

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Adult Social Care and Public Health
<b>Date of Decision:</b>	24 January 2014
<b>Decision Title:</b>	Revenue Budget Report for Adult Services for 2014/15
<b>Decision Reference:</b>	5525
<b>Report From:</b>	Director of Adult Services and Director of Corporate Resources – Corporate Services

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#### 1. Executive Summary

- 1.1. The County Council's early action in tackling its forecast budget deficit over the current Comprehensive Spending Review (CSR) period has placed it in a very strong position to produce a 'steady state' budget for 2014/15 and give itself the time and capacity to develop and implement the next phase of savings by 2015/16.
- 1.2. This report proposes a budget for Adult Services for 2014/15 and is also approving a range of proposals to close the 2015/16 budget gap, in accordance with the Council's Medium Term Financial Strategy (MTFS) reported to Cabinet in July.
- 1.3. The report includes information in respect of the development of proposals for the 12% reduction in spending for 2015/16, consistent with the Transforming the Council to 2015 programme and outlines the framework against which each Department will finalise their budgets for 2015/16.
- 1.4. The report also provides an update on the financial position for the current year. Overall the Department is expected to achieve a balanced budget.
- 1.5. The detailed savings proposals for 2014/15 are outlined in section five of this report and are analysed by workstreams in Appendix 1. As a result of the early implementation of these proposals, the Department is forecast to be £7.563m below their cash limit for 2014/15, which in line with current policy will be retained by Departments to be used for cost of change purposes.
- 1.6. The detailed individual proposals that make up these savings together with the anticipated impact of making the savings are shown in Appendix 2.

- 1.7. The development of further savings proposals for implementation as part of the Transforming the Council to 2015 Programme is discussed in Section 10 and key theme areas that are being pursued are outlined in Appendix 6. These proposals will by their very nature be subject to further development, may require consultation before they can be implemented and due to their transformational nature may have less certainty in respect of timescales and the final level of savings.
- 1.8. The framework for delivery of savings against the 2015/16 budget will be formally recommended as part of the overall budget proposals presented to Cabinet and Council in February, but are outlined for information in this report.
- 1.9. The report also reviews the level of charges for the provision of services in section 6 and provides a summary of charges in Appendix 3.
- 1.10. The proposed budget for 2014/15 analysed by service is shown in Appendix 4 and the workforce implications of the budget proposals are set out in Appendix 5.
- 1.11. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2013/14 and proposals for the 2014/15 and 2015/16 revenue budget for Adult Services. The report has been prepared in consultation with the Executive Member and will be reviewed by the Safe and Health People Select Committee. It will be reported to the Leader and Cabinet on 7 February 2014 to make final recommendations to County Council on 20 February 2014.

## **2. Context and Priorities**

- 2.1. Following the CSR announcement in 2010 local government was anticipating an average 28% reduction in Government funding across the Country. Whilst there has been a small increase in the overall amount, the distribution of the reductions has meant that the County Council has experienced Revenue Support Grant reductions of 43% during this period.
- 2.2. Details of the CSR for 2015/16, published in June, included a 10% real terms cut in the Departmental Expenditure Limit (DEL) for local government. The impact on the County Council may not be known until December 2014, but a 10% cash cut in all grant funding has been assumed for planning purposes.
- 2.3. The July MTFS update outlined the Council's strategy to tackle these anticipated budget reductions. Assumptions included in the strategy that have been built into the 2014/15 budget proposals are:
  - a 1% council tax freeze grant available for 2014/15 on the assumption that council tax is not increased
  - a pay increase of 1% for 2014/15
  - general inflationary increases of 2.2% per annum
- 2.4. As part of the MTFS update, the 2% annual efficiency targets set for 2014/15 were rolled up into a total 12% target to be delivered by 2015/16.

The 'Transforming the Council to 2015' (TtC to 2015) programme that has been developed is expected to deliver these savings in order to close the budget gap by 2015/16.

- 2.5. As part of the transformation programme, the County Council has been developing its 'Shaping Hampshire' plan, signalling the County Council's intention to further transform and shape services for the future.
- 2.6. The Adult Services department has been developing its service plans and budgets for 2014/15 and future years in keeping with the 'Shaping Hampshire' priorities and the key issues, challenges and priorities for the department are set out below.

