

HAMPSHIRE COUNTY COUNCIL**Decision report**

Decision Maker:	Executive Member for Adult Social Care
Date of Decision:	17 September 2015
Decision Title:	Transformation to 2017 – Revenue Savings Proposals
Decision Reference:	6921
Report From:	Director of Adult Services and Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. The purpose of this report is to outline the detailed savings proposals for the Adult Services Department that have been developed as part of the Transformation to 2017 Programme.
- 1.2. The report also provides details of the Equality Impact Assessments (EIAs) that have been produced in respect of these proposals and highlights some of the key issues arising from the public consultation exercise that was carried out over the Summer and how these have impacted on the final proposals presented in this report.
- 1.3. The Executive Member is requested to approve the detailed savings proposals for submission to Cabinet and then full County Council in October (recognising that there will be further public consultation for some proposals as required).

2. Background and Context

- 2.1. The County Council has, since the 2010/11 financial year, been responding to the on-going reductions in public spending that are required to close the structural deficit within the economy.
- 2.2. Reductions in Government grant together with inflationary pressures and social care growth have created an average budget gap of around £50m per annum, meaning that around £100m has needed to be saved every two-year cycle.
- 2.3. The forecast gap for the two years to 2017/18 is £98m, and after allowing for housekeeping savings of £8m, targets were set for departments based on a reduction of 14.5% in cash limited spend.
- 2.4. One of the key features of previous savings programmes within the County Council has been the ability to plan, take decisions early and provide the

time and capacity to properly implement savings so that a full year impact is derived in the financial year that they are needed.

- 2.5. This approach has also meant that savings have often been implemented in advance of need and this has provided resources both corporately and to individual departments to fund investments in capital assets and to fund further change and transformation programmes to deliver the next wave of savings.
- 2.6. The Transformation to 2017 Programme was formally launched in October last year and began with an Initial Opportunity Assessment carried out in conjunction with our Private Sector Partner. Since the early part of this year, the initial opportunities have been developed into a defined programme, centred around a 'Top 19' projects, details of which were reported to Cabinet on 22 June 2015.
- 2.7. At the same time, the Shaping Hampshire - Spending Review Consultation was carried out between 26 May and 6 July 2015 and was conducted using two methods:
 - an open consultation - available online and via a paper copy (available to any stakeholder or member of the public); and
 - a telephone survey - targeted at a representative sample of 1,500 residents.
- 2.8. To ensure independence and objectivity during the consultation process, the national market research company Ipsos MORI was commissioned to undertake the consultation and analysis on behalf of the County Council.
- 2.9. In addition, Equality Impact Assessments have been produced for all of the detailed savings proposals and these together with the outcome of the consultation and the development work on the overall Transformation to 2017 Programme have helped to shape the proposals presented for approval in this report.

3. Budget Update

- 3.1. The savings targets that were set for departments were based on forecasts produced over the summer of 2014 and included a wide range of variable assumptions to arrive at the total predicted gap of £98m.
- 3.2. Following the General Election in May an early Budget announcement was scheduled for 8 July and it was hoped that there would be further information that would provide greater certainty around grant reduction assumptions.
- 3.3. However, there was minimal additional detail in respect of likely levels of grant reductions although we are now aware that Government Departments have been asked to start preparing plans for real terms reductions of between 25% and 40% over the next four years.
- 3.4. The profile of reductions published by the Government indicate that 2016/17 will be a relatively light year, with the bulk of the reductions weighted towards 2017/18 and 2018/19.

- 3.5. The County Council is working on the basis that grants will reduce in cash terms by 10% per annum over the next four years, which is within the overall boundaries of reductions announced by the Government. However, as we know from past experience, the distribution of the reduction is often heavily weighted towards local government as an unprotected area and could therefore produce a worse position than we are currently predicting.
- 3.6. A further, more detailed spending announcement is anticipated from Government towards the end of the year at which point it will be necessary to review our assumptions in light of the information that is made available at that time.

