

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Adult Services and Public Health
<b>Date:</b>	21 September 2021
<b>Title:</b>	Savings Programme to 2023 – Revenue Savings Proposals
<b>Report From:</b>	Director of Adults' Health and Care and Director of Corporate Operations

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#### Purpose of this Report

1. The purpose of this report is to outline the detailed savings proposals for Adult Social Care and Health that have been developed as part of the Savings Programme to 2023 (SP2023) Programme.

#### Recommendation(s)

2. To approve the submission of the proposed savings options for Adult's Health and Care contained in this report and Appendix 1 to the Cabinet.

#### Executive Summary

3. This report outlines the detailed savings proposals for the Adults' Health and Care Department that have been developed as part of the Savings to 2023 (SP2023) Programme. 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.
4. The Executive Member is requested to approve the detailed savings proposals for submission to Cabinet in October and then full County Council in November, recognising that there will be further public consultation for some proposals.

#### Contextual Information

5. Members will be fully aware that the County Council has responded 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 (CSRs).

6. Whilst in more recent years there have been no reductions in government grant to deal with, what small increases there have been have not been sufficient to cover inflationary increases, coupled with a continued (and growing) underfunding for social care demand pressures.
7. 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 albeit elements of more recent programmes have taken longer to deliver as they become more complex.
8. This strategy has enabled the County Council to cushion some of the most difficult implications of the financial changes which have affected the short term financial viability of some Councils, with eight authorities having been granted exceptional financial support packages by Government in response to unmanageable pressures arising in 2020/21 and 2021/22. Furthermore, the County Council is accounting for the specific financial challenges arising as a result of the Coronavirus pandemic on a non-recurrent basis and expects to meet these challenges within the existing support package from Government, together with funding already set aside for this purpose. This is testament to the strength of the County Council's underlying financial position owing to the success of its service transformation agenda and prudent financial management approach.
9. However, Covid-19 has impacted delivery of both the Transformation to 2019 (Tt2019) and Transformation to 2021 (Tt2021) programmes, with £45m of outstanding savings still to deliver. Whilst sufficient resources have been set aside to cover this delayed implementation, the need to commence the successor programme will require twin-tracked delivery of change programmes, presenting a significant challenge for services. SP2023 will seek to achieve an additional £80m of savings, bringing the total savings to be delivered over the next two years to £125m and cumulatively to £640m in total since 2010.
10. It is recognised that each successive transformation programme is becoming more difficult to deliver as the potential to achieve further permanent cost reductions through early intervention and demand management and prevention approaches is reduced. Given the level of savings already achieved and the shortened timescales for delivery, the SP2023 programme will focus primarily on services that may be reduced or stopped rather than on driving further transformative change, although opportunities for transformation, efficiencies and income generation will of course continue to be pursued.

11. The ongoing impacts of the pandemic continue to present capacity challenges for operational teams and their ability to support transformation programmes has been limited as a result. However, with the acute impacts of the pandemic beginning to recede, existing change programmes in Economy, Transport and Environment, Adults and Children's social care will continue to be progressed alongside delivery of the SP2023 programme.
12. The announcement of a further single year Spending Review covering the period to March 2022 has placed the County Council in a very difficult position in terms of future financial planning. Given the lack of any certainty after this period, the County Council has had no choice but to assume that savings required to meet a two-year gap of at least £80m will be required by April 2023 as we cannot take the risk of delaying the programme until 2024. Furthermore, the financial constraints created by Covid-19 mean that there will be no funding available to cash flow a savings programme beyond April 2023.
13. The business as usual deficit in 2022/23, forecast to be £40.2m, has been provided for and will be drawn from the Budget Bridging Reserve in line with our normal strategy. However, given the current medium term deficit due to Covid-19 pressures and the resulting financial response package, which uses up all available financial flexibility and still requires significant additional government funding, it is critical that SP2023 is delivered by 1 April 2023.
14. Departments have looked closely at potential opportunities to achieve the required savings and unsurprisingly the exercise has been extremely challenging because savings of £560m have already been driven out over the past eleven years, and the fact that the size of the target (a further 10% reduction in departmental cash limited budgets) requires a complete "re-look"; with previously discounted options potentially 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 SP2023 Programme target to be delivered.
15. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks between 7 June and 18 July. 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.
16. The consultation was clear that a range of options would be needed to deliver the required £80m of savings by 2023. Therefore, whilst each option offers a valid way of contributing in part to balancing the budget – plugging the estimated £80m gap in full will inevitably require a combination of approaches. For example, the Information Pack illustrated the amount of savings that would still be required even if council tax was increased by up to 10%. It explained that the £80m estimated budget shortfall took into account an assumed increase in 'core' council tax of 1.99% and an increase in the

Adult Social Care Precept of 2% in both 2022/23 and 2023/24. The Pack also explained that if central government were to support changing local government arrangements in Hampshire, savings would still take several years to be realised. Residents were similarly made aware that the use of 'spare' reserves would only provide a temporary fix, providing enough money to run services for around 14 days.

17. As the consultation feedback confirms, a number of different approaches are likely to still be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
- **continue with its financial strategy**, which includes:
    - **targeting resources** on the most vulnerable adults and children
    - **using reserves carefully** to help meet one-off demand pressures
  - **maximise income generation** opportunities;
  - **lobby central government** for legislative change to enable charging for some services;
  - **minimise reductions and changes to local services** wherever possible, including by raising council tax by 3.99%;
  - consider further the opportunities for **changing local government arrangements** in Hampshire;
  - Consider further the opportunities around **devolution of financial powers** in response to the Government's County Deal and levelling up agenda.
18. Executive Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals for this report. Responses to the consultation will similarly help to inform the decision making by Cabinet and Full Council in October and November of 2021 on options for delivering a balanced budget up to 2023/24, which the Authority is required by law to do.
19. 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 SP2023 Programme have helped to shape the final proposals presented for approval in this report.

## **Budget Update**

20. Members will be aware that 2019/20 represented the final year of the previous multi-year Spending Review period. Single year Spending Reviews were undertaken for 2020 and 2021 due to the significant levels of economic and fiscal uncertainty associated with the UK's departure from the European Union and impacts of the Coronavirus pandemic respectively. The Government's decision to suspend multi-year budget planning and revert to

annual spending rounds for most departments means that the prospects for local government finance beyond 2021 remain uncertain.

21. In recent years, significant lobbying of the Government has been undertaken by Hampshire and the wider local government sector in order to ask them to address the financial pressures we are facing and to convince them to provide an early indication of the financial resources available to local authorities over the medium term.
22. At the time of writing, there has been no announcement from the Government regarding the 2021 Spending Round. Members will be briefed on the detail of the Spending Round as part of the updated Medium Term Financial Strategy when available.

