers of safeguarding enquiries, mental health act assessments and referrals for placements of care, whilst hospital referrals have been reduced.
- Increased numbers of contacts from sources other than hospital, e.g. an increase in referrals via Adult Early Help. In the first four months of this financial year, we have seen a steep rise of 42% in the number of new assessments, which is evidence of latent demand and higher acuity/greater complexity of cases coming through.
- Whilst we have seen decreases in bed-based care, it is probable that this is due to the devastating impact of COVID-19 on older people, NHS paying for free care on hospital discharge as part of the Discharge to Assess programme and people choosing to stay away from social care services due to COVID-19 concerns.
- Increased pressures on independent sector providers with difficulties with maintaining required staffing levels and increased need for infection control, leading to increased costs of care.

4.2 Given the current context, we have identified a number of priority areas of focus for adults and health:

- Addressing health inequalities based on population health management.
- Support the move towards integrated health and social care, seeking a clear shift towards prevention and early help, with an emphasis on improved quality of life for people.
- 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 where this is evidence to deliver improvements in effectiveness and efficiency and supports added social value.
- 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 direct payments, individual budgets and personal assistants.
- Driving up the quality and dignity of care work and services, with opportunities for career progression and integrating the Council's social value approach.

4.3 In support of these priorities, the below outlines the current opportunities to deliver these which will require additional investment. The list below includes 2022-23 business planning ideas that are currently being considered. It is important for the Committee to note that the proposal list and any figures referenced are draft at this stage and that work on the business cases are ongoing. Proposal documents for new ideas will be presented to Committee in December at which point business cases and the associated impact assessments will be final for the Committee to consider and endorse before they are considered by Strategy and Resources Committee in January 2022 and full Council in February 2022.

4.4 ***Priority 1: 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.***

We will ensure that a 'health in all policies' is embedded across the Council, which we propose to do in the following ways:

- Health impact assessments (HIAs) are a systematic approach to identifying differential health impacts of proposed and implemented policies, programmes, and projects within a democratic, equitable, sustainable and ethical framework. It identifies both positive and negative health impacts so that the positive health effects can be maximised, and the negative impacts minimised within an affected community. It is proposed to set up a "fund" for department directors to use to carry out HIAs on specific policies or programmes. This fund could be used to either "buy in" an external resource to carry out HIAs or to train existing staff to carry out HIAs. Longer term we will explore opportunities to "grow our own" resource in-house which may be a more cost-effective option.
- Designated public health officers facing into wider council teams, to support embedding of health principles and outcomes.
- Development and implementation of training to increase awareness of health principles and outcomes across wider council teams.
- Review the Memorandum of Understanding in place between Public Health and other areas of the Council to explore opportunities to embed Public Health outcomes across council delivery through a financial leverage.

We will deliver targeted approaches to tackling health inequalities, including:

- Working in conjunction with the Communities and Social Mobility (CSMI) committee, we will develop an anti-poverty strategy that supports health outcomes.
- Smoking cessation in pregnancy, through the development of a business case for an incentivisation scheme. Smoking in pregnancy rates are particularly reflective of social inequalities and are in turn associated with poor maternal and infant health outcomes. There is a growing body of evidence that incentives to support pregnant smokers to quit are effective. A Cochrane systematic review concluded that incentives were highly cost effective at reducing smoking in pregnancy. Studies included in the review used incentives including cash, vouchers and entry into a prize draw. There is an opportunity to leverage our investment to secure health match funding for this, including via links to the Integrated Care System Tobacco Dependency Programme.
- Implementation of a range of options for addressing healthy weight and obesity, including:
  - Increasing the number of schools who implement the Daily Mile.
  - Development of a scheme to promote and incentivise active travel to school.
  - Deliver 'Glow in the Dark' sessions within secondary schools and local community venues to encourage young girls to be more active.
  - Explore opportunities to increase the number of children who can ride a bike and swim 25m by the end of primary school.
  - Re-launching the local 'Healthier Options' award scheme to support small and medium sized food outlets to make healthy changes to their menu and food preparation.
  - Increase knowledge and practical skills around healthy eating and cooking through healthy cooking classes and supermarket choices.