### **Departmental Challenges and Priorities**

- 2.7. 2013/14 has been a challenging year with a substantial transformation programme, significant demand pressures and a health system which is still embedding following the transition to its new structure. The coincidence of the inexorable increase in demand and reduction in resources presents substantial difficulties in balancing the budget. Steps have to be taken in year and on-going to ensure that resources are targeted at those with the greatest needs and on meeting statutory duties.
- 2.8. Demand continues to be the primary issue in adult services. The trend for the growth in the complexity of care needs continues. This is driven by a number of factors, including the increasing success of health interventions which sustain life, but leave people with on-going ill-health and disability. Younger people with profound disabilities are happily surviving into adulthood and need significant and on-going support. Older people are living longer, but with more years of ill-health requiring significant care interventions. This is creating an annual additional pressure of around £10-12m. This challenge has to be met by managing down demand and controlling access to services, whilst trying to ensure the maintenance of quality.
- 2.9. Hampshire continues to learn and develop its understanding of how to support people to maximise their independence and has been undertaking fundamental reviews of how we support people in the community. These reviews will start to be implemented in 2014, and will focus on continual enablement as a fundamental principle. Working with health and our care providers to manage demand and continually promote independence will be fundamental to a sustainable system.
- 2.10. Closer working with Public Health has developed during the year since they joined Hampshire County Council. The public health and wellbeing agenda is fundamental to the long term sustainability of services. Helping people improve their health and wellbeing as they move into later life is ultimately the only way to tackle an otherwise inexorable growth in demand. Whilst medical breakthroughs, for example on dementia, may make a major contribution, helping people make the lifestyle choices that will reduce their propensity to loss of independence is equally important.

- 2.11. The demand from people with more moderate needs is being better managed through shorter term interventions that re-establish independence. Adult services has therefore maintained its investment in its Older People's Wellbeing programme and its Community Independence Team, which is now also financially supported by the five Clinical Commissioning Groups (CCGs).
- 2.12. The health landscape has become more complex with the abolition of the Primary Care Trust (PCT) and creation of five CCGs. Foundation Trust status and the tariff system has contributed to system pressures. The pressure on hospital discharge is at its most intense. However, Hampshire County Council has a very good record on local authority caused delays, certainly when compared to our region. Whole system delays are more variable. We continue to invest in and develop our reablement services, with a major procurement exercise underway to add to our internal provision.
- 2.13. The announcement of the Better Care Fund (previously the Integration Transformation Fund) for 2015/16 has focussed collective minds on pushing forward on the integration agenda at some speed. Work with the five CCGs has been very positive and informal soundings suggest that Hampshire is in a strong position compared with some other areas. The pressures on the social care systems are increasingly understood within the health system and collectively there is growing evidence of whole system thinking. For Hampshire we anticipate the value of the better care fund to be circa £75m by 2015/16, of this £20m is already within the Adult Services budget and needs to be maintained, a further £20m is required to protect social care services. As a minimum this must be achieved by 1 April 2015. The remaining £35m needs to be addressed within that same timescale and plans for the whole of the fund are due to be completed by February 2014. Therefore success regarding delivery of the Better Care Fund initiative with CCG's is critical to the budget stability for Adult Services.
- 2.14. The increased throughput through hospitals and the growth in underlying demand has put pressure on care delivery. The main growth is in care at home, supported by domiciliary care. Demand has outstripped supply at times in some parts of the county. Hampshire County Council has undertaken a fundamental review of the domiciliary care market and will be seeking to re-commission care at home in 2014. The aim will be to address quality, labour market issues and the need to ensure that all interventions (short or long term) are aimed at enabling people to their maximum capacity. To achieve this, providers will need to be given sufficient activity to be able to affordably cover their training and supervision costs and be rewarded for helping Hampshire County Council manage demand.
- 2.15. There has rightly been a strong focus on quality across all care settings. Hampshire County Council continues to develop its quality systems as we learn from experience. The Care Quality Commission (CQC) has increased its inspection activity, particularly in relation to residential and nursing homes. Hampshire County Council has continued its commitment to supporting providers through the Partnership in Care Training (PaCT), and

is developing a process to accredit the training that providers undertake themselves.