### **Savings Programme to 2023 – Departmental Context/Approach**

23. The SP2023 proposed budget reduction of **£40.6m** (or 10%) represents a significant challenge for a department combining Adult Social Care and Public Health. The Department's cumulative budget reduction since 2010/11 would be £283m on completion of SP2023. The scale of this reduction also needs to be seen within the context of the County Council's wider budgetary position, outlined above, the continued and increasing demand and cost pressures alongside the potential longer-term impact of Covid-19, the financial challenges being experienced by NHS organisations which have a direct bearing on social care pressures, increasing expectations and greater levels of regulation especially linked to quality.
24. The SP2023 savings target will challenge the Department like never before (see following sections) and it is inevitable that there will be impacts on front-line services. That said, the programme would be taken forward carefully and sensitively. We will look to build on past performance that has resulted in positive service transformation and innovation (including multi-million £ investment in Technology Enabled Care and modern Extra Care housing) alongside further efficiencies and service reductions. Additionally, the strengths-based way of operating that the Department has been increasingly working to over the last decade continues to improve service user independence and in turn has helped to limit the cost of paid for care packages.

### **Public Health – Context**

25. In addition to the Balancing the Budget Consultation process for SP2023, the County Council has continued to undertake stage 2 consultations for Transformation to 2021 proposals. Final decisions on savings proposals are then considered by the relevant Executive Member before final implementation.
26. Over the Summer stage 2 consultations have been taking place with respect to Public Health saving proposals and as a result of the feedback provided, it

has been necessary to re-consider the position on Public Health as set out in the following paragraphs.

27. Since Public Health became part of local government's responsibilities in 2013, spend on public health has been met in full by a ring fenced grant provided by the government. Given this position, whilst the real value of the grant has reduced over the years, no savings targets had been set for Public Health by the County Council up until the Tt2021 Programme (Tt2021).
28. As part of the early planning of the Tt2021 Programme, it was anticipated that the ring fence for the Public Health grant would be removed and that Public Health spending would be treated in line with all other council spending and receive a proportion of the savings target for that programme.
29. It was highlighted at this time that there was a risk that the Public Health ring fence would remain and that it would therefore be difficult to achieve savings in this area whilst maintaining the overall value of public health spend against the grant.
30. At the present time, the ring fence for the Public Health grant remains intact and there is no indication that this will be removed in the near future. In order to try to achieve the Tt2021 savings for Public Health of £6.8 million, it was agreed that the County Council would prioritise those services across the entire council that deliver Public Health outcomes. As a result it has been identified that the ring fenced grant would be used to fund parts of existing services, in particular in Children's Services and Adults' Health and Care, that provide Public Health outcomes in line with the legislation and thereby reductions in current Public Health spending would be implemented. This process is known as re-badging.
31. Following a stage two consultation exercise on the proposed changes to Public Health spending for Tt2021, there has been feedback from Public Health England and healthcare professionals around some of the savings proposals and discussions have also taken place with Public Health England about the nature of the changes and the rationale that sits behind them.
32. It is the County Council's view, in line with the legislation, that the Director of Public Health and the Chief Financial Officer have responsibility for verifying that the ring fenced grant is used for appropriate public health outcomes. The County Council is currently reviewing the results of the stage 2 consultation and this will be reported together with recommendations to the Health and Adult Social Care Select Committee and on to the Executive Member for final decision. We will continue to discuss the position with Public Health England in light of the overall consultation feedback.
33. Whilst this deals with the savings within Public Health services themselves, we have also received further clarification from Public Health England on what spend can legitimately be charged against the ring-fenced grant. In particular, they have stated that Public Health must be the primary purpose of the

expenditure, and that consequential health outcomes from other service spend are not admissible. Spend on Country Parks therefore could not be charged against the grant since the health benefits are consequential to the main purpose of the service provision.

34. Given this clarified guidance, officers have reviewed the potential options for re-badging of spend in other Departments and have concluded that re-badging proposals of only £3.128m are admissible against the total savings of £6.8m, meaning that there is effectively a shortfall of £3.672m against the Tt2021 savings proposals. This shortfall will apply irrespective of the eventual decisions made by the Executive Member following the consultation.
35. This re-badging represents the maximum that can be achieved against Public Health spend at the present time and therefore raises significant concerns about the proposed savings in Public Health spend for the SP2023 programme as any further savings against the ring fenced grant could only be achieved if further savings could be made against the mandated Public Health outcomes and that these could then be re-badged against other County Council services.
36. Given the current position of the Tt2021 Programme, the clarified guidance from PHE and the work already completed to look at legitimate re-badging opportunities, it is clear that it will not be possible to achieve any further savings from the Public Health budget for the SP2023 Programme.
37. This therefore means that in addition to the £3.672m shortfall highlighted above, there is a further £4.4m gap in the achievement of savings within the Adults' Health and Care Department, making a total of £8.072m across the two programmes.
38. It is not considered feasible at this stage to propose that further savings within the rest of Adults' Health and Care should be identified to make up this difference as their proposals already rely on a large proportion of new government grant funding in order to meet their target. Similarly, to try to redistribute this saving across all Departments at this stage would not be practical or fair and would be against the disciplined approach that has served the County Council so well over the past 10 years.
39. Members will be aware that the impact of Covid-19 on the care sector has been significant, not just in terms of dealing with the pandemic itself and all of the measures to control infections across both public and private sector homes, but also in respect of the excess deaths in the older persons population and the impact of choices that individuals have made about going into particular care settings at the outset.
40. In financial planning terms, we have predicted that there will be a one off medium term impact of Covid-19 as a result of NHS funded clients coming across to the County Council and as a result of pent up demand within the system that is expected to start to flow through now that restrictions have

been lifted. These known direct impacts however are only expected to last over the medium term and one off funding has already been set aside for this up to the 2023/24 financial year, by which time, growth is expected to have returned to normal levels as a minimum.

41. The other factor to consider is the impact on business as usual growth, which is currently forecast to be £13.5m per annum. During 2020/21 the growth money provided to Adults' Health and Care was not needed and was returned to the Corporate Centre as part of the year end position, but the recurring budget was retained within the Department. Since that time client numbers have continued to be affected by Covid-19 and detailed analysis of packages has been undertaken for the last 18 months to consider whether or not there has been a permanent 're-set' in the growth curve that would mean part of the growth funding could be given up on a recurring basis.
42. Whilst it is incredibly difficult to isolate the underlying trend in social care growth, based on the analysis completed to date, it is predicted that there is sufficient underutilisation of recurring growth across 2020/21 and 2021/22 to contain the £8.072m of required savings. However, this in no way undermines the longer term ongoing pressure that Adult Social Care potentially faces from future increases in complexity of clients and demand for services.
43. It is therefore proposed that the unmet Public Health savings totalling £8.072m is met from this recurring reduction in growth from 2023/24 onwards, which is in keeping with the discipline that every Department should meet its savings target in full as part of every savings programme.
44. It must be stressed however that this represents a reduction in demand pressures rather than savings in the cost of the Adult Social Care service itself. It is also important to note that this is a potentially high risk option given that it is difficult to predict with any certainty the future growth between now and April 2023 and be able to accurately separate trends from the temporary impact caused by Covid-19 factors.
45. Detailed monitoring of this position will continue to be undertaken by the Chief Financial Officer as part of the monthly financial resilience meetings that are held with the Director of Adults' Health and Care and should there be any significant change in the forecasts these will need to be re-considered by Cabinet and County Council with respect to the SP2023 Programme.