4. Transformation to 2017 – Departmental Context

- 4.1. In the development of the Adult Service transformation proposals, the department has taken account of the other main drivers affecting social care. Although part of the Care Act 2014 has been deferred, the core of the Act came into force in April 2015. This part is a fundamental re-writing of adult social care legislation that brings new responsibilities and burdens, but also greater clarity around key issues such as eligibility for service and integration with the NHS. The programme has been designed with these new duties in mind and builds on that clarity. With growing demand and shrinking resources, clarity around legal duties is fundamental.
- 4.2. The interface with health is also a major factor. The Care Act 2014 reinforces the government's desire to see further integration of health and social care. Proposals must therefore fit, or at least not obstruct, that ambition. The interface with acute hospitals has also become the major driver of demand. Although not specific to Hampshire, the demographically driven demand impacts on the health and social care system are significant in all areas as has been reported in the national media. There is consequently a strong national focus on system resilience that has been ramped up from 1 September 2015.
- 4.3. The spike in demand from hospitals in Hampshire before Christmas 2014 has been sustained into the summer, and now appears to be a new baseline of activity. Assessments in hospital between January and March 2015 were 8% higher than those between September and November 2014 (December is not a good month for comparison because of the break). Around 50% of commissioning activity in relation to older people now arises from people being discharged from hospital. Around 69% of those packages of care relate to a deterioration of mobility.
- 4.4. Hampshire County Council has taken significant steps working with health partners to mitigate the impact. These include expanding our hospital teams, investing in additional short term discharge capacity, and aligning 59 of our in-house beds to support discharge. We are currently managing around 120 complex discharges from main Acute hospital sites per week. However, as fast as our hospital teams can support people to be discharged, Acute hospital services are increasing throughput and more people with a social care need flow into the hospital system.

- 4.5. Whilst the demographic pressure has been growing steadily, it has now reached a tipping point where it is challenging system capacity. Whilst we will continue to work closely and actively with health partners, it seems likely that the pressure in the system will remain and is expected to increase over the coming winter. Plans to manage the £43m challenge therefore need to be sensitive to this pressure.
- 4.6. The financial challenge for Adult Services to 2017 is a reduction of 14.5% on net budget. Transformation to 2017 follows on from several previous transformation programmes, including Transformation to 2015. These programmes took significant steps forward in modernising social care and in making savings.
- 4.7. To ensure safe and effective services, some areas have been protected, to some extent, in the proposals being brought forward. Support for carers, for example, has not been considered for savings, given the new Care Act 2014 responsibilities. Integrated Care Teams, that bring together health and social care team in the community, have been considered in terms of their future role, but not for savings.
- 4.8. Likewise, it is proposed that our £4m investment in hospital teams and £15m investment in re-ablement are protected, as these are part funded from money transferred from health. If there were any reduction in NHS support for social care, this would require review. The Care at Home project re-commissioning domiciliary care is still in implementation, and therefore has not been considered for further transformation. The reductions in what was the Supporting People programme has recently be subject to a 25% reduction, which has not yet been fully implemented, and is therefore not considered for further reductions by 2017.
- 4.9. Other than these few areas and given the scale of the financial challenge, the opportunity assessment demonstrated that it is necessary to consider changes and reductions across the rest of the service. The opportunities identified that could be delivered by 2017 and that were in line with the constraints and duties, are only just sufficient to meet the target of £43.1m.
- 4.10. In considering how we will meet the financial challenge, we have set out to transform rather than just cut, and to apply the principles in service design that we have been developing in concert with service users and carers since 2008. The principles are set out below.

Diagram 1: **Service principles**

Enable Independent Living	Deliver the right service, which adapts to changing demand and needs	Maintain a skilled workforce
Deliver against financial targets	Safe & Sustainable services	Maximise opportunities for partnership working
Maximise co-production with the community	Take positive calculated risks	Influence the market

5. Programme Overview

- 5.1. The proposed programme is set out as three work streams that aim to transform the service to one that is sustainable. A sustainable service is one that can meet growing demand safely and appropriately within the reduced funding envelope. The three proposed work streams are:
- Operating Model and Care Offer
 - Disabilities Care Offer
 - Commissioning, Procurement and Contributions
- 5.2. The Operating Model and Care Offer workstream recognises that to make a 14.5% reduction in spend and maintain safe services, we need to rethink the way that we work and how we meet eligible need. The proposals are about giving more priority to making the right interventions at the first point of contact, organising ourselves to be more productive and ensuring that care that we pay for is blended with mainstream services and other forms of support rather than existing in isolation.

- 5.3. The Disability workstream follows the same principles, but recognises that for working age adults with disabilities the solutions may be different. The proposals are around investing in the promotion of supported independence and developing a new housing model to significantly reduce dependency on expensive residential care.
- 5.4. The Commissioning, Procurement and Contributions workstream has a number of elements, essentially reviewing all major areas of external spend that have not already been subject to a major review. Those reviews will consider the necessity, purposes, scope and scale of spend with a view to reducing volume and/or price. It also includes a review of income.