- 2.16. Meanwhile, the Care Bill has been making its way through Parliament. If enacted as currently drafted it will mark a fundamental change in the care system. It will also involve major changes in the way Hampshire County Council operates and presents significant financial risks. Hampshire County Council continues to actively engage in the consultation process and with the Association of Directors of Adult Social Services (ADASS), to try to influence the implementation and funding of the Bill.

### **3. 2013/14 Budget**

- 3.1. The cash limited budget for 2013/14 included efficiency savings of £10.943m to be delivered during the year. All departments are monitoring achievement of efficiency targets as part of the normal budget monitoring process for the year.
- 3.2. The budget for the department has been updated throughout the year and the revised budget is shown in Appendix 4. The expected outturn forecast for 2013/14 is a balanced budget.
- 3.3. The 2013/14 savings target for the department was made up of £4.868m relating to the 2013/14 Annual Efficiency Target (AET) and £6.075m in relation to prior year slipped savings targets. All Departments are monitoring achievement of savings as part of the normal budget monitoring process for the year and as at the end of December the full savings target are expected to be delivered.
- 3.4. The monitoring position for Quarter 3 is not yet available and will be reported in due course. At Quarter 2 the Departments underlying position was a budget pressure, which was largely offset through the use of the departments cost of change reserve and contingencies creating a more balanced position.
- 3.5. Budget monitoring for 2013/14 indicates that there are challenges within the system, in particular related to the increasing costs of individual care packages with evidence of increasing complexity of packages for both existing and new clients.
- 3.6. There are a number of factors that are driving these trends:
  - There is additional demand around the hospital discharge process resulting in high complexity cases. The average age of hospital discharges supported by Adult Services is 81 years old, compared to an average age of older clients of 71 years old.
  - Since April 2012 the number of Older People (OP) clients receiving domiciliary care has increased by 2%. In this time the number of clients receiving more than 20 hours of domiciliary care a week has increased by 14% and the number of clients receiving double up care has increased by 15%. The impact of these changes in delivery means that the number of commissioned hours has actually increased by 5%.

- 3.7. Management actions are in place in order to continue to provide appropriate services to clients whilst ensuring that the resultant financial implications are contained within the allocated cash limit.
- 3.8. The budget for the department has been updated throughout the year and the revised budget is shown in Appendix 4. This incorporates the additional corporate funding from contingencies (£4m) to support the short term transformational pressures and use of cost of change and other reserves (£1.213m).

### **Budget 2014/15**

#### **4. Revenue Pressures and Initiatives**

- 4.1. Within Adults there are specific areas of potential pressure that require consideration which have been outlined in section 2 and are summarised below:

##### Demand

- future pressures arising from complexity and demography which have been allowed for in the MTFS
- the potential for average cost of packages to continue to increase beyond the amount already planned for as part of the MTFS

##### Health landscape

- the creation of the Better Care Fund for 2015/16 which is driving forward integration with Health organisations and raising awareness and understanding of social care pressures

##### The Care Bill

- will result in major changes to current ways of operating and could present a significant financial risk

##### Transformation

- the revenue implications of any further transformation for which appropriate contingencies would need to be set-up

- 4.2. These pressures will be taken into account in setting the contingency levels within the overall budget that will be reported to Cabinet.

#### **5. Revenue Savings Proposals**

- 5.1. In July, Cabinet decided to roll up the 2% efficiency targets set for 2014/15 into a total 12% target to be delivered by 2015/16.
- 5.2. As part of the Transforming the Council to 2015 programme, corporate workstreams have been developed that will deliver the bulk of the savings by 2015/16. Each Department retains responsibility for achieving its Departmental savings target and has developed further proposals to ensure the 12% target can be met.

