

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Health
Date:	21 September 2017
Title:	Transformation to 2019 – Revenue Savings Proposals
Report From:	Director of Adults' Health & Care 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 Social Care budget that have been developed as part of the Transformation to 2019 Programme. The combined total departmental Transformation to 2019 savings requirement is £120m, with £55.9m of this required from the Adult Social Care budget.
- 1.2. The report also provides details of the Equality Impact Assessments (EIAs) that have been produced in respect of these proposals and highlights, where applicable, any 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 proposals align with the Department's continued emphasis on positively maximising the independence of individuals so that they are able to do more for themselves and draw from wider community support. The Council will continue to invest in service models that enable this.
- 1.4. 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 may be further public consultation for some proposals.

2. Contextual information

- 2.1. Members will be fully aware that the County Council has been responding to reductions in public spending, designed to close the structural deficit within the economy, since the first reductions to government grants were applied in 2010/11 and then as part of subsequent Comprehensive Spending Reviews.
- 2.2. Reductions in government grant together with inflationary and service pressures, notably within social care areas, have created an average County

Council budget gap of around £50m per annum, meaning that circa £100m has needed to be saved every two year cycle.

- 2.3. This position has been exacerbated following the changes announced in the Local Government Settlement in February 2016 which provided definitive figures for 2016/17 and provisional figures for the following three years to 2020. The settlement included a major revision to the methodology for distributing Revenue Support Grant (RSG) which had a major impact on shire counties and shire districts and also reflected a clear shift by the government in council tax policy.
- 2.4. Consequently, even after allowing for council tax increases over the settlement period, the County Council's forecast gap for the two years to 2019/20 is £140m, and after allowing for savings arising from prudent internal treasury management and other measures of £20m, targets were set for departments based on a reduction of approaching 19% in cash limited spend.
- 2.5. One of the key features of the County Council's well documented financial strategy and previous savings programmes has been the ability to plan well in advance, 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.
- 2.6. This approach has also meant that savings have often been implemented in anticipation of immediate need and this has provided resources both corporately and to individual departments to fund investment in capital assets and to fund further change and transformation programmes to deliver the next wave of savings. This approach has enabled the County Council to cushion some of the most difficult implications of the financial changes.
- 2.7. Whilst this has been a key feature of previous cost reduction programmes it was recognised without doubt that the Transformation to 2019 (Tt2019) Programme, the fourth major cost reduction exercise for the County Council since 2010, would be significantly more challenging than any previous transformation and efficiency programme against the backdrop of a generally more challenging financial environment and burgeoning service demands.
- 2.8. Departments have looked closely at potential opportunities to achieve the required savings and unsurprisingly the exercise has been extremely challenging because savings of £340m have already been driven out over the past seven years, and the fact that the sheer size of the 19% target requires a complete "re-look"; with previously discounted options having to be re-considered. It has been a significant challenge for all Departments to develop a set of proposals that, together, can enable their share of the Tt2019 Programme target to be delivered.
- 2.9. The opportunity assessment and planning work has confirmed the sheer complexity and challenge behind some of the proposals as a consequence of which in a number of areas across the County Council significantly more than two years will be required to develop plans and implement the specific service changes.
- 2.10. The cashflow support required to manage the extended delivery timetable will in the most part be met from departmental cost of change reserves and

further contingency options to cover any shortfall will be considered as part of the updated Medium Term Financial Strategy (MTFS) that will be reported in October.