Interdependencies

- 5.5. The proposed work streams have some key interdependencies. In particular, there is a dependence on the Digital Strategy. Part of the new model requires enhanced functionality at Hantsdirect. The ambition is to make better use of self-service and assisted self-service for more basic transactions (for example checking on payments and amounts due), so that Hantsdirect can develop to provide a fuller response at first point of contact. This requires some short term changes to IT systems, such as improving billing, providing an online account, providing a provider view of payment and improving online information on support options.
- 5.6. There is also an overlap with the Business Support Review, as a key design principle for the new operating model is to ensure that functions are performed by the right people, in the right place and at the right grade. The review of administrative tasks is providing important intelligence for the design of the future operating model.
- 5.7. There is also a connection with locality working, as this workstream will have to address not only where people work, but also how we connect and coordinate with other local agencies, such as district and borough councils.

Risks and issues

- 5.8. The five main areas of risk in the proposals relate to the scale and complexity of the programme; the required change in culture; the environment in which Adult Services operates; the response of the market; and the potential for further major Government policy changes.
- 5.9. The scale, complexity and ambition of the programme is necessary to deliver the required savings. Trying to do more of the same or reducing individual budgets without significant change, are not going to deliver the scale of savings nor ensure safe services. However, significant resources have been identified that can be deployed to implement the programme. Work streams and sub-projects are being designed in detail and a robust programme management framework is in place.

- 5.10. The changes in the operating model and embedding the revised care offer will require a change in behaviours relatively quickly and a significant ongoing change in organisational culture. This needs to occur in tandem with nearly 200 people leaving the department through voluntary redundancy. Moving to a way of working with service users that emphasises their strengths, rather than focussing narrowly on their weaknesses, and supporting them to take managed risks are both key aspects to this change. A risk averse and deficit mind-set inhibits opportunities for independence and pushes people towards more restrictive, dependent and expensive support options. In light of the significance of this requirement, a dedicated change work stream is being developed that will have a senior management lead.
- 5.11. The continued rise in demand in relation to discharge from hospitals is a major factor. Should this situation worsen, resources might need to be diverted to this and further savings identified to compensate. Whilst hospital discharge is only part of Adult Services business, it involves people at one of their most vulnerable times, and is a focus of national attention. Further structural changes in the NHS also seem inevitable, given the near universal acceptance that the current structures and care models are not sustainable. However, as far as possible, the proposals have been designed to be resilient to further changes in NHS structures.
- 5.12. The majority of social care provision is delivered within the voluntary and private sectors. How care markets respond to the proposed changes is therefore a significant risk. The department has specialist commissioners and procurement professionals who have established relationships with providers, and who can manage this risk. Early signs are positive, although there are pressures emerging (such as the living wage) that could destabilise parts of the sector.
- 5.13. There is a limit to the extent that Hampshire County Council can influence Government Policy. We will continue to remind the Government of the scale of the challenge that we face and the impact that any further policy changes can have, not least in terms of the cost burden and the risk of distraction. A good example of this is the announcement of the National Living Wage. Whilst this is welcome in terms of its impact on low pay, it is unhelpful in managing reducing budgets. It is likely to have a significant impact of our costs and on the stability of the care markets.
- 5.14. However, some changes in national policy appear to be inevitable. Having deferred the implementation of part of the Care Act 2014 (which is extremely helpful to the delivery of this programme), the Department of Health is due to announce its revised strategy. The Comprehensive Spending Review may also trigger consequential policy changes.

6. Revenue Savings Proposals

- 6.1. The savings target of 14.5%, equates to a £43.1m cash reduction in the Adult Services net budget from April 2017. The detailed savings proposals that are being put forward to meet this target are described below and set out in Appendix one. The proposals set out were developed during an Initial Opportunity Assessment phase, carried out with our Private Sector Partner. The initial proposals were re-considered in the light of the outcome of the spending review consultation carried out in June and July 2015.

Operating Model and Care Offer

- 6.2. The Operating Model and Care Offer workstream has four main elements: supporting people to utilise self-help and support in their own communities, improving the efficiency of the way we operate, adjustments to policies in line with the Care Act and ensuring that we utilise the most cost effective interventions in meeting eligible need. Part of the drive for greater efficiency will be by the active promotion of a streamlined Direct Payments process.

