

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Lead Member for Children's Services |
| Date: | 17 September 2021 |
| Title: | Savings Programme to 2023 – Revenue Savings Proposals |
| Report From: | Director of Children's Services and Director of Corporate Operations |

Contact name: Steve Crocker, Director of Children's Services
Rob Carr, Director of Corporate Operations

Tel: 01962 846400 **Email:** steve.crocker@hants.gov.uk
01962 847400 rob.carr@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to outline the detailed savings proposals for Children's Services 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 contained in this report and Appendix 1 to the Cabinet.

Executive Summary

3. This report outlines the detailed savings proposals for Children's Services 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 Lead 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 address, 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 because 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 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.
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 across the council rather than on driving further transformative change, although opportunities for transformation,

efficiencies and income generation will of course continue to be pursued and there are further such opportunities within Children's Services.

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 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 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 considered 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, several different approaches are likely to be still 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 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. Additionally, Equality Impact Assessments have been produced for all 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 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 and Approach

23. Children's Services delivered over £80m recurring cost reductions from June 2010 to 2017. For Tt2019 the department identified savings of £30.1m to be delivered over an extended period, enabled by additional corporate support, and for Tt21 a further £17.2m was identified. The target for SP23 is £21.3m and the department has again considered savings proposals against the key principles that it has assessed savings since 2010:
 - Ensure a safe and effective social care system for children.
 - Ensure sufficient capacity to lead, challenge and improve the education system to help ensure high quality educational outcomes for all, but particularly more vulnerable groups.
 - Continue to recognise that our workforce is our strength and that we will further develop and maintain a strong, diverse workforce that is adaptable and flexible, and which has succession planning built in.
 - Tightly target limited resources according to the needs of children and families.
 - Secure and sustain targeted and co-ordinated early help provision.
 - Maximise the opportunities to create efficiencies and maintain and enhance services through partnership and sold service arrangements.
24. The approach has been thorough and included a review of staff pay budgets to separate that which is addressable from that which is funded through Dedicated Schools Grant (DSG), other grants and income etc. The proposals that have been submitted are those that the department can deliver sustainably and ensure the services continue to perform at a high-level.
25. As with previous programmes, the savings proposals should be looked at in the context of five key themes:
 - i. Funding and expenditure for Children's Services in Hampshire continues to be considerably below national, regional and comparator local authorities. Despite this, Hampshire is the joint highest performing authority under Ofsted's ILACS inspection regime.

- ii. The large majority of spend is external, primarily the costs of Children Looked After (CLA). To realise cashable savings on external spend, it is not rational to cut staffing spend beyond a certain point, as this reduces our ability to realise the subsequent external spend saving or, worse, opens the door to more significant additional spend.
 - iii. Some areas of saving would have a profound impact on our statutory duties including, most significantly, our statutory duty to safeguard children and will take the local authority right up to the line where it can deliver safe and effective services in this regard.
 - iv. Following the logic of (iii) above, Hampshire may no longer be able to sustain performance at the current level and would most likely be rated as 'inadequate' (not least because caseloads will be taken as an objective measure of a safe and effective service by Ofsted) and this would lead to reputational damage, but also, equally significantly in this context, the loss of significant external income and open the door for additional spend as we have seen with many other authorities.
 - v. Significant corporate support for service improvement through transformation has been made available based on robust evidence.
26. The approach to the SP23 savings programme is a careful balance of medium to long-term strategic transformation and savings that can be made in the short-term. The former ensures a significant and sustainable quantum of savings. The latter can be secured without comprising the former, which would otherwise result in a false economy. This tried and tested approach places a premium on upfront thinking during the early stages of programme design.
27. An outline of each of the programme savings workstreams is given in the following paragraphs, with savings workstreams summarised in Appendix 1. These are subject to consultation where appropriate.

Government Funding: £6.1m, Proposal 2 Corporate Funding: £5m

28. In anticipation of the outcome of the Spending Review in the Autumn 2021, it is prudently assumed that £6.1m of additional government funding will be provided over 2022/23 and 2023/24. Additionally, corporate funding of £5m has been provided.

Care Leavers/Post 16: £75k

29. Due to increasing demand for Post 16 and Care Leaver accommodation, this workstream will implement twin strategies. In the short-term, internal processes will be reviewed and improved to ensure that post 16 placements for young people are appropriate and suitable, and that young people move into

placements designed to enhance their independence as soon as they are ready to do so. In the longer-term, an expansion in supported and semi-independent accommodation in the county (in partnership with the voluntary and independent sector) will ensure that appropriate and suitable placements are available for post 16 young people, which are close to home. This will benefit young people and be more cost effective for the County Council. This will also address the current overspend.