### **Adult Social Care - Context**

46. The Adult Social Care element of the savings target amounts to **£36.2m**, in addition to the reduction in demand growth funding of £4.4m to offset the Public Health SP2023 target as outlined above in paragraph 37. Six potential issues in particular are impacting on the size of this challenge or could add to it. These potential issues include:
  - service demand and complexity levels (includes also higher service prices);

- continued elements of non-recurrent government grant support;
- the future availability of additional funding for Social Care prior to 2023/24;
- the concurrent running of three large-scale savings programmes alongside 'business as usual' and Covid-19 pressures;
- the challenge of forecasting the long-term impact of Covid-19;
- the continued uncertainty regarding future funding for the service.

47. Despite the recent reduction in care volumes due to the pandemic we are expecting to see demand rates increase in the longer term, albeit from a reduced baseline. This includes the growth in the numbers of adults with eligible care needs, including an increase in the number of vulnerable/frail older people (particularly those aged 85 or above, whose population in Hampshire is expected to increase by 8.9% between 2021 and 2024), growing complexity of care needs e.g. the increasing prevalence of multiple conditions including higher levels of dementia, and sustained increases in the numbers and costs associated with supporting children with disabilities and complex needs transitioning to adulthood. Other factors such as regulation and the national living wage are also impacting on direct provision and the independent sector in terms of increasing inflationary pressures. These pressures are not unique to Hampshire and are representative of the position nationally.

48. To help address the range of strategic Social Care financial challenges being faced, the Government has previously made available relatively modest additional non-recurrent funding to local authorities for Adult Social Care. These grants have allowed transformational programmes to be progressed aimed at reducing cost exposure in the long term. However, they do not address the anticipated medium term increases in demand and like many local authorities, the County Council has had little choice but to use a major element of this funding to offset the financial impact of increases in recurring pressures coupled with reductions in baseline funding. This will be no different as we progress toward 2023.

49. As again there has only been a single year spending review for 2021 there continues to be uncertainty in the medium to long term and there remains a risk that during the timeframe of the SP2023 programme the department will face the challenge of further losses in funding whilst delivering £40.6m of savings. With the anticipated but long-awaited changes in funding for Adult Social care still unknown this adds a layer of further uncertainty as we go into the future.

50. At the time of writing, the Adult Social Care Green Paper (or an appropriate alternative future funding mechanism) is still awaited and as such it remains unclear as to what financial impact this will have for all upper tier Authorities. Needless to say, it is highly likely that it will have a significant effect on the future funding for adult social care and very possibly during the timeframe of

SP2023, but the form this could take is unknown. What is known is that the continued delay of the Green Paper (or alternative) is making it very difficult for local authorities to forward plan financially with any degree of certainty.

51. In addition to the above, the Department is concerned that a risk exists that we see a return to previous service pressure trends. Furthermore, it is currently unknown what additional impact Covid-19 will have in the longer term on the viability of the sector where it could further affect rates of home closures and exacerbate workforce challenges both of which will have a direct consequence on the rates paid for care by the County Council. If these market issues are exacerbated by Covid-19 it will put a greater risk on the targeted transformational savings. In the short term the Covid-19 pressure will likely be ameliorated by the specific funding set aside by the County Council to mitigate the impact of Covid-19. This in turn will assist in maintaining the Department's cost of change balances thereby ensuring that there is sufficient investment available alongside the cash-flow phasing to support the activity that aims to deliver the SP2023 recurring budget reductions.
52. It is anticipated, within the MTFS that local authorities will retain the ability to raise a minimum of an additional 2% Council Tax under a specific precept for Adult Social Care beyond 2021/22. Furthermore, one of the saving proposals included within this report is predicated on additional funding being made available nationally for Adult Social Care. Part of this saving has already been achieved through the ability to raise the precept to 3% in 2021/22. There is no certainty of a repeat of this in 2022/23 and with no further grant funding announced to date this represents a risk. As highlighted previously a single year spending review means that this is not a certainty and therefore represents a key risk within the SP2023 proposals.
53. Whilst the Department is planning for the SP2023 savings described in this report it is concurrently in the midst of delivering the final year of Tt2019 savings, and final two years of Tt2021. As at July 2021 over £51m of the £55.9m Tt2019 target had been achieved leaving £4.5m still to secure. At the same point in time, after adjusting for the proposed change to the delivery of Public Health Tt2021 savings, there remains £24.7m of Tt2021 savings still to secure. The remaining £29.2m combined represents the most difficult element to achieve as this mainly relates to reducing expenditure on care packages against a backdrop of increasing demand and cost pressures as highlighted. As many of the SP2023 savings are an extension upon the Tt2019 and Tt2021 work programmes the Department faces a very challenging forward period. We forecast that by the end of the current financial year a further £11.5m of savings will be achieved leaving £17.7m to be delivered from the Tt2019 and Tt2021 programmes from 2022/23.
54. Although there are many significant risks, both in the short to medium and long term, as highlighted above, the Department is confident from the information currently held that during the timeframe of SP2023 the savings can be achieved and the expected pressures managed within the available funding including the overall reduction in growth funding of £8.072m. Although

it should not go unnoticed that this is a highly volatile area of Council spend that can be significantly impacted by both changes in demand / complexity of clients and funding available, both of which are very challenging to predict at this uncertain time.

55. The annual ADASS Spring Survey report, published earlier this year, identifies the critical funding challenges being faced by all local authorities, both in-year and in the near future, in the provision of adult social care. These challenges are being felt too in Hampshire. However, currently we have not built in any assumptions regarding the impact of the Green Paper (or alternative) therefore there may, as a result, be both further opportunities and significant challenges that the Department may face over the SP2023 timeframe.