Operating Model (appendix one – A12 & A2)

- 6.3. The opportunity assessment demonstrated an opportunity to reduce the department's pay-bill by £6.6m through voluntary redundancy if the way that we work is re-designed. This would represent a reduction of 163 full time equivalent staff. The majority will leave by 2016. These reductions can be made by better use of technology, re-structuring our current teams and re-organising their activities to obtain an efficiency gain. Technology can help, for example, through an enhanced information and advice offer leading to increased self-service capacity. It will also enable us to connect people with other forms of local support, which can enable them to live more independently for longer.
- 6.4. To work more effectively and efficiently with a smaller number of staff whilst the demographic demands of our population increase, the service needs to make significant changes to the way it operates. Promoting self-service and supported self-service where appropriate are vital. Examples of this are in relation to basic enquiries about support and care options and enabling citizens to monitor their contribution accounts (ie what they need to pay towards their care) online. Good service directories and online accounts which enable citizens to self-serve (or via a supportive intermediary) will take a lot of simple activity out of Hanstdirect.
- 6.5. There is a huge range of informal community-based groups and networks across Hampshire, providing good information, advice and guidance, which is key to our transformation. Approximately 60,000 calls per year to Adult Services are of this nature. Such an on-line service route will offer quicker resolution to citizens and provide them with the tools to resolve the majority of the issues which result in large call volumes, but which do not require skilled call-handlers to resolve.

- 6.6. By removing high volume, but low impact, transactions from Hantsdirect and with additional training and professional support, more work can be done at first point of contact where the preferred or required communication channel is by telephone. This will significantly reduce duplication and speed up responses to those citizens for whom a specific Adult Service response is required. The proposal therefore involves enhancing Hantsdirect to be able to fulfil more of the assessment function and to have the authority to refer customers directly to interventions that will meet their needs, rather than being redirected to a local adult services team. This is closely related to changes in the Care Offer (see below), which is proposing greater use of short-term interventions before longer term, and more expensive options, are instigated.
- 6.7. This will require significant changes in the way staff work, investment in technology and investment in the community sector. Part of the proposal is to simplify the administration and burden on users in the way in which we transact with / for them across all aspects of our business. For example, Direct Payments provide the opportunity for citizens to have choice and control over the way in which support is provided and therefore deliver better outcomes for them. They also offer a significant benefit to the Local Authority in being able to reduce the cost whilst increasing the efficiency of the way in which services are organised and delivered.
- 6.8. Around 780 adult services operational staff, 30 Hantsdirect and up to 40 finance staff may need to change the way that they work as part of these proposals.

Policy Changes (appendix one – A3)

- 6.9. The proposals include changes to social care policies and the way they are enacted and therefore Adult Services will always follow its legal duties and will not exceed these.
- 6.10. It is proposed to clarify the transport policy to reduce the extent to which transport is routinely provided. Work, undertaken as part of the corporate review, shows that transport is currently provided and funded by Adult Services when other alternatives exist. It is proposed that in future Adult Services would only fund transport to services where there is no alternative. The need for and cost of transport would be taken into account when assessing the most cost effective means of meeting a service user's needs. Other resources available to the service users will also be considered. Where funded transport is the only option, it will remain a chargeable service and the use of Direct Payments will be considered to ensure that users have control over the means they choose. Proposals will be brought forward later in the year for consultation.

- 6.11. As part of the policy, we will be looking to re-affirm a key principle of personalisation that was reinforced by the Care Act 2014 (section 26). The principle is that each service user will have a personal budget sufficient to meet their eligible needs. The personal budget states the cost to the local authority of meeting needs as well as how much is to be paid by the service user. Where there are alternative ways of meeting a person's eligible needs local authorities are entitled to consider the most cost effective means of meeting those needs. It is about what is a fair contribution for the County Council to make utilising public funds alongside what is fair for the service user to contribute themselves (para 6.37 below)
- 6.12. The aim of this policy clarification is to apply this principle consistently across all care types. If the proposal is accepted, in future personal budgets would be set with reference to the most cost effective means of meeting a person's needs, based on actual care being available to that individual, rather than the cost of a chosen option. Whilst this will place some restriction on choice, it reflects the cash limited nature of social care. There is a need to balance a person's individual choice and the cash limited nature of the social care budget/ increasing demands on the social care budget that is subject to efficiency savings requirements. Service user preferences will still be respected as far as possible within this framework.
- 6.13. More detailed proposals will be brought forward later in the year on both areas of policy change or clarification for consultation.