Wessex Dance: £40k

30. This workstream will secure the saving by identifying alternative funding sources and making efficiencies within the current service.

Participation: £46k

31. This workstream will remove one post from the Service now that participation is well embedded in the districts and services. The proposal is for this to continue with districts developing, co-ordinating and promoting this work without a specific central function.

New Ways of Working: £224k

32. As an outcome of Covid and lockdown, this cross-branch workstream will identify savings that result from adopting new ways of working, including different use of buildings, travel, car parking and other variable costs.

Youth Offending Team: £178k

33. As youth crime prevention continues to be successful, this workstream will reduce staffing levels in line with reducing caseloads.

Short Break – Overnight Respite: £450k

34. To consult on not reopening Children's Services respite home for disabled children (Firvale) which, prior to Covid, provided overnight respite care for 12 children. These 12 children were, prior to Covid, occupying at less than 20% of the available Firvale capacity. Since March 2020, Firvale has been closed and the staff deployed elsewhere within our non-disabled children's homes. Whilst the building belongs to the NHS, £400,000 of investment from the Council is required to improve the Firvale building, and its location is increasingly overlooked by neighbouring properties because of housing development.
35. Both these factors bring into question the ongoing suitability of Firvale. There may be opportunities for delivery methods to be modernised, making better use of innovative and technological approaches, and to become more outcomes

focussed. This project will investigate the range of alternative provision options available, engage and consult with key stakeholder groups (including the NHS who own and operate service from the Firvale building) to develop proposals that will meet the long-term needs of current and future service users and their families.

Short Break Activities: £200k

36. To consider the scope, delivery and funding of commissioned short break activities identifying innovative service delivery opportunities (building on Covid learning) and targeting parental priorities. Furthermore, and subject to Holiday Activities and Food programme funding from the Department for Education continuing, this project will seek to align the HAF offer with relevant short break activities to ensure the most efficient use of public funds and reduce any duplication.

Income from external sources with regards to Out of Hours Services: £50k

37. Children's Services currently provide an Out of Hours Service on a commercial basis to Southampton, Portsmouth, and IOW councils. This workstream will seek to expand the sold service to new client local authorities.

Modernising Placements Programme (MPP): £2,700k

38. The purpose of MPP is to ensure that when children and young people come into care they are placed with the most appropriate placement and support that will meet their needs, in an environment that provides the best possible start in life, and the support that they need as they move into adult life. The programme comprises linked workstreams including:

- i. Foster Carers: This workstream is focussed on increasing the number of Hampshire County Council approved fostering households to care for an additional 187 children to reduce the use of more expensive care providers whose provision can often mean children are placed further away from home. This increase (to a total of 675 children cared for by county foster carers) will be achieved through improving the journey and experience of foster carers from the time that they first consider fostering through to being an active member of Hampshire County Council's fostering community.

Through an expanded Fostering Recruitment Service, targeted marketing and recruitment will be undertaken to those members of the public who have the value base and household space to care for children. Partnerships will be sought both within Hampshire County Council and its share services as well as externally with businesses and companies in Hampshire to raise awareness of fostering in previously untapped ways by supporting the implementation of Fostering Friendly policies and offering

companies an opportunity to achieve their corporate social responsibility vision. The workstream aims to ensure foster carers receive appropriate financial reward for the skills they bring to fostering Hampshire's children and once approved, foster carers will be supported by the new Hampshire Hives, a community of support coordinated by an employed foster carer, a Hive Carer Support Worker, and supported by a linked carer who will offer sleepovers and day care opportunities to the children in the Hive. Foster carers will also be supported by the new Psychological Service (see below) offering psychological consultations about individual children that help increase foster carers' ability to respond to children who have experienced trauma whilst also supporting their own emotional wellbeing.

- ii. **Residential Services.** A new Urgent Care Service is being developed in one of Hampshire's existing children's homes to support the needs of a small cohort of young people who have the highest vulnerabilities. This is a multi-disciplinary model offering the opportunity for intensive support for children over a 12-week period to contribute towards a period of stability and relationship building that enables longer term care settings to be identified and relationships to be made before the child moves. This support will reduce the costs of more expensive longer-term care, often with independent care providers, through settling a child sooner and reducing the negative impact that multiple moves can have for children, sometimes leading to them needing the care of a secure environment. The Extended Care Service will ensure that as the child moves from the Urgent Care Service, they move with someone who is familiar to them and can be there for them to help build new relationships in their new home. The Extended Care Service will also support children living in Hampshire's children's homes where they may be unsettled or when it is time for them to move on helping to increase the occupancy of Hampshire's children's homes.
- iii. **Psychological Service.** A new service to support foster carers, residential and district staff to provide trauma informed care, building on the Hampshire Approach. The service will support staff and foster carers to understand the impact of trauma on children, increase knowledge and understanding through consultations and training and provide focused interventions to help them support children in their care. This service is aimed to support the emotional wellbeing not only of our children but also of our foster carers and staff to promote resilience. This will ensure that more children can live with Hampshire foster carers and within Hampshire's children's homes reducing the need for more expensive independent fostering placements and residential homes.
- iv. **Training.** Train and support residential care home staff to improve staff retention, optimising utilisation of the Council's care home bed capacity, reducing the need to use more expensive private care homes.