- o Embed opportunities to support health outcomes through Think Communities and Integrated Neighbourhoods, focusing on outdoor physical activity and community social networks.
- o Training ethnically diverse instructors cooking and shopping instructors who have strong local relationships and are in trusted positions to run classes/sessions.
- o Recruitment of a dedicated nutritionist/physical activity specialist to support CCC to be a role model organisation for healthier lifestyles.
- o Online Able2Be to support those on the Department of Work and Pensions 'Work and Health Programme' who have a long-term health condition.
- o Tackling the COVID-19 backlog associated with weight management services.
- o All Council services, in house and commissioned, should support and provide opportunities for healthy weight which will be assessed through a specific Health Impact Assessment.

**4.5 *Priority 2: 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.***

It should be recognised that the Integrated Care System (ICS) provides a step-change in joint working with our health partners. This has the potential to deliver significant improvements to services for people by providing a more joined up approach to health and social care; moving away from the medical model to a more socially focused model of delivery close to where people live. However, given the financial constraints on the NHS, uncertainties around the impact of new institutional arrangements and the impact of rising demand on all our services, there will have to be careful management of budgetary resources by the County Council. The assumption on the Business Plan is that this will be managed within existing budgets, but we will continue to review this as plans develop. Our priority is to use the leverage of our resources to make a major shift towards prevention in the system, improving social and health outcomes using a population health management approach and contributing to further potential savings as demand continues to rise in future years.

**4.6 *Priority 3: 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.***

- Happy at Home is a new programme building on previous work to transform the way care and support is commissioned and delivered to older people living at home. It is focused on older people living at home who either receive Council funded homecare or may benefit from early help. The aim is to enable more older people to remain living happily at home for longer.

A number of options are being explored to extend the delivery of the planned East Cambridgeshire model and build on the learning from the Neighbourhood Care pilots, with a view to accelerate the roll out of the programme in a phased way across the county over a four-year period, commencing in 2022-23.

- Carers Support: A number of additional opportunities to expand the offer and support to carers are being explored, including:

- Increase capacity of the Carers Support Service to provide urgent support to service users in an emergency as part of a preventative, contingency planning approach to meet rising demand.
- Increase capacity of Listening Ear Service to provide counselling, wellbeing and emotional resilience support to enable Carers to maintain their caring role and prevent breakdown.
- Roll-out the Short Breaks for Carers pilot countywide to support the recruitment of volunteers to provide company for a person being cared for so that carers can take a break.
- Specific media campaign to reach hidden carers, promote the support and resources available for carers and provide analytics to identify impact as well as numbers of people reached.

**4.7 *Priority 4: 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.***

- Direct Payments: A number of opportunities have been identified to either address current challenges associated with Direct Payments, improve development, or accelerate progress, including:
  - Additional capacity to accelerate improvement in the uptake of Direct Payments through the work the Board is undertaking.
  - 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 support and the recruitment of personal assistant able to meet the needs of the person in the long term.
  - 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. This is important as the Council will often not hold a contract directly with the provider.
- Independent Living Services: We aim to achieve this by supporting people to remain living independently through community-based care, working collaboratively with the voluntary sector and unpaid carers who play a vital role in maintaining independence. Alongside this, we are seeking to 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 Services (ILSs), as an alternative. Specifically, this supports people being able to stay in their own tenancy longer as care can be stepped up as needs increased, unlike residential care where they may need to move to get increased care needs met.

Stimulating the development of this type of innovation means we can offer additional services to meet population growth forecasts in what was otherwise a still market. It also means we can offer greater choice, control, and care flexibility for those people no longer able to remain living safely at home whilst also generating small scale savings for the Council over the longer term.

We are proposing progressing the development of three additional Independent Living Services, in addition to the existing planned sites. We will continue to explore opportunities to both build our own (make option) and the buy option. Each new Independent Living Service would take three years to build from the time land is acquired.