- 5.3. The approach to achieving the necessary savings is to ensure that resources are applied to the maximum effect according to need. For those with the most complex needs, joint working with health is crucial. The budget plan is based on an additional £20m of funding from the Better Care Fund, in addition to the £20m Hampshire County Council will receive in 2014/15. This reflects the on-going out of hospital into community based care, in which adult services plays a key role and therefore is hit by significant financial pressures. So for 2015/16, Hampshire County Council will require a £40m transfer from the likely £74.5m pot as a minimum. The remainder will also need to be focussed on jointly commissioned services that have benefit across health and social care. This is critical to the continued financial stability of adult services and the maintenance of key services such as hospital discharge, reablement and timely access to care at home.
- 5.4. We have undertaken several fundamental reviews of how we support people in the community. The expansion of reablement capacity is one response. We will also be re-commissioning our core domiciliary care offer in 2014, to take effect in 2015. The new service will be focussed on the continual reablement of people, rather than just at the beginning of their episode of care. The new approach will seek to address some of the weaknesses in the care market in relation to its workforce, particularly increasing the availability of minimum hours contracts, better training and fairer pay arrangements. A similar review has been undertaken on care for people with Learning Disabilities. The newly commissioned service will seek to improve quality and reduce the reliance on expensive residential care. This will also go out to tender in February 2014 for an April 2015 start date.
- 5.5. The Learning Disability programme will also seek to develop a version of Extra Care housing, building on the success of schemes like Byways in Odiham. These will provide cost effective and safe independent living. Hampshire County Council support for a new scheme was agreed in January 2014, and work is underway to identify sites for further schemes.
- 5.6. We will also be seeking to accelerate our successful Extra Care programme for older people, developing county wide coverage of new build assisted living. Four new build schemes are open, with a fifth opening in early 2014. Seven more schemes are at various stages. Work is underway to identify further sites to accelerate the programme.
- 5.7. At the lower end of need, we have had some success in utilising shorter term interventions to re-establish independence and reduce dependency on on-going care. Continuing work with Public Health and the voluntary sector is key to this. We also need to review the use of the Supporting People funding, which is no longer ring fenced. We have already had some success in focussing programme streams on shorter interventions to promote recovery and independence. The resources of the programme will be re-focussed on those with the greatest need in order to meet both the increases in eligible needs and the reductions in Government funding. For older people and disability support, this will take effect in 2014.

Discussions with district councils will take place during 2014 on savings opportunities in the remaining programme.

- 5.8. A number of these proposals are already well developed and as such can be taken into account as part of the budget setting process for 2014/15. The early delivery of these 'firm' proposals will create a surplus for Departments against their 2014/15 cash limit which will be used to fund the costs of change in line with the current policy.
- 5.9. Appendix 1 details the savings proposals for Adult Services between the corporate workstreams and departmental savings. It shows that 87% of the savings for Adult Services are being delivered through the corporate workstreams.
- 5.10. Appendix 1 also shows proposals for the early achievement of £7.563m of the savings during 2014/15.
- 5.11. These are summarised in the table below:

	<b>2014/15</b>	<b>Full Year</b>
	£000	£000
Corporate workstream savings	9,239	12,412
Departmental savings	1,342	1,342
<b>Total savings</b>	<b>10,581</b>	<b>13,754</b>

- 5.12. The key focus for the savings plans is to maximise the effectiveness of care packages whilst ensuring improved outcomes for clients through maximising independence and providing an equitable service.
- 5.13. A more detailed summary of the savings proposals for 2014/15 is contained in Appendix 2 which shows the estimated impact on workforce levels. The Appendix also provides information on the type of savings proposals categorised over Transformational, Efficiencies, Income Generation or Service Reductions. The table below summarises the split of savings between these categories:

	<b>2014/15</b>	<b>Full Year</b>
	£000	£000
Efficiencies	8,339	11,512
Service Reductions	2,242	2,242
<b>Total</b>	<b>10,581</b>	<b>13,754</b>

- 5.14. These savings proposals will result in an estimated workforce reduction of 73 Full Time Equivalent (FTE) positions.

## **6. Review of Charges**

- 6.1. For Adult Services, the 2014/15 revenue budget includes income of £95.4m, which includes fees and charges to service users. This is an increase of £900,000 (1%) on the adjusted original budget for 2013/14.
- 6.2. Service users receiving care at home and in the community are financially assessed to determine how much they need to contribute to the cost of their care. This calculation is based on their means and results in their maximum contribution. Above the maximum contribution the County Council bears the cost of the care.
- 6.3. Details of current and proposed fees and charges (where these are specifically defined) for 2014/15 are outlined in Appendix 3. All proposed charges included in the appendix take in to account a central inflation allocation which for 2014/15 was set at 2.2%, and have also been adjusted to ensure that they are divisible by seven days for residential and nursing respite care.

## **7. Other Expenditure**

- 7.1. The budget includes some items which are not counted against the cash limit. This includes budgets for central department support services (except where they have been given to service departments to buy services), and repair and maintenance of buildings. It also includes costs of Member Support within Adult Services and budgets that are rechargeable to Policy and Resources for corporate and democratic core services.