- 2.11 The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks between 3 July – 21 August 2017. The consultation was widely promoted to stakeholders and residents and asked for their views on ways the County Council could balance its budget in response to continuing pressures on local government funding, and still deliver core public services.
- 2.12 Responses to the consultation will help to inform the decision making by Cabinet and Full Council in October and November of 2017 on options for delivering a balanced budget up to 2019/20, which the Authority is required by law to do.
- 2.13 In addition, Equality Impact Assessments have also been produced for all of the detailed savings proposals and these together with the broad outcomes of the consultation and the development work on the overall Transformation to 2019 Programme have helped to shape the final 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 2016 and included a wide range of variable assumptions to arrive at the total predicted gap of £140m.
- 3.2. Last year the Local Government Finance Settlement provided definitive figures for 2016/17 and provisional figures for local authorities for the following three years to aid financial planning for those authorities who could 'demonstrate efficiency savings'. The County Council has now had its 2017/18 figures confirmed as part of the budget setting process and following acceptance by the Department for Communities and Local Government (DCLG) of the County Council's Efficiency Plan for the period to 2019/20 the expectation is for minimal change for 2018/19 and 2019/20. No figures have been published beyond this date.
- 3.3. The offer of a four year settlement provided greater but not absolute funding certainty. However, following the Queen's speech to Parliament in June this year, the planned changes to implement 100% business rate retention by 2019/20 are effectively suspended with no indication of when this might be resumed, although the Government has just invited applications for pilots to operate during 2018/19, the detail of which will be considered in due course. Work to carry out a fair funding review is set to continue as it does not require legislation.
- 3.4. An updated MTFS will be presented to Cabinet in October and then Full Council in November and the County Council will continue to review the assumptions on an ongoing basis in light of information that is made available.

4. Transformation to 2019 – Departmental Context

- 4.1. The Tt2019 Adult Social Care budget reduction of £55.9m alone is a significant challenge. This position needs to be seen within the context of the County Council's wider budgetary position, outlined above, continued adult social care demand pressures and the financial challenges being experienced by NHS organisations which have a direct bearing on social care pressures and vice versa.
- 4.2. The underlying financial position remains challenging in the extreme. Demand continues to increase. This includes both numbers of vulnerable/frail older people, (particularly those aged 85 or above set to rise markedly over the coming 3-5 years), and sustained increases in the numbers and cost of children with disabilities and complex needs transitioning to adulthood. Further, other factors such as regulation and the national living wage to name but two are impacting in terms of increasing inflationary pressures. It is estimated that these pressures will exceed £30m by 2019/20.
- 4.3. The pressures outlined above are not unique to Hampshire. They are representative of the position nationally. To help address this, the Government have recently announced changes to the funding that local authorities receive for Adult Social Care. The changes include:
 - additional flexibility with the adult social care precept,
 - an additional non-recurrent grant in 2017/18,
 - an additional non-recurrent Improved Better Care Fund (IBCF) allocation to be received over three years commencing in 2017/18.
- 4.4. Whilst welcome, the above do not address the long term increase in demand as they are all only one off increases in funding. Combined, they do provide the opportunity to invest in transformational programmes to reduce costs in the long term to provide some mitigation. This is still unlikely to be sufficient, on its own, to off-set both the increase in demand and support the achievement of £55.9m savings necessary as part of the Tt2019 programme.
- 4.5. It follows therefore that the Department faces a significant funding cliff edge by 2020/21, when the above grants have ceased. By 2020/21 the only additional funding available is through the IBCF allocation, announced as part of the Autumn 2015 Local Government Spending Review. For this reason the Adult Social Care budget, in the medium term, remains reliant on the availability of Corporate support up to a maximum of an additional £10m per year outlined within the MTFs presented to Full Council in July 2016.
- 4.6. The Adults' Health and Care Department faces, in addition to the Tt2019 budget reduction of £55.9m, a further £4m of recurring Public Health savings which need to be achieved by 2019/20. By 2019/20 the County Councils' Public Health grant will be £49.5m after total cash reductions of £8.3m since 2015/16. These budget reductions are being taken forward on a different timescale from Tt2019 and will report to the Executive Member for Public Health.