- v. External Market. To review our approach to working with external providers of care and support to ensure cost effective commissioned arrangements are in place; providers are accountable for outcomes for children; those services are of good quality; and that a fair price is paid.

Services to Schools: £250k

- 39. The purpose of this workstream is to generate additional surplus from the collective enterprise of the sold services to schools by increasing market share from Hampshire schools and those beyond Hampshire borders. The sold services in scope comprise Hampshire Inspection and Advisory Service, Governor Services, Music Service, Stubbington Study Centre, Minstead Study Centre, and the Careers Advisory Service.

Children with Additional Needs: £100k

- 40. There are several inclusion services that are funded by the Local Authority. These services facilitate vulnerable children's access to education and support improved outcomes. They include the Virtual School, Hampshire and the Isle of Wight's Educational Psychology Service and the Inclusion Support Service. This project will review the functions of these services to consider which are essential statutory services and will remain funded by the Local Authority and which are services could be funded in alternative ways through the dedicated schools grant, including costs for the non-statutory work with schools (currently funded by the Local Authority) and consider funding them through other sources.

Skills and Participation: £50k

- 41. This workstream will remove one post and stop work promoting the skills agenda through the skills strategy and pass the work to the Local Enterprise Partnerships.

Premises Costs: £36k

- 42. This workstream will reduce facilities management costs by vacating the Cambridge Road office accommodation, also potentially producing a capital receipt of £600k to £800k.

Caretaking and Cleaning: £30k

- 43. Through more efficient budget planning and more efficient service delivery, this workstream will reduce caretaking and cleaning costs.

Home to School Transport: £2,500k

44. The purpose of this programme is to work differently with the home to school transport (HtST) operator supply chain. The programme will include a comprehensive review of the way in which other local authorities commission home to school transport including:
- i. The approach to dedicated contracted transport provision and optimisation of travel escorts provided directly by operators.
 - ii. Contracting one or multiple schools to a single transport operator.
 - iii. Enabling the transport operator market to better develop supply chains and become more proficient in organising transport routes. This could enable operators to design transport, working directly with children, families, and schools to make more efficient transport arrangements.
 - iv. A redesign of the Home to School Transport service achieving back-office efficiencies, such as reduction in the number of invoices being processed each month.

Workforce Development: £158k

45. This workstream will review the structure, scope and delivery mechanisms used within the Children's Services Workforce Development team to deliver savings through staffing changes, increased virtual delivery and optimising use of Council venues for training, reducing external venue hire costs.

Health and Partnerships: £50k

46. This workstream will investigate the potential for improved integration between the Continuing Care teams across Children's Services and the CCG, removing duplication of tasks, aligning governance, and improving the process for families.

Attribution of Placement Costs: £3,000k

47. There are children and young people who are currently living in residential homes, where the home also provides education. These education costs are included in the weekly fee and in most cases are funded by social care only. This workstream aims to ensure that the costs associated with the provision of education are funded by High Needs Block (education), and as a result seeks to secure an estimated £500,000 of funding from High Needs Block towards the cost of the educational element of these placements. This is an estimated figure as the work required will be on an individual child level, understanding the placement costs and the educational element of them.

48. Additionally, this project will review existing funding arrangements for young people who are joint funded by education and social care in an Independent Non-Maintained Special School or Specialist Post 16 Institution (colleges). The arrangements for agreeing funding splits between education and social care are locally determined and Hampshire's existing arrangements are wide ranging. The project will seek to establish a fair and transparent split to apply to all joint funded placements. It is anticipated that rebalancing the funding contributions from both education and social care in a consistent manner will result in a saving of up to £2.5m against the children and families revenue budget. Having these costs attributed consistently will enable the Department for Education to see the full costs of education provision.

Services for Young Children (SfYC): £105k

49. This workstream will make efficiencies in the service's approach to handling inbound contact (e.g., telephone, email, post, web) from service-users, providers, and partners, as well as its business processes, building on changes to delivery introduced through the pandemic, where new technology has enabled a more centralised service rather than geographic model. Changes planned include:

- i. Reviewing and improving the approach to contact management, including seeking opportunities to exploit technology.
- ii. Reducing administration resource through channel shift opportunities that increase the level of self service.
- iii. Streamline where possible, early years provider payments to reduce the number of payments made per term.
- iv. Ensure that the sold service function fully funds the administration resources needed.