### **Savings Proposals Government & Corporate Funding**

56. The biggest block of the Adult Social Care targeted savings proposals, some £15m, is in anticipation that additional recurring funding will be available by 2023/24. It should be noted that over £7m has already been made available through the increase in the Adult Social Care precept by 1% to 3% in 2021/22. Should this be repeated in 2022/23 or a separate additional recurrent grant be received this element of the programme will be complete. It is currently unknown if either of these will be included within the outcome of the 2021 Spending Review, although there continues to be national recognition of increased long-term demand and market pressures in Adult Social Care. These pressures are generally accepted as being derived from the unsustainable nature of the existing funding model for adult social care (linked to demography/complexity pressures, provider cost growth and care sector recruitment/retention issues) and could be potentially further exacerbated by the, as yet unknown, longer term impacts of the Covid-19 pandemic. This strategy of using additional funding reduces the impact of savings that would otherwise need to be achieved and is consistent with the approach taken for Tt2021. A further £2m saving is anticipated from reducing planned for and funded demand during 2021/22 and 2022/23. This demand will be avoided through maximising improvements in prevention and demand management practises.
57. Subsequent to the decision to not progress the £4.4m SP2023 and £3.672m Tt2021 savings within Public Health as outlined in paragraph 37, the decision has been taken to remove, from the Adults baseline funding, one tranche of £8.072m growth funding on a recurrent basis from 2023/24. The £4.4m for SP2023 has been combined with the £2m outlined above as one £6.4m saving proposal for SP2023 reflecting the total reduction in current and future demand. The £8.072m is anticipated, based on current projections of known future pressures, to be achievable due to the reduction in care volumes recorded during 2020/21, which helped support the reported departmental underspend in the same year. Whilst there will continue to be further growth it is currently anticipated that this will be managed by all other future year growth funding remaining at £13.5m.

## Younger Adults Services

58. The next biggest targeted savings proposals, some £8.7m, would come from **Younger Adults** services as the Department looks to continue the successful journey started ahead of Tt2017 and built upon throughout Tt2019 and Tt2021 to embed a strengths-based approach and move increasingly away from institutional, long-term care settings, instead supporting people into more flexible, more modern ways of living that provide much greater independence for service users with learning disabilities, physical disabilities and/or mental health needs. This would include:

- creation of additional Extra Care accommodation to move people on from higher-cost residential care (this would require significant capital investment of approx. £15m to be funded through prudential borrowing, with repayments accounted for within the proposed saving). Due to the nature of this proposal requiring some additional capital works over £1m of the saving is profiled to be delivered in 2024/25;
- creating more opportunities for employment for younger adults with disabilities including supported employment;
- enabling people to do more for themselves, including greater adoption of Technology Enabled Care, and developing opportunities for people to find a greater level of support from within their local communities and through volunteer schemes;
- extension of transition (Special Educational Needs and Children's Services) to further manage family expectations promoting independence;
- extension of current work on reducing challenging behaviour (Least Restrictive Practice) which will lead to reduced support costs.

## Older Adults Services

59. The third block of targeted savings proposals covers £6.9m which relates to **Older Adults** as the Department looks to further transform its services for older people. There will be a continued focus on strengths-based solutions, 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, with increased wellbeing. This approach aims 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. This would include:

- maximising Discharge to Assess arrangements from hospital stay, increasing the availability of step up options from the community including increased use of In-House (HCC Care) settings, and working with the provider market as part of a refreshed Residential and Nursing strategy;

- a reduction in direct placements into long-term residential settings;
- a revitalised day services offer to provide carer respite and reduce need for paid for care;
- proactive enhanced support to amplify opportunities to identify and mitigate causes of crisis events before they occur by working with a range of partner organisations;
- further embedding the Strengths Based Approach to reduce demand for domiciliary care and ensure individuals' needs are met by other means where appropriate, including timely review and right-sizing of care packages following hospital admission to maximise independence, as well as increased use of Technology Enabled Care.

### **In-House Services (HCC Care)**

60. The fourth block of targeted savings covers £2.3m relating to **In-House services** (HCC Care), building on the service review and efficiencies delivered as part of Tt2021. The additional SP2023 savings would be achieved through:

- implementation of the Discharge to Assess model within HCC Care, with planned income generated through delivery of 80 beds on behalf of the CCG (less the cost of alternative provision for long-term beds subsequently required to be purchased from the private sector).

### **Headquarters Services**

61. The fifth block of targeted savings proposals (£1.1m) is through further efficiencies and income delivered within **Headquarters services**. Proposed savings include:

- reviewing all local and county-wide grants directly funded by Adult Social Care to voluntary, community and partner organisations, as part of our Demand Management and Prevention approach;
- reduction in funding for the Social Inclusion contract for commissioned non-statutory services that support people who are homeless or at risk of homelessness;
- implementation of Technology Enabled Care that can be shown to contribute to integrated working with the NHS, for example people with an early diagnosis of Dementia and those at risk of falls;
- income generated through sold services within Learning and Development, furthering initiatives begun in Tt2021;
- other efficiencies including development of dedicated in-house Learning and Development training venue/s, and reduction in IT costs.

## Governance and Assurance

62. The final targeted savings area, £0.2m, relates to **Governance and Assurance** staffing budget efficiencies, the detail of which will be finalised following the completion of a review and restructure of the function, building on Working Differently savings already achieved.

## Key Challenges/Risks

63. In Adults' Health and Care, as in other departments, we already have many of the solutions to the challenges we face. Managing service demand, whilst appropriately meeting eligible needs (against the backdrop of a reducing budget) is highest among these but is becoming increasingly challenging. Whilst the baseline volume of care provided reduced sharply in the first half of 2020/21 we have seen demand stabilise then resume within the latter part of the second half of the year in line with previous predictions, in addition to an overall increase in the complexity of clients, (proportionately more dementia needs for example) and higher cost packages and market pressures (in part caused by Covid-19). Whilst this remains broadly manageable the longer-term impact of Covid-19 is difficult to foresee, for example there is a real risk that not only permanent changes in the market will adversely affect the budget but also increased financial hardship and unemployment caused by Covid-19. We could see increased levels of deprivation that impacts the health and wellbeing of the Hampshire population, resulting in further strain on social care. Improved access to insight and analytics will support our approach to tackling these significant challenges, however the risks cannot be underestimated.
64. People with lifelong disabilities and chronic health conditions are living longer. Whilst there are constant developments meaning people are able to live more independently, many do require some level of support for periods of their lives, and in some cases for the whole of their lives. Budget reductions within Younger Adults in particular are therefore likely to impact on largely the same individuals as in previous years. The challenging business as usual and operating environment across all services, concurrent with managing Covid-19 and delivery of three large savings programmes alongside other strategic change (for example CareDirector, our new social care record system due to be implemented in 2022) is substantial and no departmental services are excluded from this. We recognise that social care budgets for both Adults and Children's are under extreme pressure and thus recognise the inescapable risk that there could be a resultant negative impact upon other services of the County Council.
65. Whilst the required savings will be positively pursued, there remain other significant risks. 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 is clear that eligible needs will be

met in the most cost-effective way. The Department will also continue to closely monitor the actions of other local authorities and legal judgements. The impact of decisions on service users will continue to be 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.