## **8. Budget Summary 2014/15**

- 8.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each Department. The cash limit for Adult Services in that report was £332.134m.
- 8.2. Appendix 4 sets out a summary of the proposed budgets for the service activities provided by the Department for 2014/15 and show that these are £7.563m below the cash limit that was set. These spare resources will be retained by the Department to meet the future costs of change in line with the current County Council policy.
- 8.3. In addition to these cash limited items there are further budgets which fall under the responsibility of this Department, which are shown in the table below:

	<b>2014/15 £000</b>
Total expenditure	419,991
Income other than Government grants	95,420
<b>Total net expenditure</b>	<b>324,571</b>

- 8.4. This net position excludes central items such as repairs and maintenance, support service charges and capital charges which will be added as part of the overall budget reported to Cabinet and County Council in February.

## 9. Workforce Implications

- 9.1. The workforce implications of the proposed budget for 2014/15 are set out in Appendix 5. At the end of 2014/15 the planned workforce for Adult Services is 2,828 Full Time Equivalent (FTE) staff. This compares with the estimate at the end of 2013/14 of 2,901 FTEs which is a reduction of 73 FTEs as summarised below:

	<b>FTEs</b>
FTE staff as at 31 March 2014	2,901
Changes relating to savings targets	(73)
<b>FTE staff as at 31 March 2015</b>	<b>2,828</b>

## 10. Transforming the Council to 2015

- 10.1. The public sector has experienced unprecedented change over the last 4 years, following the significant reductions in Government Grant that have been put in place.
- 10.2. The County Council has from the outset responded positively to these reductions, dating back to the 'in year' reductions in Children's Services grants during 2010/11 and then in respect of the anticipated reductions over the 2010 Comprehensive Spending Review period.
- 10.3. The key strands of the County Council's strategy during this period is to plan well in advance, to implement savings in advance of need and then use the surplus resources to fund the next phase of investments in order to secure even greater efficiencies.
- 10.4. This strategy has enabled the County Council to develop its 2014/15 budget without the need to implement significant savings and means that it has the time and capacity to develop further efficiencies and importantly to transform services with a view to implementing revised models of service delivery for the 2015/16 financial year.

- 10.5. The Transforming the Council to 2015 Programme was put in place last year and is based as in previous years on the pursuit of a range of Corporate Workstreams designed to assist Departments in achieving their 12% savings targets.
- 10.6. Given the developmental and transformational nature of many of the savings, it is not possible to provide detailed proposals on all areas at this stage but a summary of key theme areas for this Department has been provided at Appendix 6 and show a total range of savings of £28.5m to £30.1m.
- 10.7. In order to provide Directors with the flexibility to maximise opportunities within the overall Programme, it is proposed that delegated authority will be sought from Cabinet to give them the authority (in consultation with the relevant Executive Member) to implement savings that are consistent with the themes and values outlined in Appendix 6 during 2014/15 and 2015/16, that will enable them to come within their 2015/16 cash limits.
- 10.8. This flexibility is necessary because whilst there is certainty over the financial envelope within which Departments are working, the revised operating model designed to meet the savings target is not yet fully clear and will potentially be subject to transformational activity, further development, refinement or investment and in some cases formal consultation with users before they can be fully implemented.
- 10.9. Any significant departures either in terms of value or against the themes that have been identified will require formal approval from Cabinet before they can be fully implemented.
- 10.10. Given the scale of the total savings that are being implemented as part of the Transforming the Council to 2015 Programme, the Corporate Management Team (CMT) will continue to undertake detailed monitoring of the overall programme and in particular those items outlined in Appendix 6 to ensure that they remain on track for delivery for 2015/16. Regular updates will also be provided to Cabinet.