Care Offer (appendix one – A1, A7, & A9)

- 6.14. The Care Offer proposals focus on how the department meets eligible need in a way that is safe and financially sustainable. Although there has been good progress in the use of re-ablement to reduce ongoing need, there is scope to go much further. Re-ablement is about working with an individual to help them become as independent as possible. At present, around 34% of referrals through Hantsdirect and 48% of assessments in hospital result in a long-term care package. A review of this activity indicates that more can be done to promote independence and reduce ongoing need by intervening differently, particularly at the point of referral.
- 6.15. This is closely aligned to the Operating Model, as an important element will be greater use of short-term interventions to meet presenting need sooner, rather than pushing people through a longer assessment process first. In some cases, Hantsdirect will be able to refer people directly to short-term services. These services would form a dual function: enabling people to return to greater independence through practical support and assessing their ongoing need for support. In some cases, people would be directly referred to services provided by the voluntary sector or mainstream services, for example where the key issue is loneliness rather than a personal care need.
- 6.16. Where long-term support is required, we would ensure that such care interventions are used appropriately. This would include replacing one to one support with shared care where their care assessment shows that one to one support is not required. It would also mean that we would not make a placement into a nursing home or pay nursing homes rates for someone who does not have an ongoing need for nursing care. Equally, there would

be greater scrutiny of residential and day care placements for older people without dementia, as they can generally be supported safely in the community and in other ways. A consultation on older persons day care will be carried out later in the year.

- 6.17. We would also look to ensure that, where appropriate, paid for care is blended with other forms of support. This might include mixing commissioned care, family care and local networks of support, ensuring that relevant benefits are used for their intended purposes, referring on to mainstream services or activities rather than commissioning bespoke solutions and using more volunteers to support non-personal care tasks. These proposals will predominantly affect older people and people with physical disabilities. Most will see some difference, but as each case is judged on its own merits, it is not possible to say at this stage how many will be affected if these proposals are adopted.
- 6.18. This will require increased investment in the voluntary and community sector to ensure that those alternatives are there and that more volunteers are attracted to support people with social care needs. However, as well as increasing investment, it will necessitate more targeting of current investment on proven interventions rather than historic patterns of funding. Proposals will be brought forward later in the year about a new model of grant funding to reflect this change of emphasis.
- 6.19. Whilst the majority of affected spend is in the independent sector, these changes will also affect in-house residential, nursing and day care provision. The role, usage and costs of in-house provision will need to be reviewed. This will include further steps to reduce spend on agency staff, options to reduce other costs and ensuring that in-house provision is used for maximum benefit. An example could be focussing in-house care homes with health partners to support the most complex service users. An indicative savings target has been set for these services (appendix 1 – A7), and further proposals will be considered once the impact of the project to reduce the use of agency staff has been fully implemented and assessed.
- 6.20. In order to have the required impact in time for April 2017, some of the proposals above (particularly with reference to paras 6.17 and 6.18) will have to be considered in relation to existing service users and not just new customers. Therefore, if the proposals set out above are adopted, existing packages of care may need to be re-assessed against the new criteria and changes made where they are not consistent with the new policies. There are currently 8,000 older and physically disabled service users, of which at least 460 are likely to need to be re-assessed in the light of these changes.

Disability Care Offer

- 6.21. The Disability Care Offer work stream has two core elements. The Enablement stream is about actively promoting greater independence and ensuring cost effective community based support. The New Housing Model stream is about significantly reducing our dependence on residential care.

Enablement (appendix one – A5)

- 6.22. Phase 1 of the new Learning Disability Support to Live at Home framework commenced in April 2015. Phase 2 will commence later this year. The framework ensures the availability of cost effective community based support. Through a process of individual review, all packages of care for adults with learning disabilities will be checked to ensure that they effectively utilise the new framework terms and blended with cheaper options where possible. This will include greater use of telecare and voluntary sector support to reduce the usage of paid care hours. Packages of care will continue to be personalised to the needs of the individual and Direct Payments will be actively promoted to maximise service user choice. Approximately 850 service users will need to be reassessed as part of this project, but in most cases, this would be done as part of their normal annual review.
- 6.23. Day Services will be targeted more carefully, to ensure it is offered where it is the most appropriate option. One to one support will only be funded where it is demonstrably required to meet a person's needs. Personal budget allocations for day care will be set in line with the most cost effective option to meet an individual's needs, including transport costs. Choices that are more expensive may no longer be funded. There are currently 880 learning disability day care users who might be affected by these changes.
- 6.24. Day services will be expected to develop independence skills of people with a disability to support them into more independent living. This will include developing the employment support offer to ensure that more service users can be financially independent through work, and less dependent of benefits and paid support. Use of day services for some will be a transitional service, rather than long term. Further proposals may be brought forward for consultation later in the year, if significant remodelling of day care is required to fulfil this project.

New Housing Model (appendix one – A6)

- 6.25. The development of a new housing model is about building on the new support to live at home framework and facilitating the development of alternatives to residential care at scale and at pace. Residential care is often an expensive option and a poor outcome for the service users. Evidence has grown locally and nationally that people with more complex disabilities can be safely, successfully and cost-effectively supported to live independently in the community. Supported Independence can be in supported living, extra-care housing and shared lives.