66. Progress and success will require a very thoughtful and careful engagement approach across a myriad of different but important stakeholders. Most important will be the way the Department works with people and their representatives (family, friends) who use services, as well as NHS partners (through the continued development of Integrated Care System arrangements). Positive engagement will enable more co-produced solutions to be secured. This should result in greater levels of independence and/or local support that in turn will help to reduce paid for service costs. Success will be very much dependent on how we continue to change the culture of staff, how we create the optimum working conditions for all staff (including improved productivity linked to the significant investment in mobile technology) and how we continue the journey of re-setting expectations that the public understands, accepts and agrees to.
67. System-wide challenges, exacerbated by Covid-19, are ever-present including integration, Continuing Health Care and dependency on Government/NHS funding for Discharge. There is much ongoing work with our NHS partners at acute hospital, community provider and Clinical Commissioning Group (CCG) level to find new and improved ways of working together, including 'making the money work'. The Department will continue to take forward integration opportunities where they can add most value and improve and simplify existing joint working – taking out cost alongside improving 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 Better Care Fund (and any other future sources of funding support) to protect and enhance social care provision across Hampshire.
68. Linked to this, the £2.3m HCC Care saving proposal, as described in paragraph 60, is dependent on the availability and ongoing receipt of funding from the NHS in respect of Discharge to Assess beds, alongside consideration of implementation costs to deliver the arrangement on a longer term footing within existing settings. Close engagement continues with our NHS partners to work through and finalise the detailed financial arrangements to support ongoing delivery of the current arrangement.
69. Lastly, but by no means least, are the risks relating to our workforce. The cumulative impact of successive large-scale budget reductions on all Adults' Health and Care services, including the frontline, is considerable and will continue to intensify alongside the growing difficulty to recruit and retain staff across the sector, an issue compounded by Covid-19 and the recent opening up of the hospitality sector. The Department will continue to seek to deliver improved and more efficient ways of working, but the scale of the

culture/practice change required in addition to managing business as usual pressures could impact further on the wellbeing and resilience of staff notwithstanding the support measures that have been put in place. Linked to this, the Department's capacity to maintain and improve service quality, levels of safeguarding and clinical safety will be increasingly challenged. Our relationship with the care sector, and in particular Hampshire Care Association – the care sector representative body in the county - throughout the response to the pandemic has seen a positive benefit, yet the sector as a whole remains vulnerable over the coming period and will require critical support and, to a degree, continued nurturing.

### **Summary Financial Implications**

70. The savings target that was set for Adults' Health and Care was £40.6m and the detailed savings proposals that are being put forward to meet this target are contained in Appendix 1.
71. As highlighted above, following subsequent analysis and further discussions, including with Public Health England, it is felt that there are no further opportunities to reduce Public Health spending beyond those savings already in progress for Tt2021. As a result, further savings within Public Health will not be progressed as part of the various saving programmes. The unmet Public Health savings of £8.072m will instead be achieved through a reduction in the growth funding for Adults' Health and Care made possible through the significant reduction in baseline care volumes during 2020/21 as a result of the Covid-19 pandemic. Accordingly, based on current assumptions, this is not expected to adversely affect the achievability of the Adults Health and Care SP2023 target or the timescale that it is forecast to be delivered.
72. The Department is currently forecasting to achieve savings of up to £38.2m of the £40.6m required by 2023/24, the year by which the SP2023 budget reductions would come into effect. The remaining £2.4m, largely from the Younger Adults Extra Care accommodation proposal will be delivered within 2024/25. In cashflow terms, this late delivery requires £2.4m to be supported through available departmental cost of change reserves.
73. The Department has been able to top up its cost of change reserve through both early delivery of the Tt2021 programme and a significant under spend on business-as-usual activity within 2020/21. This has enabled the Department to start 2021/22 with a cost of change balance of £25.9m after adjusting for the commitment under a reciprocal arrangement with the CCG to offset enhanced Better Care Fund contributions in 2020/21.
74. In addition, it is anticipated that the early delivery of SP2023 will yield savings of £10.1m in 2022/23 which will further add to the departmental cost of change balance. Whilst it is inevitable that there will be further requirements from the cost of change over the intervening three years the Department remain confident that more than sufficient resources will be available to

support the cashflow requirement of £2.4m highlighted above in addition to the £4.5m investment required to deliver the SP2023 savings programme. The Department will continue to focus on safely achieving early savings wherever possible to mitigate this need.

75. In summary, it should be highlighted that whilst the Department currently holds a healthy balance within its cost of change reserve and care volumes have not yet recovered to levels pre the pandemic, there still remains significant savings to be delivered for Tt2021 of £24.7m in addition to a residual £4.5m for Tt2019 before the delivery of SP2023. The Department remains confident that all of the required savings will be delivered in accordance with the revised profile post Covid-19. However, the scale of this challenge must not be underestimated, specifically against the back drop of uncertain funding arrangements for social care and the unknown longer term impact of Covid-19 on demand, complexity of clients and changes in the market.

### **Workforce Implications**

76. Appendix 1 also provides information on the estimated number of reductions in staffing as a result of implementing the proposals.
77. Positively, the direct impact of SP2023 plans on the Adults' Health and Care workforce is expected to be minimal with very few staff posts to be at risk. Importantly, this will enable further embedding of the large-scale workforce change and development necessary to achieve the department's Working Differently efficiency aims as part of Tt2021. The few Full Time Equivalent (FTE) posts that may be affected will be within the Department's Care Governance and Quality Assurance function, details of which will be understood when exact plans for the function's operating model (currently in development) have been finalised. It is anticipated that savings from these posts will be achieved through natural turnover where possible. Any balance remaining would need to be managed down in advance of the implementation date.
78. The County Council's approach to managing 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 will be continued.

### **Climate Implications**

79. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

80. Given that this report deals with savings proposals it is difficult to assess any specific climate change impacts at this stage, but assessments will be undertaken for individual proposals, if appropriate as part of the implementation process.

### **Consultation, Decision Making and Equality Impact Assessments**

81. As part of its prudent financial strategy, the County Council has been planning since June 2020 how it might tackle the anticipated deficit in its budget by 2023/24. As part of the MTFs, which was last approved by the County Council in July 2020, initial assumptions have been made about inflation, pressures, council tax levels and the use of reserves. Total anticipated savings of £80m are required and savings targets were set for departments as part of the planning process for balancing the budget.

82. 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 SP2023 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 2023/24.

83. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks from 7 June to the 18 July 2021. The consultation was promoted to residents and stakeholders through a range of online and offline channels including: the County Council's website, social media channels, Hampshire Perspectives residents' forum and Your Hampshire e-newsletter; in County Council libraries and buildings and on electronic noticeboards in GP surgeries and healthcare settings; via media releases to the local TV, radio and written press; via targeted social media advertising; and through direct mail contact to a wide range of groups and organisations across Hampshire (such as district and parish councils, schools, voluntary and community sector groups and organisations, service providers), which promoted onward dissemination, as well as response. Information Packs and Response Forms were available in hard copy in standard and Easy Read, with other formats available on request. Comments could also be submitted via email, letter or as comments on social media.