## **11. Conclusion**

- 11.1. This report outlines the key issues and proposals for the Adult Services Department budget for 2014/15 and sets out the key themes and methodologies in respect of developing savings proposals to meet the 12% savings target for 2015/16.
- 11.2. Risk associated with achieving these proposals, as set out within this report, include:
  - further pressures resulting from increased demography and complexity pressures if increased client needs continue to result in package costs being above budgeted amounts.
  - potential additional pressures arising as a result of the transformation programme

- the impact of the Better Care Fund and further integration with the CCGs and the Care Bill.
- 11.3. Equality Impact Assessments have been undertaken in respect of the main savings proposals, and where necessary, appropriate actions have been identified.
  - 11.4. The Departmental Management Team will monitor progress against all savings proposals on a regular basis, and highlight issues with the Executive Member where appropriate. Separate corporate monitoring of savings delivery will be undertaken by CMT and will be reported to Cabinet on a regular basis.
  - 11.5. Delegated authority will be requested to allow the Director in consultation with the Cabinet Member to implement proposals consistent with those outlined in this report in order to set service budgets within the provisional cash limits that will be set for 2015/16.

## **12. Recommendations**

That the Executive Member for Adult Social Care and Public Health approve for submission to the Leader and Cabinet:

- 12.1. The firm proposals for savings totalling £10.581m in 2014/15 (as set out in Appendix 1 and 2)
- 12.2. The annual review of income and charges (as set out in Appendix 3).
- 12.3. The revised budget for 2013/14 (as set out in Appendix 4).
- 12.4. The summary budget for 2014/15 (as set out in Appendix 4).
- 12.5. The workforce implications of the proposed budget for 2014/15 (as set out in Appendix 5).
- 12.6. The key theme areas for further savings as part of the Transforming the Council to 2015 Programme (as set out in Appendix 6).

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	No
Corporate Business plan link number (if appropriate):	

**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.)**

DocumentLocation

None

**IMPACT ASSESSMENTS:****1. Equalities Impact Assessment:**

- 1.1. The department's budget and performance strategies are developed in accordance with the Council's Equalities Policy and have regard to the most vulnerable in society. It is the nature of Adult Services business that it works predominantly with people that might be vulnerable and groups that may face discrimination in society, for example older people, people with disabilities, carers and people with mental health problems. The social care workforce also has a higher than average proportion of female workers.
- 1.2. How budgets are used have a significant impact on the most excluded. The operational Directors have lead responsibility to ensure that impact assessments take account of the needs of these groups. This budget report provides information on the spending plans of the Directorate which support the priorities of the department.
- 1.3. High level equalities impact screenings have been carried out in respect of the savings proposals included in this report. These have been used to identify where there is likely to be an impact on service users or staff, and where impacts have been identified a full equalities impact assessment either has or will be carried out. An overview of the impact assessments for the 2014/15 budget is available from Adult Services Equalities Diversity & Inclusion Manager.

**2. Impact on Crime and Disorder:**

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime.
- 2.2. The proposals in this report are not considered to adversely affect the prevention of crime.

**3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

All relevant developments within the revenue budget and capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes and the revenue budget includes an allocation to specifically encourage sustainability initiatives.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Where appropriate capital schemes are planned with adaptation to climate change in mind, such as the inclusion of passive cooling through building design, rain-water and grey-water harvesting, drought resistant planting etc.

Where appropriate revenue efficiencies have been identified with climate change in mind, this includes travel, food wastage in in-house homes.

**Adult  
Services**

**Summary of Corporate Workstreams  
2014/15 Firm Proposals**

<b>Corp. Workstream Ref.</b>	<b>Description</b>	<b>Savings 2014/15 £'000</b>	<b>Savings Full Year £'000</b>
ES2	External Spend	6,897	10,070
SC1	Social Care	2,242	2,242
FE2	Staff overheads and running costs	100	100
	<b>Total Workstream</b>	<b>9,239</b>	<b>12,412</b>
	<b>Departmental</b>	<b>1,342</b>	<b>1,342</b>
	<b>Total savings</b>	<b>10,581</b>	<b>13,754</b>