- 4.7. The challenge for the Department is clear in that it must deliver the right quality of care for clients, at a rate that is affordable, whilst transforming the mechanisms and channels by which care is provided. Achieving the Tt2019 Adult Social Care budget reduction of £55.9m will be extremely challenging and cannot be achieved without impact on frontline services.
- 4.8. That said, the Department has a strong track record which has seen it deliver on previous budget reductions. It has achieved this through seeking to maximise service transformation, efficiencies and innovation, alongside service reductions. A key component of this has been the sustained investment by the County Council which has enabled significant building developments and the exploitation of new technology which is demonstrated by the following:
- Revenue investment of £3.3m in telecare annually
 - Capital investment of £45m currently delivering an increase in the capacity of available Extra Care provision for older people in the county
 - Capital investment of £35m currently delivering greater volumes of available supported living accommodation for younger adults.
- 4.9. This will continue to be the Department's approach and change will remain a constant as the Department builds on the achievements and outcomes of the Transformation to 2017 (Tt2017) savings programme. In many instances, this will mean building on tried and tested existing initiatives as well as continuing with positive innovations and investments – circa £17.6m of savings from the proposed Tt2019 programme are a direct continuation of the principles and practices adopted within Tt2017. Forging new ways to enable greater independence across client groups, further expanding the use of Technology Enabled Care (including Telecare), continued investment in Extra Care/alternative accommodation and changing social care practice will all play their part and are having a significant positive impact on the quality of life of adult social care clients and others.
- 4.10. At the same time there are areas of existing policy and practice where the Department will need to redouble its efforts to engage with and manage the expectations of the public and service users as to what the Department can and cannot offer. Tt2019 will, inevitably, mean re-defining the Department's relationship with the community and where necessary adapting policies further.
- 4.11. The approach the Department is taking to opportunities for Tt2019 is to focus on:
- **Prevention:** Developing a strengthened prevention strategy to reduce and/or contain, in the face of the continued pressures, service demand growth across a wide range of business areas
 - **Independence:** Increase the number of clients and prospective clients living independently of formal adult social care services and reduce the overall net costs of care

- **Productivity:** Improve efficiency and productivity of the Department's operations
 - **External spend:** Increase outcomes and service efficiency arising from commissioned activity.
- 4.12. The joint dependencies with the NHS cannot be ignored and will affect the achievability of opportunities in a number of ways. Close working and integration with the NHS locally continues to be critical to the future in specific areas of joint business activity and there is evidence of good recent progress being made in this regard.
- 4.13. Overall, the Department's estimated savings are made up of four main blocks. These four blocks comprise:
- **Health and social care integration**
 - **Living Independently** (older people and physical disabilities)
 - **Learning disabilities, Children's to Adults transitions, mental health and Social Inclusion** and
 - **Working Differently.**
- 4.14. These are all underpinned by a further block which involves a concerted effort to reinvigorate the Department's **demand management and prevention** activities – this will provide the foundation for the other blocks, rather than directly achieve savings. A summary of each of these blocks is included in the following paragraphs.
- 4.15. Tt2019 will require the Department to continue to be effective in terms of its **demand management and prevention** work. Containing and then reducing demand for services will be key to living within a reducing budget envelope. Within this area of focus will be initiatives to help potential service users and their families and friends to do more for themselves wherever and whenever possible, partly assisted by improved access to better advice and information including how technology can play an important role in maintaining and/or increasing independence. Undoubtedly there will be a range of things that the Department will look to take forward in this area with partners, providers, community groups and volunteers all aimed at enabling residents to live healthier and more independent of social care paid for support, for longer.
- 4.16. The biggest block of savings relates to the £18.9m savings opportunities associated with operational efficiencies, improved client outcomes and reduced service demand pressures linked to **health and social care integration**. This relates to the use of the increased IBCF in order to continue to support a wide range of existing services and joint / integrated service delivery instead of reducing or removing them altogether. The intention is to use the resource to protect core adult social care services that would otherwise see their funding reduced by £18.9m by 2019. The planning assumption remains that the Department's existing commitment to integration with health partners will continue and that system wide performance targets will be achieved using the totality of the Department's budget.