- 6.26. There is extensive provision for supported living and we are looking at options to make these more cost effective. They support nearly 1,500 people, in a range of settings. Of these, 185 units provide 24-hour care. This includes reviewing one to one care to ensure it is both required and actually delivered as commissioned. It also includes utilising telecare to reduce cover where it can safely be done, for example reducing waking night cover and sharing cover between nearby units.
- 6.27. The department has initiated a programme to develop Extra-Care Housing for Adults with Disabilities, which builds on learning from the Older Persons Extra-Care programme. Unlike supported living, which is typically a shared house for 3-4 people, extra-care clusters between 6 and 20 apartments. These provide purpose built accommodation that offers more independence than a shared house, but also is more cost effective in the use of shared care, such as night cover. Adult Services supported a successful scheme in Odiham several years ago and are identifying opportunities for new developments. Some of these schemes will be new build; others will adapt existing buildings. The aim is to develop these with registered social landlords and independent living specialists.
- 6.28. The department is also keen to develop further the Shared Lives offer, whereby people live in family homes. There are currently 128 people with Learning Disabilities living in Shared Lives arrangements, and there is potential to expand this to meet the needs of more people.
- 6.29. Alongside these developments, we will be working with residential providers to support the de-registration of homes where appropriate, and to work with them to change their care model to a supported independence model. This will only happen in the case of residential homes that are capable of being adapted to supported independent living. This will enable more people to benefit from greater independence and will be more cost effective as housing costs would be separately funded.
- 6.30. There are currently 820 service users with Learning Disabilities in residential care. Our ambition over the life of the programme, which extends beyond 2017, is to reduce the use of residential care by up to 80%.
- 6.31. All proposals are being developed to offer more choice. Whilst these developments are in progress, a programme of negotiations is in-train with residential providers to reduce fees and discuss options for de-registration of residential homes.

Commissioning, Procurement and Contributions

Commissioning and Procurement (appendix one – A8, A9 & A10)

- 6.32. The Commissioning and Procurement project has a number of elements, including a review of the way we commission residential and nursing care for older people. Whilst there cannot be any general reduction in residential and nursing fees, particularly given the imminent introduction of the national living wage, there is some scope to reduce fees at the higher end, and to ensure that we are commissioning the right interventions for people. This will include implementing centralised brokerage and a bed search system, to ensure that fees are agreed consistently, and based on full knowledge of available beds and the best fees.

- 6.33. The project will also review the purpose and specification of these service provisions, and will bring forward proposals for new models. This may include a Residential Plus model for people who have short term or intermittent nursing needs, but do not require twenty-four hour nursing cover. This will be closely related to the Care Offer project, and will include ensuring market readiness for greater use of short-term placements.
- 6.34. The continuation of our Older Persons Extra-Care programme is also part of this workstream. Up to nine developments are in different stages of development across the county. Subject to the usual caveats (planning permission, cost effectiveness and identification of delivery partners) schemes will be taken forward in Eastleigh, New Milton, Romsey, Winchester, Havant, Leigh Park, Gosport, Petersfield and Farnborough. Proposals are also being drawn up in relation to the site adjacent to Cranleigh Paddock care home in Lyndhurst. These schemes will provide in excess of 500 units of accommodation.
- 6.35. This workstream will also review older people day opportunities, which will include consideration of our commissioned and in-house day care services. This will explore the value and benefits of day care as well as explore alternative opportunities that may be more suited to the needs of clients. This links to the Care Offer and may involve looking at options to enable clients to continue to participate in existing community groups and clubs. Proposals will be brought forward for consultation.
- 6.36. A review of non-care contracts is currently underway to ensure that all remain essential and priorities for future spend. Where possible, spend will be curtailed and/or alternative models of delivery sought. A key focus will be on the procurement of equipment to test, including greater use of generic rather than branded equipment and reducing the use of bespoke equipment. Over 100,000 items of equipment are delivered each year, with a 14% increase in the last year linked to increased hospital discharge activity.

Contributions (appendix one- A11 & A13)

- 6.37. This workstream also includes proposals to maximise contributions from service users who are assessed as being able to afford to pay through a number of means test policy changes, in line with national guidelines and practice. Those who are assessed as not being able to afford to pay anything towards their care will continue to receive their care free.
- 6.38. The Care Act updated and clarified the national policy framework and requirements. Our contributions policy will be updated in line with the changes introduced by the Care Act, to stay in line with common practice in other local authority areas and to deal with current anomalies. This includes ensuring that we charge in all circumstances where our policy says that we should. This will help ensure equity as well as increasing income. Proposals will be brought forward for consultation later this year.
- 6.39. The project relating to integration will address the costs related to aftercare for those people who are under Section 117 of the Mental Health Act 1983. This will be done in line with the existing policy by creating an environment where health and social care agencies work together to ensure that the chargeable elements of care packages are clear and charged for and that

timely reviews take place to remove people appropriately from the Section 117 at the earliest opportunity.