84. The consultation sought residents' and stakeholders' views on several options that could contribute towards balancing the revenue budget, and any alternatives not yet considered – as well as the potential impact of these approaches. The consultation was clear that a range of options would be needed to meet the required £80m savings by 2023. For example, the Information Pack illustrated the amount of savings that would still be required even if council tax was increased by up to 10%.

85. The options were:

- 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.

86. Information on each of the above approaches was provided in an Information Pack. This set out the limitations of each option, if taken in isolation, to achieving required savings. For example, supporting information explained that the £80m estimated budget shortfall took into account an assumed increase in 'core' council tax of 1.99% and an increase in the Adult Social Care Precept of 2% in both 2022/23 and 2023/24. The Pack also explained that if central government were to support changing local government arrangements in Hampshire, savings would still take several years to be realised. Residents were similarly made aware that the use of 'spare' reserves would only provide a temporary fix, providing enough money to run services for around 14 days.

87. Therefore, whilst each option offers a valid way of contributing in-part to balancing the budget – plugging the estimated £80m gap in full will inevitably require a combination of approaches.

88. A total of 2,027 responses were received to the consultation – 1,931 via the Response Forms and 96 as unstructured responses through email, letter and social media.

89. The key findings from consultation feedback are as follows:

- Agreement that the County Council should carry on with its **financial strategy** now stands at 45%, compared with 52% in 2019, and 65% in 2017. This involves targeting resources on the most vulnerable people; planning ahead to secure savings early and enable investment in more efficient ways of working; and the careful use of reserves to help address funding gaps and plug additional demand pressures (e.g. for social care).
- The data suggests that respondents are concerned about the implications of further service changes and charges and increasingly feel that the solution lies with national Government.
- Both data and verbatim comments indicate the respondents want the County Council to **lobby central Government** for further funding and to allow additional charging in a number of areas:

- 87% agreed with lobbying for additional funding to deliver social care services for adults and children
  - 69% agreed with lobbying for increased central government grant funding for libraries
  - 66% agreed with updating the 1964 Public Libraries and Museums Act to enable service modernisation
  - 62% agreed with means testing/ charging for Home to School Transport (HtST)
  - 60% agreed with charging £10 for issuing an Older Person’s Bus Pass
  - 51% agreed with making change to the charging approach for non-residential social services.
- However, there were exceptions, namely that:
    - Most respondents (52%) did not feel that it would be appropriate to lobby for charges relating to Household Waste Recycling Centres (HWRCs)
    - 47% disagreed (compared to 38% who agreed) that councils should be permitted to charge a 25% per journey fare for concessionary travel.
  - A clear majority of respondents (63%) agreed that the County Council should explore further the possibility of changing local government arrangements for Hampshire.
  - No majority view was achieved for any of the other proposals, but the weight of opinion veered slightly towards agreement with:
    - The position that reserves should not be used (48% agreement vs 42% disagreement);
    - That existing service charges could be raised (45% agreement vs 33% disagreement);

And towards disagreement with:

- Introducing new service charges (47% disagreement vs 41% agreement);
  - Reducing or changing services (49% disagreement vs 36% agreement).
- A slight majority of respondents (52%) preferred that the County Council raise **Council Tax** by less than 3.99%. This compared to 21% of respondents whose first choice was to raise council tax by 3.99% and 27% who would choose an increase of more than 3.99%.
  - Suggestions for income generation most commonly related to charges that the County Council could apply. There was also frequent mention of changes to how Council Tax is collected, delivering efficiencies in Council services, ways that the Council could save costs to its operational budget, and suggestions that the County Council could improve its return on investments and adopt more commercial practices.
  - Around half of respondents specified impacts that they felt would arise should the County Council continue with its financial strategy and approve the proposed options. Almost half of these related to the protected equalities

characteristic of age (47%) – most often the effect on children and young people – with impacts on poverty (33%), disability (30%), and rurality (23%) also commonly mentioned. The potential environmental impacts were also noted in a third of the comments submitted (34%). The specific nature of the perceived impacts primarily related to reduction in service quality or availability and the personal financial impacts of increased taxation or charging.

- Efficiency savings were the most common focus of additional suggestions, incorporating staffing, contractor and Member costs, process efficiencies and more effective use of building space.
- The 96 unstructured responses to the consultation, submitted via letter / email or on social media, primarily focussed on the perceived impacts of the proposals, stating concern about reductions to services and the need to focus on reducing costs and lobbying national government for additional funding in preference to raising local taxes.

### **Proposals following consultation feedback**

90. 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. As the consultation feedback confirms, a number of different approaches are likely to still be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:

- **continue with its financial strategy**, which includes:
  - **targeting resources** on the most vulnerable adults and children
  - **using reserves carefully** to help meet one-off demand pressures
- **maximise income generation** opportunities;
- **lobby central government** for legislative change to enable charging for some services;
- **minimise reductions and changes to local services** wherever possible, including by raising council tax by 3.99%;
- consider further the opportunities for **changing local government arrangements** in Hampshire;
- Consider further the opportunities around **devolution of financial powers** in response to the Government's County Deal and levelling up agenda.

91. The proposals set out in Appendix 1 have, wherever possible, been developed in line with these principles. The majority relate to savings through further demand reduction (for example, changing the process by which it is determined which Older Adults' service is required rather than reduce the type of services available), increased income generation, and working with our supply chain. A large portion are a continuation and/or expansion of successful Tt2021 initiatives already underway, including all of those

proposed for Younger Adults. Only a minority of savings relate to services being stopped as the Department is now at the point where services which continue to be delivered are the minimum statutory requirement.

92. The largest saving proposed is through utilisation of Government funding, assumed to be forthcoming in recognition of demand and market pressures within Adult Social Care, to reduce the impact of savings that would otherwise need to be achieved. Through the development of new and improved Discharge to Assess arrangements within Older Adults and HCC Care services, people will be better enabled to return to their own home following a hospital stay and unnecessary hospital stays and/or long-term residential care placements could be prevented, thereby helping to alleviate system pressures and generate income. Similarly, focus will remain on supporting people's independence across all client groups through maximising strengths-based approaches, including growing our Younger Adults supported accommodation offer and further investment in Technology Enabled Care.
93. For the few services proposed to be stopped/reduced – local and countywide grants (stopped), and Social Inclusion (reduced) - it is important to note that Adults' Health and Care will continue to work closely with partners, including the Districts and Boroughs, the NHS and the Voluntary and Community Sector to meet shared objectives and minimise the impact on local services and individuals, building on the positive relationships developed in recent months through the pandemic. Additionally, the opportunity will remain for grants to be awarded where there is a corresponding further deliverable saving that can fund the initial outlay of the grant. Both proposals will also be subject to Phase 2 public consultation as detailed further in paragraph 97.
94. Following the Executive Member Decision Days, all final savings proposals will go on to be considered by the Cabinet and Full Council in October and November – providing further opportunity for the overall options for balancing the budget to be considered as a whole and in view of the consultation findings. Further to ratification by Cabinet and Full Council, some proposals may be subject to further, more detailed consultation.
95. In addition to the consultation exercise, Equality Impact Assessments (EIAs) have been produced for all the savings proposals outlined in Appendix 1 and these have been provided for information in Appendix 2. These will be considered further and alongside a cumulative EIA by Cabinet and Full Council. The cumulative assessment provides an opportunity to consider the multiple impacts across proposals as a whole and, therefore, identify any potential areas of multiple disadvantage where mitigating action(s) may be needed.
96. Together the *Balancing the Budget* consultation and Equality Impact Assessments have helped to shape the final proposals presented for approval in this report. The EIAs will be periodically revisited throughout the life of SP2023. The department is ever mindful of the cumulative impact of savings proposals on service users, families, staff, and other stakeholders including