- 4.17. The next biggest savings area, some £18.3m, comes from **Living (more) Independently** as the Department looks to further transform its services for older people and people with physical disabilities. There will be a focus on strengths based approaches, intermediate care and reablement to improve the health and wellbeing of residents so that increasing numbers can remain in their own homes, living as independently as possible. This approach will aim to see lower or reduced needs following a short-term intervention, enabling, wherever possible, people to return home with appropriately sized care packages as opposed to being transferred to residential and nursing care provision at current levels of demand. These proposals are entirely in keeping with the wishes of people the Department supports; staying living independently in their own homes for as long as possible. Greater use of technology and focused investment in short-term provision and in Extra Care will be important enablers as will new and improved relationships with care providers alongside more flexible and modern commissioning and procurement approaches. Consideration would also be given to income from client contributions and in-house efficiencies. In addition, consideration would be given to consult on the future of day services in favour of potential alternative and more individualised provision.
- 4.18. The third biggest saving area represents £14.6m. The living (more) independently theme is continued in the **Learning Disabilities and Mental Health** work areas as the Department looks to continue the successful journey started ahead of Tt2017 to move increasingly away from institutional, long-term care settings and move instead to support people into more flexible, more modern ways of living that provide much greater independence for service users with learning disabilities and/or mental health needs. This will include more supported living, creating more opportunities for employment including supported employment and enabling people to do more for themselves, including developing opportunities for people to find a greater level of support from within their local communities. As part of this, work will continue with Children's Services and with providers to manage costs and outcomes for **young people transitioning to adult social care** services.
- 4.19. A separate piece of work will focus on engaging with district council partners to redesign **Social Inclusion** services for people who are homeless or at risk of homelessness to release savings when the current service comes to an end in March 2019. A Health and Adult Social Care Select Committee Member working group is being established to specifically assist in undertaking this vital area of work.
- 4.20. The final block of savings covers £4.1m of savings and relates to the entire workforce and how from top to bottom across the Department each and every member of staff can be enabled to **work 'differently'**, e.g. more productively, more efficiently and more effectively. This will enable the Department to operate, over time, with fewer staff but in a manner that is least disruptive to service users. A range of opportunities exists within this strand of the overall programme, the most obvious of which is how the Department looks to optimise the use of technology in every day working from work scheduling and assessment work for social workers, to flexible working involving less travel and fewer offices for everyone. This work area will also consider end-

to-end business processes so that unnecessary cost can be driven out with minimal impact for residents. Areas of existing business will be considered for automation and some areas of business activity may cease (where an existing process can be achieved differently or it provides no customer value).

- 4.21. As stated, whilst an emphasis will be placed on positively achieving these budget savings, there remains significant risks.
- 4.22. It is recognised that difficult service decisions/changes will need to be made across the programme to achieve the decreased departmental expenditure. There is a risk that a reduction in the Department's service offer may reduce, or may be perceived to reduce, client choice. The Department is mindful of its legal duties and eligible needs will be met. The Department will continue to closely monitor the actions of other local authorities and legal judgements. The impact of decisions on service users is carefully considered and mitigated where possible. It should be noted that adult social care case law turns upon circumstances in individual cases and as such some areas of risk are by their nature less predictable.
- 4.23. Progress and success will require a very thoughtful and careful engagement approach across a myriad of different but important stakeholders. Some of these have already been referred to above. Additionally, there is a significant work programme ahead which would require a huge focus on how the Department works with people who use services and a determination to undertake positive engagement to develop co-produced solutions with a broad range of representative groups.
- 4.24. There is also much ongoing work with the NHS at acute hospital, community provider and Clinical Commissioning Group (CCG) level. The Department looks to take forward integration opportunities where they can add most value and to improve and simplify existing joint working - to take out cost and importantly to improve the service user experience. It is recognised that there will continue to be external scrutiny on discharge performance and how the County Council uses the IBCF to protect and enhance social care provision across Hampshire.
- 4.25. The culture change challenges for staff within the Department and for County Council staff more widely, remain significant. Continuing to build on the strengths based approach adopted at the beginning of Tt2017 and improving its focus and results will be fundamentally important. Creating the right conditions for staff at all levels to perform consistently effectively across all staff groups and all teams will continue to challenge leaders and senior managers grappling with higher levels of service demand and reducing budgets and staff. Operating effectively will require all front line staff to engage positively with service users, with families and with community groups/volunteers. The resetting of public understanding and the development of a compelling narrative to support a broader cultural change and set of expectations that our public understands, accepts and agrees with has to run through everything the Department does.
- 4.26. Technology has been mentioned in numerous places within this report and is another key enabler to a successful future. There are clear opportunities to