- 6.40. By reinforcing our agreed policy in this way, we will ensure that we are not going beyond our legal duty to provide funded care for those in receipt of section 117 aftercare. In some cases, elements of the package of care may become chargeable where they are not required to meet aftercare needs. There are currently 1,800 service users with section 117 aftercare needs, of which 420 receive Hampshire County Council funded care

Summary

- 6.41. The proposed programme is a challenging and complex one, but sufficient resource is being aligned to deliver the programme. The opportunity assessment did not identify ready alternatives to the changes proposed. Failure to adopt any proposal would either require a more straightforward cut in provision with a significant impact on clients or would present a risk of not meeting the target. Some opportunities to make further savings beyond the Transformation to 2017 programme timescales have been identified, particularly from the reduced use of residential care for those with Learning Disabilities.

7. Workforce Implications

- 7.1. The 163 Full Time Equivalent (FTE) post reductions have all been agreed as part of the Voluntary Redundancy (VR) process that was undertaken earlier in the year. The County Council's approach to reducing staff levels in a planned and sensitive way through the VR process, continues to generate significant savings (£18m from the last exercise) whilst ensuring that staff can make their own decisions about when they leave the organisation.
- 7.2. The changes to the departmental operating model may require staff to work differently, including performing different roles, with different line management and/or from different bases than now. A detailed change programme is being designed to support staff through these changes.

8. Equality Impact Assessment, Consultation and Decision Making

Impact assessment

- 8.1. A more detailed equalities impact assessment is contained in appendix 2. Adult Services supports around 22,000 people each year that might sometimes be vulnerable and/or have disabilities or mental health issues. A high proportion of service users are also over 65 years old. Reductions in spending or other changes in services will therefore disproportionality affect people with these characteristics. It is inevitable that in reducing spend by 14.5% people will receive services differently, some might be asked to contribute more towards the cost of their services, less people might be supported and those that are might receive less support.
- 8.2. However, Adult Services is intrinsically person centred. Behind each statistic about the number of service users lie thousands of personalised assessments of an individual's circumstances and needs. Policy decisions

are inevitably made the level of the total social care population or subset of it. However, implementation is always at the level of the individual and taking account of that individual's particular circumstances. This enables policy and service changes to be made in a way that ensures the needs of each individual is considered and mitigation can be considered at that level.

- 8.3. Many service users have a range of support resources around them, of which funded care is only one. The aim of many of the proposals is to blend these resources into a coherent and cost-effective package of support, so that in many cases there will be a change in how support is delivered rather than a reduction on overall support received. The decision not to make any reductions to carers services is one of the significant mitigation measures to the wider changes.
- 8.4. In many cases, the proposals set out will either have a negligible or positive impact on service users. For example, approximately 40% of service users are not required to contribute to the costs of their care. They are less likely to be affected by changes to the contributions policy. Another example is people with Learning Disabilities living in residential care. Whilst the proposals could have a dramatic impact on their lives, there is considerable evidence that this will be a positive one if they were helped to move on to supported independent living.
- 8.5. The proposed changes to the Operating Model will affect the people who make around 160,000 contacts with the department each year (number of unique contacts not recorded). Some of the contacts may have to be online as self-service or supported self-service in future. The way the department responds will also change. The aim is that this is a positive change for customers, but we accept some people may not like the changes proposed. Others will welcome the changes, for example, to be able to check that their payments have been received, the breakdown of their charges and the outstanding balance whenever they want. Appropriate arrangements will be made for those with particular communication requirements or difficulties.
- 8.6. Adult services funds advocacy services for those that need assistance in articulating their views, needs and wishes. The total spend on advocacy is not part of any proposed reductions in view of the importance of advocacy in mitigating the impact for some service users.
- 8.7. Part of the mitigation is the proposal to increase the department's investment in the community and voluntary sector and to re-focus its existing investment to align with the impacts of the proposals. This will expand the alternatives available where paid for support and care is reduced. Proposals will be brought forward later in the year, in line with the usual grants timetable.
- 8.8. The Operating Model will also affect a significant proportion of the departmental workforce. The 163 fte posts being made redundant are held by 197 members of staff. Of these 82% are female, which reflects the gender balance of the department. Of the total, only 3% are under 40, 26% between 40 and 55, 58% 55 to 65, and 13% over 65, which reflects the fact that length of service is a significant factor in the voluntary redundancy scheme. 61% of the staff are in front line operational roles.