## Adult Services

## Expenditure Reduction Options – 2014/15 Firm Proposals

Ref.	Savings Type	Service Activity	Description	Impact / Issues	2014/15		Full Year	
					£'000	FTE	£'000	FTE
<b>Departmental Workstreams</b>								
AS1	E	OP/PD in-house Domiciliary care	Reconfiguring of the Community Response Team (CRT) full year effect	Savings achieved in the prior year	600		600	
AS2	E	OP/PD Domiciliary care	Implementation of Electronic Domiciliary Care Monitoring (EDCM)	Savings achieved in the prior year	742		742	
<b>Total of Departmental Workstreams</b>					<b>1,342</b>	<b>0</b>	<b>1,342</b>	<b>0</b>
<b>Corporate Workstreams</b>								
AS3	E	OP/PD Domiciliary Care	Commissioning a new delivery model for OP/PD care at home, working with fewer providers who are incentivised through payment by results to continually maintain and re-able clients. Flexibility in provision of care for clients is also a primary objective	Achieved through more efficient commissioning with a limited impact on clients, Tender Feb 2014 for April 2015 start	1,000		3,900	
AS4	E	OP/PD Domiciliary Care	Promoting Telecare and Telehealth to replace lower level interventions, reduce dependency and to support clients in their home environment for longer	Ensure only eligible needs of clients are met. Improved outcomes for clients through promoting independence	855		855	

**Adult Services**  
**Expenditure Reduction Options – 2014/15 Firm Proposals**

Ref.	Savings Type	Service Activity	Description	Impact / Issues	2014/15	Full Year
AS5	E	OP/PD Residential Care	Maximising the benefits of the existing Extra Care settings and expanding the programme to support clients in their home environment for longer	Achieved through more efficient commissioning and service provision to improve outcomes for clients	164	164
AS6	E	OP Day Care	Streamlining contracts to ensure that the capacity commissioned matches actual current demand, i.e. removing excess capacity	Achieved through more efficient commissioning with a limited impact on clients	175	175
AS7	R	OP In-house Day Care	Removal of under-used capacity	Achieved through more efficient commissioning with a limited impact on clients	250	250
AS8	E	Supporting People	Review of all Supporting People contract areas. Refocusing spend to those with the highest need by applying the eligibility criteria	Providing a more targeted service which will result in reduced services to clients who do not meet the eligibility criteria	4,112	4,112
AS9	R	OP In-house Residential Services	Restructuring of in-house residential homes	Home closures as agreed by Cabinet in December 2013. Transitional arrangements are in place to meet the on going needs of the residents	1,992 69.8	1,992 69.8

## Adult Services

## Expenditure Reduction Options – 2014/15 Firm Proposals

Ref.	Savings Type	Service Activity	Description	Impact / Issues	2014/15		Full Year	
AS10	E	Support to adult social care services	Removing HQ posts by re-aligning priorities and resources	These are efficiency savings achieved through natural churn and deletion of vacancies	100	3.4	100	3.4
AS11	E	LD - EDCM	Implementation of EDCM across LD services, ensuring that only care received is paid for and that better contract monitoring aids shaping packages to actual needs. Project with three largest providers is in progress and will be rolled out in line with new contracts commencing April 2015	More efficient commissioning with limited impact on clients	591		864	
			<b>Total of Corporate Workstreams</b>		<b>9,239</b>	<b>73.2</b>	<b>12,412</b>	<b>73.2</b>
			<b>Total Savings</b>		<b>10,581</b>	<b>73.2</b>	<b>13,754</b>	<b>73.2</b>

**Adult Services**  
**Review of Income 2014/2015**

	<b>Current charge</b>	<b>Total Income (14/15 Budget)</b>	<b>Proposed Increase %</b>	<b>Proposed new Charge</b>
<b>Mandatory/National Charges</b>				
Full Cost Weekly Charge (HCC in-house residential and nursing establishments, including respite services)	£	£	%	£
Nursing Care for Older People (per week)	518.00	9,350	2.70	532.00
Residential Care for Older People (per week)	462.00	4,587	1.52	469.00
Residential Care for Elderly Mentally Infirm (per week)	518.00	In above	2.70	532.00
Residential Care for people with Physical or Sensory Disability (per week)	1022.00	79	2.05	1043.00
Residential Care for Adults with a Learning Disability (per week)	917.00	131	2.29	938.00
Orchard Close (per standard week)	777.00	24	1.80	791.00
Meals on wheels	3.60		2.78	3.70

**Discretionary Charges**

Service users contributions for non-residential care (chargeable services) are calculated based on the actual cost of care provided to service users

**In line with Corporate Policy all discretionary charges will be increased by a inflation rate of 2.2%**

This appendix outlines the proposed charges for in-house nursing and residential services and other specific discretionary charges only. Contributions from clients toward the cost of their care are financially assessed and calculated against the amount actually paid by the County Council for services provided. This will include any annual inflationary price uplift agreed with providers, as well as any charges in the 'assessable weekly income' of the client (e.g. cost of living increases applied to pensions and other relevant benefits and income sources). The proposed income budget reflects assumptions regarding additional contributions that will be generated as a result of these types of inflationary increases.