build upon the very successful assistive technology arrangement that the County Council has enjoyed with Argenti over recent years and with the present contractual arrangements due to conclude in the summer of 2018, there is work to do in terms of what might follow. As described earlier, technology is going to be increasingly important in terms of the prevention and reducing reliance upon 'traditional' forms of social care support in favour of increased social networking and remote support available to people. Increasing the ability of the County Council and the desire of the public in relation to maximising private pay opportunities is largely untested territory which will be fully tested over the coming period.

- 4.27. Some of these issues are as much an opportunity as a challenge. There also remains a significant amount of both Tt2017 and Tt2019 programmes which will have a positive effect on the levels of independence and the quality of life of the Department's clients and prospective clients.

5. Summary Financial Implications

- 5.1. The savings target that was set for Adult Social Care was £55.9m and the detailed savings proposals that are being put forward to meet this target are contained in Appendix 1.
- 5.2. The Department is currently forecasting to achieve savings of up to £49.0m of the £55.9m required by 2019/20, the year by which the Tt2019 budget reductions will come into effect. The remaining £6.9m is expected to follow in 2020/21. In cashflow terms, the Department will cover this £6.9m from cost of change reserves in 2019/20, along with any planned delayed delivery which is to be expected in a programme of this magnitude. The Department will continue to focus on safely achieving as much savings as early as possible.
- 5.3. It is forecast, based on current planning assumptions that the Department will have sufficient cost of change reserves to cover this requirement in 2019/20. The Department has been able to top up its cost of change reserve through some early delivery of Tt2017 savings and is planning to add further to this through early delivery of some Tt2019 savings.

6. Workforce Implications

- 6.1. Appendix 1 also provides information on the estimated number of reductions in staffing as a result of implementing the proposals.
- 6.2. As a consequence of the proposals, if agreed, it is envisaged that there could be an overall reduction in the adult social care workforce in the region of 150 full time equivalent posts which are likely to come primarily from non-direct care related service areas. The exact posts and teams potentially affected will not be known until significant further work is undertaken. This would focus on identifying opportunities to make current processes more efficient, and on the continuing deployment of modern technology.
- 6.3. Any reductions in staffing levels would be managed in a sensitive and considerate way, through natural turnover, redeployment and voluntary means wherever possible

7. ***Serving Hampshire-Balancing the Budget* consultation**

- 7.1. As part of its prudent financial strategy, the County Council has been planning since February 2016 how it might tackle the anticipated deficit in its budget by 2019/20. As part of the Medium Term Financial Strategy, which was last approved by the County Council in July 2016, initial assumptions have been made about inflation, pressures, Council Tax levels and the use of reserves. Total anticipated savings of £140m are required and of this sum, savings targets to the value of £120m were set for departments as part of the planning process for balancing the budget.
- 7.2. The proposals in this report represent suggested ways in which departmental savings could be generated to meet the target that has been set as part of the Transformation to 2019 Programme. Individual Executive Members cannot make decisions on strategic issues such as Council Tax levels and use of reserves and therefore, these proposals, together with the outcomes of the *Serving Hampshire - Balancing the Budget* consultation exercise outlined below, will go forward to Cabinet and County Council and will be considered in light of all the options that are available to balance the budget by 2019/20.
- 7.3. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks from 3 July – 21 August. The consultation was widely promoted to stakeholders and residents through all available channels, including online, via the County Council’s website; Hampshire media (newspapers, TV and radio); and social media. Hard copies were also placed in Hampshire libraries and alternative formats, such as easy read, were made available on request.
- 7.4. The *Balancing the Budget* consultation asked for residents’ and stakeholders’ views on ways the County Council could balance its budget in response to continuing pressures on local government funding, and still deliver core public services. Specifically, views were invited on several high level options as follows:
- reducing and changing services;
 - introducing and increasing charges for some services;
 - lobbying central government for legislative change;
 - generating additional income;
 - using the County Council’s reserves;
 - increasing Council Tax; and
 - changing local government arrangements in Hampshire.
- 7.5. A total of 3,770 responses were received to the consultation. The key findings from consultation feedback are as follows:
- The majority of respondents (**65%**) **agreed** that the County Council should continue with its **financial strategy**.