- 8.9. The biggest impact will be on those who are made redundant, but all of these will be achieved on a voluntary basis. Other staff may be required to undertake different roles, use technology differently, work in different teams, from different bases and with different managers to now. This will be addressed as part of the change management work stream.

Consultation

- 8.10. The Shaping Hampshire - Spending Review Consultation was carried out between 26 May and 6 July 2015, with the aim to seek residents' and stakeholders' views on three main options for managing the anticipated shortfall in funding and achieving savings of around £98m by April 2017, namely:
- Raising the rate of Council Tax
 - Using the County Council's reserves differently
 - Reducing spending on specific services.
- 8.11. The Consultation also included questions on which services respondents considered to be 'most important' for the County Council to continue to deliver; usage of a range of services; and an opportunity to add views or further options.
- 8.12. Overall, there was a high level of support for the County Council's current financial strategy. Respondents also favoured savings being found through a combination of all three options – namely increasing Council Tax, using more of the County Council's reserves and reducing spending on some services. There was less support for using more of the County Council's reserves (in combination with service spending reductions), and very limited support for finding the anticipated savings through reductions in funding for services alone.
- 8.13. Most residents and stakeholders were strongly opposed to reducing spending on services for children, older people and vulnerable people - ranking these as the 'most important' services for the County Council to continue to support and deliver. However, services were not prioritised based on respondents' use of the service. Household waste recycling, roads maintenance and libraries were also ranked as important services.
- 8.14. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of any areas where the feedback conflicts with the options for savings proposals that were included in the Spending Review Consultation.
- 8.15. In relation to the options on which the County Council consulted, for savings in service areas for Adult Services, the majority of residents and stakeholders opposed reducing spending on services for vulnerable adults. Instead, respondents would prefer that the County Council focused on making savings through the following:
- Reviewing staff working practices and travel costs to improve efficiency
 - Aligning spending with the NHS to buy services for people with disabilities
 - Investing in alternatives to traditional care, for example, Extra Care

- 8.16. The Department is pursuing proposals around these options. However, given the scale and breadth of services provided by Adult Services, and the contribution it is required to make to the County Council's overall savings target, it will not be feasible to remove completely proposals that reduce spending on services to vulnerable adults, since this would effectively double the savings targets for other departments.
- 8.17. Furthermore, as respondents were generally supportive of a rise in the level of Council Tax to offset some of the service reductions, the County Council could consider this as an option, although the current planning assumption is no rise in council tax.
- 8.18. However, this would only provide a partial solution and the County Council would still need to implement a wide range of savings within Adult Services in order to balance the budget. The proposals in this report are aimed at, wherever possible, minimising the impact on vulnerable people by seeking efficiencies and making the overall operating model more effective, which is in line with the feedback that was received from residents and stakeholders.
- 8.19. Information on the findings from the Shaping Hampshire - Spending Review Consultation will be subject to a separate detailed report to Cabinet in September, leading into the update of the Medium Term Financial Strategy planned for October.

Decision making

- 8.20. In the description of the work streams set out above, some are identified as requiring further consultation. A second phase consultation on those Adult Services specific proposals will take place later this year, or in a few cases in the spring of next year. In particular, the second phase consultation will include more detailed proposals in relation to the policy changes set out in para 6.9 to 6.14, the contributions policy (para 6.40), and Older Persons Day Care (paras 6.17 and 6.36).
- 8.21. Where consultation is not required, implementation will commence once the proposals are approved. The timing of each will depend on the amount of work required to change systems, brief and re-train staff and communicate with service users and carers. Changes to existing service users will follow on from a review of their care and will be managed with each service user and their carers.

9. Recommendations

- 9.1. To approve submission of the proposals set out above to the Leader and Cabinet:
- 9.2. To approve the proposed savings options contained in this report and Appendix 1, for submission to the Cabinet.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Supporting People: Re-modelling Social Inclusion Services	6652	24.06.15
Revenue Budget for Adult Services for 2015/16	6336	27.01.15
Supporting People: Changes to Budget, Services and Commissioning responsibilities	5887	30.7.14
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
Care Act 2014 http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted	14.05.14	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

Equalities Impact Assessment:

A full Equalities Impact Assessment has been undertaken for each of the savings proposals and these are included as a separate appendix to this report (appendix 2)

Impact on Crime and Disorder:

There are no significant crime and disorder implications.

Climate Change:

There are no significant climate change implications.