voluntary and community services, and will take all necessary steps to work with stakeholders, co-produce designs, and mitigate any negative effects where possible.

97. The Department would look to conduct Phase 2 consultation on detailed options with regards to a small number of service areas as listed below. The specific service change proposals would be subject to further work and confirmation. Both Phase 2 consultations would likely take place next year, most probably from early Spring 2022, and would include:
- Social Inclusion – a reduction in funding for commissioned non-statutory services that support people who are homeless or at risk of homelessness;
  - Demand Management and Prevention – cessation of local and countywide grants directly funded by Adult Social Care to voluntary, community and partner organisations.
98. It is recognised that the above proposals, subject to Phase 2 consultation and decision, could cause disruption to some voluntary, community and partner organisations, while others may be able to expand their reach. Furthermore, funding secured from other sources may sustain delivery by such organisations but may not enable them to meet any additional demands. It is also recognised that Adults' Health and Care or the County Council as a whole are not the only statutory funders of voluntary and community sector provision in Hampshire (other funders include the NHS, District Councils and the Office of the Police and Crime Commissioner), however they may not be able to fully address any funding shortfall and face their own budget pressures. The Department would continue to work with all other statutory parties to maximise and coordinate funding across the voluntary and community sector.
99. As highlighted in paragraph 62, £0.2m of the Department's savings target relates to Governance and Assurance staffing budget efficiencies. The detailed proposal is in development following the recent appointment of a new Head of Service and will be finalised following the completion of a review and restructure of the function, building on Working Differently savings already achieved. The proposal will be subject to consultation with potentially impacted staff prior to decision and implementation.

## **Conclusion**

100. The Savings to 2023 Programme represents the most challenging and significant programme thus far undertaken by Hampshire County Council. The consequences of previous transformational programmes of cost reduction and change has meant that the course previously set remains consistent with the majority of proposals within this report.

101. The delivery of the Savings to 2023 Programme will be in parallel to delivery of ongoing Transformation to 2019 and Transformation to 2021 initiatives and, for that reason, is yet more complicated. There is continued uncertainty over medium term funding, as set out in this report and we still await the publication of a social care Green Paper.
102. In the face of the challenges outlined throughout this report Adults' Health and Care are fully cognisant of duties under the Care Act 2014, as well as the mandate for Public Health services and other requirements. The proposals contained within this report represent realistic and achievable means by which reductions in the budget can be achieved. However, it is recognised that whilst some proposals build upon work already underway which have led to improved outcomes and greater independence for some, other people will experience a reduction in the support and the services available to them. Priority will be provided, wherever possible, to those vulnerable and at greatest risk, whether that be through care needs or risks presented through deprivation, social isolation, lifestyle or other factors.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Medium Term Financial Strategy Update <a href="https://democracy.hants.gov.uk/documents/s53375/MTFS%20-%20Cabinet%20FINAL.pdf">https://democracy.hants.gov.uk/documents/s53375/MTFS%20-%20Cabinet%20FINAL.pdf</a>	Cabinet - 14 July 2020 County Council – 16 July 2020
Executive Member for Public Health Transformation to 2021 decision report <a href="#">Appendix 1 (hants.gov.uk)</a>	
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

**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.)**

<u>Document</u>	<u>Location</u>
None	

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. 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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) 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 protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are 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 in which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