- Responses were relatively evenly split between those who tended to support **changes to local services** and those who did not (**50% agreed**, 45% disagreed and 5% had no view either way).
 - Of all the options, this was respondents' **least preferred**.
 - Two thirds of respondents (**67%) agreed** that the County Council should raise existing **charges** or introduce new charges to help cover the costs of running some local services.
 - Over half of respondents (**57%) agreed** that the County Council should **lobby the Government** to vary the way some services are provided, and enable charging where the County Council cannot levy a fee due to statutory restrictions.
 - Of all the options presented, generating **additional income** was the **most preferred** option.
 - On balance, the majority of respondents (**56%) agreed** that the County Council should retain its current position not to **use reserves** to plug the budget gap.
 - Of all the options, this was respondents' **second least preferred**.
 - Respondents would prefer the County Council to continue with its plans to raise **Council Tax** in line with Government policy (**50%** ranked this as their preferred approach to increasing Council Tax).
 - Of all the options, increasing Council Tax was respondents' **second most preferred**.
 - More than half of those who responded (**64%) agreed** that the County Council should explore further the possibility of **changing local government structures** in Hampshire.
- 7.6. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals. In particular, as a result of the feedback on service issues, the County Council will seek wherever possible to:
- **minimise reductions and changes to local services**, and continue to ensure that resources are prioritised on those who need them most, i.e. vulnerable adults and children;
 - **increase and introduce charges** to cover the costs of some local services. Where the County Council is unable to charge for services due to statutory restrictions, the County Council will continue to **lobby the Government for legislative change**;
 - maximise further **income generation** opportunities.
- 7.7. The proposals set out in Appendix 1 have, wherever possible, been developed in line with these principles but inevitably the effect of successive reduction programmes over a 9 year period will begin to have an impact on the services that can be provided.

- 7.8. In some cases, the proposals in this report will be subject to further, more detailed public consultation if they are ratified by the Cabinet and Full Council in October and November respectively, at which the overall options for balancing the budget will be considered in light of the consultation results.
- 7.9. In addition to the consultation exercise, Equality Impact Assessments have been produced for all of the detailed savings proposals outlined in Appendix 1 and these have been provided for information in Appendix 2. These, together with the broad outcomes of the consultation, have helped to shape the final proposals presented for approval in this report.

8. Equality Impact Assessment

- 8.1. Appendix 2 contains the EIAs that have been completed for the Tt2019 programme. It should be noted that the EIAs are at this stage at a high level as each block of the saving proposals still have a lot of detail that needs to be worked through. The Department would continually review the equality impacts of the individual initiatives to ensure that any emerging impacts are taken into account.
- 8.2. The EIAs show that the saving programme would have a high impact on older people and people with disabilities. Some proposals would have a positive impact and, where possible, actions have been identified to mitigate against the negative impact and careful thought has been given to ensure that actions can be justified.
- 8.3. The main impacts and proposed mitigating actions under each block are set out below.

Health and social care integration

- 8.4. The anticipated **impact** would be positive and would mainly benefit older people, people with life long conditions and people with disabilities. It is likely that people with long-term conditions would experience improved health related quality of life. The changes should help older people to recover their independence more quickly after illness or injury and increase independence and self reliance so that people retain control of their lives. In the longer term these changes to lifestyle would aim to reduce premature and total mortality from the major causes of death and reduce the difference in life expectancy between people living in the least and most deprived areas.

