

HAMPSHIRE COUNTY COUNCIL

Scrutiny Report

Decision Maker:	Health and Adult Social Care Select (Overview and Scrutiny) Committee
Date:	21 July 2017
Title:	Transformation to 2019
Report From:	Director of Adults' Health and Care

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1. Executive Summary

- 1.1 In June this year, Cabinet received a first dedicated report relating to the Council's latest transformation/cost reduction programme, Transformation to 2019. The report confirmed the £140m programme target and the individual Department targets. It also outlined the headline programme timetable, summary progress from the early opportunity assessment work completed by Departments over the previous 6 months and provided an update regarding the approach to a stage one public consultation exercise.
- 1.2 The Cabinet report followed detailed budget and Transformation to 2019 (T19) briefings to each of the political groups delivered by the Chief Executive and Director of Corporate Resources. Further to the Cabinet meeting, the balancing the budget public consultation 'Serving Hampshire' was launched on 3 July and this is scheduled to run until 21 August this year. The Cabinet report is available from the following link:
<http://democracy.hants.gov.uk/documents/s3424/2017-06-19%20Transformation%20to%202019.pdf>
- 1.3 The Adults' Health and Care T19 target is £56m. This latest savings programme (the fourth since 2010) will run alongside the final year of Transformation to 2017 (T17) delivery for the Department with some £13m of recurring savings expected to be secured this financial year in relation to that programme. Progress in this regard over the first quarter of 2017/18 has been good and confidence remains high that T17 will be delivered in full and on time.
- 1.4 Over the past six months, opportunity assessment work in respect of T19 has been progressed by the Department. The early work is summarised later in this report and is featured in the balancing the budget public consultation exercise. At the conclusion of this summer's consultation exercise, a final set of detailed savings proposals will be prepared and

presented to Select Committees and Executive Members for consideration and agreement in September. At the same time, Cabinet will be updated on the outcome of the public consultation and will be asked to approve the consolidated budget savings position for the Council ahead of Full Council considering the full set of proposals at a special budget setting meeting in November.

2. Financial Context

- 2.1 T19 represents the fourth major cost reduction exercise that the County Council has embarked upon since 2010. During the past seven or so years, a cumulative £340m of recurring financial savings have been removed from the overall Council budget. Increasingly, the challenges of sustained austerity have become harder and there is no doubt that T19 represents the largest and most complex programme ever attempted by the Authority.
- 2.2 Throughout the austerity period the County Council's operational and financial performance has been very strong. Departments have continued to manage their resources, provide further for one-off investment to support the on-going transformation challenge and at the same time maintain and even improve service outcomes and performance.
- 2.3 Whilst this performance has been sustained to date, the cumulative impact of numerous savings programmes together with sustained pressure on all departments but in particular social care spending, show a different picture beginning to emerge. As we look to 2017/18 and immediately beyond, both Adults' Health and Care and Children's Services are unlikely to remain within their cash limited expenditure positions in, or by the end of these years with cost of change reserves for these Departments set to be exhausted.
- 2.4 For Adults' Health and Care, the Department has contributed strongly to each of the cost reduction exercises and is firmly on track to meet in full, its £43m savings obligations in respect of T17. Financial and service delivery performance in 2016/17 exceeded mid year forecasts and the recent announcement by Government in the March 2017 budget to provide additional funds to support Adult Social Care over the period to 2019/20 provides further welcome, albeit, short term relief.
- 2.5 The underlying financial position for the Department however 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, alongside 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.
- 2.6 Inevitably, T19 will involve complex transformational, policy and service change across the range of Adult services at the same time over the next few years alongside the requirement to deliver the final year of the T17 programme, an unrelenting business as usual agenda and a somewhat

uncertain national picture. Extensive public engagement and co-design of services will need to feature strongly and we will need to build on the work started in the past year to 18 months in terms of appropriately resetting public expectations of what residents should expect from the Department in the future, including changes to expectations of the way in which people's needs are met.

3. The T19 Adults' Health and Care Approach – Early Opportunity Assessment Work

- 3.1 Alongside continuing to support vulnerable young adults and older persons, and delivering savings to contribute to T17, the Department has spent time over the past 6 or so months assessing opportunities for how it can build on service transformations taken under T17 and target further savings of some £56m (c19% of the £302m cash limit) for T19. Not surprisingly, this has been a very challenging exercise and has necessitated every aspect of Department business to be looked at. Given that around £250m of current annual spend is directly attributable to commissioned activity providing a range of services to up to 15,000 people at any one time.
- 3.2 The T19 challenge has been broken down into four main areas comprising Prevention/Demand Management, Older People, Learning Disabilities and Mental Health and lastly 'Working Differently' mainly aimed the Departments entire top to bottom workforce. A brief summary of the work to date and early thinking is included in the following paragraphs. The content below will be built upon at the Select Committee meeting in a presentation to be delivered by the Director and Deputy Director of Adults' Health and Care.
- 3.3 T19 will require the Department to be much more effective in terms of prevention and demand management 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.
- 3.4 Living (more) independently will be the main emphasis as the Department looks to further transform its services for older people. There will be a focus on intermediate care; on re-ablement and on more short term stays to improve the health and wellbeing of residents so that increasing numbers can remain in their own homes. 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. 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.