4.8 ***Priority 5: 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.***

We aim to roll out of the Real Living Wage to Adult Social Care staff, both internal council staff and third-party providers in a phased way over a two to three-year period. To ensure that we do this in an equitable way across the market, we are proposing to roll out incremental increases every six months to close the gap from the current rates to the Real Living Wage. We will work with providers to ensure their commitment to the Real Living Wage and will also explore opportunities for social value return.

We will also work with providers to support workforce development, supporting greater focus on values-based recruitment and opportunities to promote care as a 'career'. This will include exploring opportunities to support recruitment, retention, and progression, including through potential apprenticeship and trainee opportunities.

## 5. Overview of Adults and Health Committee's draft revenue programme

- 5.1 As set out at para 2.9 the demand increase for Adults is estimated at £10.1m for 2022-23. Demand proposals for all Adult Services have been refreshed and there continue to be two strands to demand: baseline and scenario / COVID-19 impact. In general terms, baseline demand proposals have been refreshed on the same basis as last year, i.e., using pre-COVID-19 trends because it's too early to determine if there has been an underlying shift in long-term demand patterns post-COVID-19. Scenario / COVID-19 impact on demand has been assessed at a high-level in conjunction with operational services and commissioning managers. The refreshed demand bids reflect an increase of £1.58m when compared to the amounts assumed in the current Business Plan. There are also increases in all subsequent years of the Business Plan.

Demand forecasts	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000
21/22 Business Plan amounts	8,528	8,459	9,328	9,166
22/23 refresh	10,109	11,567	11,427	11,137
Changes	1,581	3,108	2,099	1,971

- 5.2 Within the existing plan, Adults and health have £4.3m of savings budgeted for 2022/23 as outlined in section 2.13.
- 5.3 We are exploring a number of opportunities to deliver further savings or generate income, including:

- Identify grant opportunities available to the authority to maximise income opportunities.
- Identify key areas of prevention and early intervention work which can lead to quantifiable reductions in demand and maximise people's ability to live independently in their communities, for example investment in the obesity pathway, Technology Enabled Care (TEC) and independent living services.
- Working with our local health partners through the Integrated Care System (ICS) to merge local Health and Wellbeing priorities, shifting towards prevention in the system and leveraging opportunities for external investment.
- Cutting costs of travel and duplication in existing arrangements with care agencies, by developing local models beyond the existing pilot in East Cambridgeshire, including supporting the development of local micro-enterprises.
- Reassess demand and the viability of delivering some services in the light of continuing concerns in relation to the COVID-19 pandemic, including opportunities to deliver services more efficiently.

5.4 Specific opportunities for savings or further income generation that are being considered include:

- Improved Better Care Fund – unallocated monies to be used to contribute to demand pressures in Adults.
- Better Care Fund – anticipated inflation on the Better Care Fund used to contribute towards demand pressures in Adults.
- Prisons Grant underspend
- Extra Care retendering
- ICES Community Equipment Pooled Budget
- Increased contribution from Public Health grant to health-related activities in adult social care.
- Opportunities for savings and income from Technology Enabled Care and community equipment.
- Commissioned model of interim beds
- Prevention and early intervention opportunities
- Pharmacy contracts
- Contractual efficiencies
- Opportunities to sustain forecast budgetary underspends.

## 6. Next Steps

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

November / December	Business cases go to committees for consideration
January	Strategy and Resources Committee will review the whole draft Business Plan for recommendation to Full Council
February	Full Council will consider the draft Business Plan

## 7. 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 proposals are developed, they will consider the corporate priorities:

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

## 8. Significant Implications

### 8.1 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.

### 8.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for the proposals set out in this report.

### 8.3 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.

### 8.4 Equality and Diversity Implications

As the proposals are developed ready for December service committees, they will include, where required, Equality Impact Assessments that will describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups.

### 8.5 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.



- 8.6 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.
- 8.7 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.
- 8.8 Environment and Climate Change Implications on Priority Areas  
The climate and environment implications will vary depending on the detail of each of the proposals which will be coming to committee later for individual approvals (currently scheduled for November / December committees). The implications will be completed accordingly at that stage.

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: Amy Brown

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

Yes

Name of Officer: Bea 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