Living (more) independently (older people and physical disabilities)

- 8.5. The main anticipated **impacts** are that some older people and people with physical disabilities may receive less support through purchased domiciliary, residential and nursing care as it is the department's intention to reduce use of these routes. People may receive less funded support and there would be greater expectations on families and communities to support older, vulnerable people. There could be increased risk to the safety and wellbeing of vulnerable adults as less formal social care support would be provided. Some people might need to contribute more to meeting the cost of the care and support they receive.

- 8.6. To **mitigate** against these potential negative impacts the Department would develop ways of working, including working with partners, that would increase or maintain people's independence for longer through the use of their own resources, and that of their family/friends and their community. People would continue to only pay what they are assessed (using national rules) as able to afford to contribute towards their care costs. This means that although an individual's bill could increase to an extent, it would not be by more than they could reasonably expect to be able to afford based on their income and outgoings.

Learning disabilities, Children's to Adults transitions, mental health and Social Inclusion

- 8.7. The main anticipated **impacts** are that fewer service users would be supported in residential care and day opportunities as these services would be reduced and alternative provision would be identified for the most vulnerable. As part of the review of the services commissioned by the Department, some people may find that the services they access change, including day services and respite services. For people attending day services this could mean they receive a different type of offer, or it is provided by a different organisation. People in receipt of mental health aftercare under s117 Mental Health Act 1983, will continue to receive services free of charge. There may be an increased emotional and financial strain on families and carers of adults with learning disabilities and/or mental health support needs.
- 8.8. To **mitigate** against these impacts the Department would continue to ensure that packages of care are personalised to the needs of the individual and that Direct Payments are actively promoted to maximise service user choice. Where appropriate, people who are currently living in residential care settings may be supported and enabled to move to supported living environments, allowing them to exercise greater control and choice over their day to day lives. Alternatively, working with them, the home owner, their family and carers their current residential care home may be converted into a supported living environment. Alternative services would be made available to meet people's needs for daytime activities. As above, people will only pay what they are assessed (using national rules) as able to afford to contribute towards their care costs. The department will continue to work with Children's Services and related providers to manage costs and outcomes for **young people transitioning to adult social care** services. A separate piece of work would focus on engaging with district council partners to redesign **Social Inclusion** services for people who are homeless or at risk of homelessness to release savings when the current service comes to an end in March 2019.

Working Differently

- 8.9. The main **impact** of these changes would be that there would be a reduction in the number of staff employed, as outlined in section 6 of this report. At this stage it is not yet known which teams would be affected.
- 8.10. The Department's **mitigating** action would be to manage down staff levels in a planned and sensitive way through the use of managed recruitment,

redeployment of staff where possible and voluntary redundancy where appropriate.

9. Conclusion

- 9.1. Inevitably, Tt2019 would involve complex transformational, policy and service change across the range of adult social care services in the context of an unrelenting business as usual agenda and a somewhat uncertain national picture.
- 9.2. Extensive public engagement and co-design of services would need to feature strongly and the Department would need to build on the work started in the past 18 months in terms of appropriately re-setting public expectations of the Department in the future, including changes to expectations of the way in which people's needs are met.
- 9.3. None of what has been described above is straightforward or easy to deliver on because it would have happened by now if it were. That said, there are a number of strong elements of the programme which would continue to have a positive and beneficial impact for clients.

10. Recommendation

- 10.1. To approve the submission of the proposed savings options contained in this report and Appendix 1 to the Cabinet.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

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. Equality Duty

1.1. 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.

2. Impact on Crime and Disorder:

2.1. The impact on crime and disorder is expected to be minimal, however, any specifically implications will be monitored with relevant partners as they arise.

3. Climate Change:

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

There isn't expected to a big impact on our carbon footprint or energy consumption, however, the Working Differently project will seek to further reduce unnecessary staff travel through better use of technology and other means.

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

No specific climate change adaptations have been identified.