- 3.5 The living (more) independently theme will be continued in the Learning Disabilities and Mental Health work areas as we look to continue the successful journey started ahead of T17 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, physical 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.
- 3.6 The fourth area of focus for the Department links directly 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 exist within this strand of the overall programme the most obvious of which is how we look to optimise the use of technology in our 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 without any noticeable impact for residents.

4. T19 – Some Considerations

- 4.1 The early opportunity assessment work has clearly enabled a number of work strands to be contemplated and considered ahead some significant planning and implementation work to follow over the next few years to 2020 and arguably beyond. None of what has been described in section 3 is straightforward or easy to deliver on because it would have happened by now if it was.
- 4.2 We also know that 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 will require a huge focus on how we work with people who use services and a determination that we will have positive engagement to develop co-produced solutions with a broad range of representative groups. Early action to prepare for this has commenced and will be subject to much time and energy in the months to come. There is also much ongoing work with the NHS at both Acute Hospital, community provider and Clinical Commissioning Group (CCG) level as we look to take forward integration opportunities

where they can add most value and to look to improve and simplify existing joint working partly to take out cost and importantly to improve the service user experience. There will continue to be external scrutiny on discharge performance and how the County Council uses the Better Care Fund to protect and enhance social care provision across Hampshire.

- 4.3 The culture change challenges for our own staff and for Council staff more widely, remain significant. Continuing to build on the strengths based approach adopted at the beginning of T17 and improving its focus and its 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 numbers. Operating effectively will require all front line staff to engage with service users, with families and with community groups/volunteers in increasingly business like ways. The resetting of expectations has to run through everything we do.
- 4.4 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 Council has enjoyed with Argenti over the past handful of years and with the present contractual arrangements due to conclude in the summer of 2018, work to do in terms of what might follow. As described earlier, Technology is going to be increasingly important in terms of the Prevention agenda and the ability of the Council and the desire of the public in relation to maximising private pay opportunities is largely untested territory.
- 4.5 Partners, particularly local authority partners e.g. local District Council's are also affected in proportionate ways by austerity and also share many of the same aims of the County Council in terms of the provision of important public services to vulnerable residents. In the recent past for example, the County council worked very closely with District councils when considering how best to change Supporting People services and with all aspects of the Department's commissioned spend needing to be reviewed it is intended that dialogue with District partners is taken forward after the summer and the end of the balancing the budget public consultation exercise on how best we can work together on potential future service changes across different work areas.
- 4.6 Specifically in the context of spending previously badged to supporting people services, the current contracts for Social Inclusion services come to an end in April 2019 and thus early work should commence in the autumn on the options for future service provision in this area. Previously a Health and Adult Social Care Select Committee (HASC) Member working group was established to provide oversight and scrutiny to the changes in services that were introduced in 2015 and it is recommended that similar type arrangements should be put into place for T19 so that this important service area benefits from appropriate Member input from the outset of options appraisal work and any public/stakeholder consultation that could follow. It is envisaged that the Member working group could be active from October

and that Terms of Reference and more detail regarding the work ahead could be considered at the next meeting of HASC in September.

5. Conclusion

- 5.1 Further to last year's finance settlement for Local Government, the County Council is facing a forecast budget gap of some £140m by 2019/20 that requires closing. This is after safely removing close on £340m of savings over the past seven years, including being on course to fully deliver the latest T17 programme.
- 5.2 Cabinet recently (June this year) approved a first report dedicated to T19 and subsequent to that, a balancing the budget public consultation exercise was launched on 3 July. The consultation is due to close on 21 August after which select Committees and Executive Members will be asked to consider a headline set of budget saving proposals at meetings scheduled in September.
- 5.3 The Adults' Health and Care share of the £140m T19 savings requirement is £56m. Early opportunity assessment work has left no stone unturned and has resulted in a programme approach being developed covering four key work strands with Prevention/Demand Management extremely important to the successful achievement of what is undoubtedly a very testing and challenging target for the Department.
- 5.4 A range of factors will all need to come together if the £56m savings figure is to be realised. This will include a relentless and carefully thought through approach to how the Council resets public expectations, especially in terms of the way in which people's needs are met. Effective engagement with a range of partners will also be important as will timely and robust Member involvement and scrutiny of specific savings proposals that will come forward at various points in time over the coming few years.

6. Recommendations

- 6.1 It is recommended that HASC:
 - a) Note the £140m Tt2019 programme challenge, headline timetable and within this note the Adults' Health and Care target of £56m.
 - b) Note the T19 approach being adopted by the Department and some of the key highlights emanating from the early opportunity assessment work described in section 3.
 - c) Acknowledge the engagement challenge across a range of important stakeholders as set out in section 4.
 - d) Agrees to the establishment of a HASC Member working group to specifically provide oversight and scrutiny to a forthcoming review of Social Inclusion services. Terms of Reference and further detail to be provided to the September meeting of HASC.

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

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	No
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	No
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Transformation to 2019: Report No. 1	<u>Reference</u>	<u>Date</u> 19 June 2017
Direct links to specific legislation or Government Directives		
<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	

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:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) 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.

1.2. Equalities Impact Assessment:

This is an update, impact assessments will be undertaken when particular decisions are due to be taken.

2. Impact on Crime and Disorder:

2.1. This is an update, no impact has been identified.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

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

This is an update, no impact has been identified.