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

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

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
OA-23-1	<p><b>Older Adults – Residential Care</b> Maximising Discharge to Assess, (D2A) arrangements from hospital and increasing availability of step up options from the community including increased use of HCC Care settings.</p>	<p>D2A Provides individuals with a stabilisation period during which action can be taken to facilitate a return home to live as independently as possible, reducing direct placements into permanent long term residential settings. Full utilisation of day opportunities and establishing links to health and wellbeing through these centres will provide additional support and opportunities to increase individuals' community networks, working in a strengths-based way to increase and maintain their independence, providing support to individuals and their carers. Delayed or reduced admissions to residential care.</p>	5,400	5,400	5,400	0
OA-23-2	<p><b>Older Adults – Domiciliary Care</b> Robust application of Strengths Based Approach to reduce demand and by ensuring the needs of individuals are met by other means where appropriate.</p>	<p>Eligible needs met through a more personalised approach which will include family and friends, local community and voluntary sector organisations. Reduces risk of individuals becoming dependent on higher than necessary packages of care, increases and improves community networks and utilises voluntary and community sector organisations to support individuals. Potential for improved analytics facilitating proactive rather than reactive social</p>	902	1,500	1,500	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
		care and more targeted and tailored interventions to maintain independence at home for longer. Reduction in events that see escalations in care required - delayed increases to packages. Opportunities to work to reverse frailty in some cases reducing level of paid for care. Enables a joined up approach with community health and identification of most suitable interventions that would allow an individual to remain safe at home for longer, reducing the need for commissioned services and increasing opportunities to prevent hospital admission.				
YA-23-LD1	<b>Younger Adults – Learning Disability</b> Younger Adults Extra Care accommodation, moving people on from residential care to supported accommodation.	Greater proportion of clients in a lower cost service whilst also enabling a greater level of independence for individuals.	138	1,052	1,651	0
YA-23-LD2	<b>Younger Adults – Learning Disability</b> Extension of current work on reducing challenging behaviour	Practices required by providers to mitigate the risk to carers from potentially dangerous client behaviours can be lessened through the application of an LRP approach leading to reduced support costs. Will require extension of temporary LRP staff team.	360	607	740	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
	(Least Restrictive Practice, LRP).					
YA-23-LD3	<b>Younger Adults – Learning Disability</b> Greater use of universal services (review & reassess), and extension of Strengths Based Approach and telecare.	Reduction in demand for traditional care service as alternatives to care provided through lower cost technological solutions, whilst maintaining independence for longer. Will require HCC taking a pioneering role as a major employer, reducing social isolation, developing community activities/clubs and supporting the wider Voluntary and Community Sector. Supporting economic development of the care market, including encouragement of micro-providers and adoption of Technology Enabled Care.	1,423	2,363	2,773	0
YA-23-LD4	<b>Younger Adults – Learning Disability</b> Extension of volunteering model of care started in 2019.	Reduced support costs through use of volunteering resources to meet some elements of a personal support plan. Care needs that require registered care are still met through a regular support provider.	0	43	182	0
YA-23-LD5	<b>Younger Adults – Learning Disability</b> Younger Adults Extra Care 60+ accommodation, moving people on from residential care into more appropriate provision.	Greater proportion of clients in a lower cost service whilst also enabling a greater level of independence for individuals. Reduction of clients in residential care following move to Supported Living resulting in improved outcomes and financial savings.	76	385	553	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
YA-23-MH1	<b>Younger Adults – Mental Health</b> Greater use of universal services (review & reassess) and extension of Strengths Based Approach.	Reduction in demand for traditional care service as alternatives to care provided through lower cost technological solutions, whilst maintaining independence for longer. Will require HCC taking a pioneering role as a major employer, reducing social isolation, developing community activities/clubs and supporting the wider Voluntary and Community Sector.	135	463	664	0
YA-23-PD1	<b>Younger Adults – Physical Disability</b> Younger Adults Extra Care accommodation, moving people on from residential care. Moving clients with physical disabilities from residential to tenancy and Supported Living schemes.	Greater proportion of clients in a lower cost service whilst also enabling a greater level of independence for individuals. Reduction of clients in residential care following move to Supported Living resulting in improved outcomes and financial savings.	204	549	816	0
YA-23-PD2	<b>Younger Adults – Physical Disability</b> Greater use of universal services (review & reassess), and extension of Strengths Based Approach and telecare.	Reduction in demand for traditional care service as alternatives to care provided through lower cost technological solutions, whilst maintaining independence for longer. Will require HCC taking a pioneering role as a major employer, reducing social isolation, developing community activities/clubs and supporting the wider Voluntary and Community Sector. Supporting	336	889	1,132	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
		economic development of the care market, including encouragement of micro-providers and adoption of Technology Enabled Care.				
YA-23-PD3	<b>Younger Adults – Physical Disability</b> Extension of volunteering model of care started in 2019.	Reduced support costs through use of volunteering resources to meet some elements of a personal support plan. Care needs that require registered care are still met through a regular support provider.	0	109	189	0
IH-23-1	<b>HCC Care (In-House)</b> Implementation of the Discharge to Assess model within HCC Care. This supports the NHS with circa 80 beds to discharge people from hospital faster and is funded by the NHS.	The additional income to HCC will be offset, in part, by the cost of long term care purchased from external providers due to the displaced capacity within HCC Care. Staff may need to move sites. Positive impact for service users through improving the discharge process. Some service users may need to move between settings for longer term care support.	0	2,300	2,300	0
HQ-23-1	<b>Headquarters – Demand Management &amp; Prevention</b> Stopping all currently budgeted local and county-wide grants funded by Adult Social Care to voluntary, community and partner organisations. NB. The	Voluntary and community partner organisations may need to reshape their services or seek alternative sources of funding. This may increase demand on funding available from partners (e.g. health and District Councils).	0	365	365	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
	County Council would continue to provide insight and support to organisations to identify and target services that would be most effective in reducing demand for social care and that meet local needs, as well as help to access external grants and seek opportunities for alternative funding. Grants will still be awarded where there is an evidencable link to a further cashable reduction in care paid for by HCC.					
HQ-23-2	<b>Headquarters – Learning &amp; Development (L&amp;D)</b> Development of L&D's own dedicated training venue(s) within HCC estate.	Possible savings of approx. 50% of L&D venue hire budget if one dedicated venue was available internally with priority use by L&D.	60	60	60	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
HQ-23-3	<b>Headquarters – L&amp;D</b> Income Generation savings in addition to existing Tt2021 target achieved through greater sales to external parties.	Minimal impact to existing staffing numbers as e-learning technology will be used to complement the face to face learning to reach a wider audience.	25	25	25	0
HQ-23-4	<b>Headquarters – Technology Enabled Care (TEC)</b> Implement TEC delivery that can be shown to contribute to integrated working with the NHS. Specifically identify where measurable benefits sit.	Joint funding arrangements agreed. Areas of specific interest are the 10% of referrals for people with an early diagnosis of Dementia and those at risk of falls.	0	215	215	0
HQ-23-5	<b>Headquarters – Transformation</b> Mobile Forms (Kirona) within the care management system no longer required.	Minimal impact, budget no longer required following closure of IT project.	75	75	75	0
HQ-23-6	<b>Headquarters – Social Inclusion</b> Reduction in funding for non-statutory services	A reduction in these services may result in an increase in the number of people sleeping rough or in temporary accommodation due to lack of support to maintain accommodation, and	0	360	360	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
	that support people who are homeless or at risk of homelessness. The statutory responsibility to prevent and relieve homelessness sits with District and Borough Councils, however Adults' Health and Care currently commissions a range of accommodation based and community support services for people who are homeless.	subsequently increase pressures across the system and costs for housing, health and adult social care. Fewer people would be able to access Adults' Health and Care funded homelessness support services and would need to seek assistance from District and Borough Councils. Services would continue to be provided for people who are homeless and may have eligible care and support needs as a result of mental health and/or substance misuse or other complex needs.				
GA-23-1	<b>Governance &amp; Assurance</b> Staffing budget savings within Governance & Assurance through a review and restructure of the function.	Staff impact, details to be understood when exact plans (in development) have been finalised.	0	0	200	TBC
AHC-23-1	<b>Demography &amp; Complexity</b> Reduction in care volumes during the	Individuals would receive more timely advice to meet early needs through the extension of demand and prevention services resulting in the	1,000	6,400	6,400	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2022/23 £'000	2023/24 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
	Covid-19 pandemic have reduced the baseline volume of paid for care, leading to less growth funding being required. In addition, future predicted demand will continue to be diverted from the front door through use of preventative services and the Contact and resolution Team, (CART) reducing the growth in care requiring support by the County Council.	people being able to continue for longer without the need to access services. CART would support by increasing resolution rates through embedding Strengths Based Approach (SBA) fully and increasing self-service rates.				
AHC-23-2	<b>National Funding</b> Utilisation of additional Government funding to reduce the impact of savings that would otherwise need to be achieved.	N/A	0	15,000	15,000	0
<b>Total Adults' Health and Care</b>			<b>10,134</b>	<b>38,160</b>	<b>40,600</b>	<b>TBC</b>

## **EIAs**

Equality Impact Assessments (EIAs) for the Adults' Health and Care Savings Programme to 2023 proposals are provided in the accompanying Appendix 2 attachment to this report.