Adults' Health and Care – Proposed Savings Options (Subject to consultation where appropriate)

Ref	Service Area & Description of Proposal	Impact of Proposal	Expected Savings			FTE Impact
			2018/19 £'000	2019/20 £'000	Full Year £'000	
B2	<p>Health and Social Care Integration Maintaining and integrating health and social care services for predominantly older people and clients in need of physical support.</p>	<p>The integration agenda will have a positive impact on service users who will receive a more joined up service; it will also reduce duplication within the health and care system. Business areas associated with the following will be impacted; health related quality of life for long term conditions, older people after illness or injury and older persons' independence. Much of the change required is covered in other Tt2019 projects. This funding is protecting social care services that otherwise would have to be reduced by 2019.</p>	-	18,900	18,900	N/A
B3/ B4	<p>Living Independently (Older People & Physical Disabilities) To generate care models that increase service user independence which will reduce the number and financial value of care packages. The contribution received from service users for their care and support will also be reviewed.</p>	<p>Potential service users will be diverted to non adult social care services to reduce the projected number of new clients by approximately 300 service users (links to demand management & prevention). Existing clients will be targeted with interventions at appropriate times to avoid escalation of their level of need. The strengths based approach from Tt2017 will continue and exploit new opportunities. This should provide a better outcome for clients and change the profile of commissioned care with providers, including fewer service users requiring residential care. Self-funding clients receiving care at home would see an increase in their charge by changes to the way provider costs are dealt with to take into account wider costs (ie bringing the payment by results element into the core price paid). Consideration would be given to consult on the future of day services in favour of potential alternative and more individualised provision. Consideration would be given to consult on proposals to increase the contribution from service users who are eligible to pay towards the cost of their care (mostly related to in-house homes) – those financially assessed as unable to contribute or who are at their personal cap will not need to pay any more.</p>	7,628	14,242	18,366	N/A

Ref	Service Area & Description of Proposal	Impact of Proposal	Expected Savings			FTE Impact
			2018/19 £'000	2019/20 £'000	Full Year £'000	
B5	Working Differently This is a department wide project to reduce staff time spent on non-statutory activity and increase staff productivity to create more efficient ways of working.	There would be a significant impact on staff due to reduced staff numbers over time, potential changes to the skill and capabilities mix and a move towards a more flexible workforce. Increased productivity, more efficient processes, smarter working and exploitation of modern technology would all play their part in this. Specific operational teams and headquarters functions may become less flexible to respond to non-standard requests. There would also be a greater reliance on service users and their families to be active participants in care assessment process.	-	2,935	4,052	Circa 160 (TBC)
B6	Learning Disabilities & Mental Health To generate care models that increase service user independence to reduce the financial value of care packages. There will also be some contract renegotiations and cost recovery through client contributions.	All current care packages would be reviewed to ensure they are appropriate and maximise new opportunities for independence. Many of the approaches to deliver cashable savings are extensions of tried and tested T17 initiatives. The profile of commissioned care with providers would change as a result and provider rates would also be renegotiated, this would include fewer service users who require residential care. Consideration would be given on the way in which respite provision is provided.	8,531	9,216	10,216	N/A
B7	Children's to Adults To engage earlier with young people who will transition from Children's Services to adult social care to encourage independence and enable lower cost care packages.	There will be engagement with young people and their parents from the age of 14 to encourage them to retain and gain further independence through strengths based conversations. This should provide a better outcome for clients and change the profile of commissioned care with providers. Children's Services providers will adopt the South East region cost model that is already rolled out in adult social care Learning Disabilities; this may have an impact on these providers.	800	1,600	2,400	N/A

Ref	Service Area & Description of Proposal	Impact of Proposal	Expected Savings			FTE Impact
			2018/19 £'000	2019/20 £'000	Full Year £'000	
B8	Social Inclusion To work with district council partners to redesign Social Inclusion services for people who are homeless or at risk of homelessness to release savings when the current service comes to an end.	There will be engagement with district council partners to review the future provision and investment in services for those socially excluded. The impact depends on the options selected after engagement and the level of joint investment. However, it is likely to impact on how districts, boroughs, non-statutory and statutory agencies provide the service in future. The level of service available may reduce resulting in fewer individuals being able to access the service.	-	2,000	2,000	N/A
		Total	16,959	48,927	55,934	160