**Adult Services  
Budget Summary 2014/15**

<b>Service Activity</b>	<b>Original Budget 2013/14 £000</b>	<b>Revised Budget 2013/14 £000</b>	<b>Proposed Budget 2014/15 £000</b>
Service Strategy and Regulation	501	507	519
Older People (aged 65 or over)	127,992	130,975	135,996
Adults under 65 years with Physical or Sensory Impairment	32,326	32,331	34,290
Adults under 65 years with Learning Disabilities	109,655	110,914	113,699
Adults under 65 years with Mental Health Needs	13,649	13,125	12,968
Supported Employment	446	488	489
Other Adult Services	1,651	3,134	3,035
Supporting People	25,445	25,776	21,775
Unallocated Budget	1,916	5,759	1,465
Non-distributed Costs	151	335	335
<b>Total</b>	<b>313,732</b>	<b>323,344</b>	<b>324,571</b>

**Adult Services  
Workforce implications**

<b>Service Activity</b>	<b>Original Estimated Staff Numbers (full-time equivalent) 31.3.2014</b>	<b>2013/14 Revised Changes as at 31.03.2014</b>	<b>2014/15 Transfers &amp; Other Changes</b>	<b>2014/15 Impact of Savings Proposals</b>	<b>Estimated Staff Numbers (full-time equivalent) 31.3.2015</b>
Older People (aged 65 or over)	1,699	18	-	(70)	1,647
Adults under 65 years with Physical or Sensory Impairment	324	2	-	-	326
Adults under 65 years with Learning Disabilities	445	(38)	-	-	407
Adults under 65 years with Mental Health Needs	111	4	-	-	115
Other Adult Services	14	4	-	-	18
Out of Hours	39	(2)	-	-	37
Management & Support	273	8	-	(3)	278
Supporting People	-	-	-	-	-
<b>Total</b>	<b>2,905</b>	<b>(4)</b>	<b>-</b>	<b>(73)</b>	<b>2,828</b>

## TRANSFORMATION TO 2015 - ADULT SERVICES - KEY PROPOSALS

Ref	Service Area	Corporate Workstream	Description of Proposal	Key Actions and Timescales	Anticipated 2015/16 Saving £'000
AS12	OP/PD - Extra Care Housing	External Spend	Maximising the benefits of the existing Extra Care settings and expanding the programme to prolong the amount of time clients are able to maintain independence	Impact of on-going programme. Four schemes open, fifth opens spring 2014. Seven further schemes in development EIA has been completed	450-550
AS13	LD – Re-provisioning	External Spend	Re-commissioning contracts for LD supported living, ensuring consistency of support and cost levels	Re-provisioning procurement process will start in February 2014 and will be concluded in time for a contract start date of April 2015 Consultation with providers was carried out in 2013 EIA is underway	2,900-3,300
AS14	LD - Extra Care Housing	External Spend	Developing more cost effective supported living model by grouping housing in ECH type schemes and linking existing shared houses to be able to share support/pool direct payments	On-going programme. Two schemes open, third approved January 2014. Further schemes to be identified by March 2014 EIA has been completed	1,100-1,300
AS15	In house Residential care	Social Care	Review of under-utilised capacity	Closure of three homes approved December 2013	300-500

## TRANSFORMATION TO 2015 - ADULT SERVICES - KEY PROPOSALS

Ref	Service Area	Corporate Workstream	Description of Proposal	Key Actions and Timescales	Anticipated 2015/16 Saving £'000
AS16	Health Better - Care Fund efficiencies	Further efficiencies	Use of the BCF fund to underpin demography and complexity demands, which is wholly in line with the DH stated purposes of the fund to protect social care services	2014/15 plan to be agreed by Health & Wellbeing Board February 2014 2015/16 plan by February 2015	20,000
AS17	HQ - workforce	Further efficiencies	Review of the overall workforce and operating model taking into account the upcoming Care Bill	Staff consultation to take place in Autumn 2014 EIA to be completed	150-250
AS18	Supporting People	External spend	Further review of Supporting People	Decision to be made by March 2014 EIA to be completed.	3,600-4,200