Key challenges, risks, issues, and interdependencies or impacts on services provided by other departments.

50. Alongside key themes set out in paragraph 25, the transformational changes proposed for social care, and the proposed remodelling of other services such as HtST, are as in previous programmes, unavoidably challenging.

51. There are common themes and key risks involved with the Department's SP23 savings approach:

- If changes to the social care operating model, including Modernising Placements, are not fully adopted, and embedded within social work practice, then the expected impact in children and families will be reduced and placement savings will not be achieved. Similarly, the need to address new and emerging forms of abuse or neglect, or new policy areas tend to

create increases in demand. Recent examples of this are 'county lines' and unaccompanied asylum-seeking children.

- MPP, HtST and the Post 16/Care Leavers accommodation programmes have key market related dependencies. MPP because we are increasing marketing activities to compete for relatively scarce foster carers that might otherwise be lost to the independent sector, and the HtST because we anticipate influencing changes to the delivery approach of the transport supply chain. In respect of Post 16/Care Leavers, we are potentially seeking to enter a market and become both commissioner and service provider, where we are currently only a commissioner.
- If there is an insurmountable challenge to any of these proposals, savings would have to be found from other areas.
- If the required capacity and capability is insufficient to both transform and sustain the changes, then savings are unlikely to be achieved and service quality will suffer, potentially leading to increased expenditure.
- Given that only £67m (out of £92m) of the pay budget is controllable staffing budget and that skilled staff with the capacity to carry out transformation work with families is a pre-requisite to create the change in families that will ultimately release savings, then the paradox of having to make reductions in the staffing budget to reach the savings target remains as evident for SP23 as it did for T21.

52. Other enablers include:

- A range of IT support, including the replacement social care system that will go-live in the Summer of 2022. This system is expected to increase the amount of productive time available for social workers to spend with families. The system is also expected to enable a 'digital by default' approach to working practices.
- Inextricably linked to this programme is a department wide programme to improve the use of data and analytics in reporting and decision-making. The programme continues to introduce near-to-real-time performance dashboards that provide managers with a 'finger on the pulse' of their services.
- A continued good flow of appropriately qualified social work staff through the Graduate Entry Training Scheme (GETS) is assisting with the longer-term plan of reducing reliance on agency social workers. The recruitment of 270 Graduate Trainees to date, with more to come, is proving this is a well evidenced strategy. In addition, where we do employ agency social workers, ensuring these are sourced through Connect2Hampshire enable us to get the right people doing the right level of work, at lower cost.

Summary Financial Implications

53. The savings target that was set for Children's Services was £21.349m and the detailed savings proposals that are being put forward to meet this target are contained in Appendix 1.
54. Significant funding for growth in Children Looked After (CLA) numbers and costs (and in turn the knock-on impact for care leavers), has been provided in recent years. As previously reported, the projections of the growth in the costs of CLA used to estimate the support required are based on a wide range of assumptions and predictions and given the volatile nature of these areas, it is necessary to continually monitor activity and spend.
55. The CLA forecast and required funding is currently under review, along with funding for the staffing model. The Medium-Term Financial Strategy (MTFS) will be presented to Cabinet in October and will include detail of the work completed and seek approval for any additional corporate funding.
56. The department faces the challenge that alongside delivering this SP23 target, the earlier transformation programmes are scheduled to continue to deliver in parallel. In addition, one of the SP23 workstreams, Modernising Placements Programme (MPP) is anticipated to run beyond April 2023 as reflected within the business case supporting the programme. Corporate support has been agreed to aid delivery of workstream.
57. Both the Department's cost of change and early delivery of elements of SP23 will be utilised to support the department through this programme.

Workforce Implications

58. Appendix 1 also provides information on the estimated number of staff impacted (reductions in staffing) because of implementing the proposals.
59. Of the 37.6 Full Time Equivalent (FTE) posts that may be affected, it is anticipated that savings in 17 posts will be achieved through natural turnover/redeployment within the relevant services. This would leave a balance of 20.6 that may therefore need to be managed between now and the implementation date.
60. The County Council's approach to managing down staff levels in a planned and sensitive way using managed recruitment, redeployment of staff where possible and voluntary redundancy where appropriate will be continued.

Climate Implications

61. 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.
62. 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

63. 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 September 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.
64. 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 considering all the options that are available to balance the budget by 2023/24.
65. 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 widely promoted to stakeholders through a range of online and offline channels including: the County Council's website; local media and social media channels; the County Council's residents' e-newsletter *Your Hampshire*; direct mail contact to a wide range of groups and organisations across Hampshire; posters and adverts in County Council libraries, Country Parks, at Hillier Gardens and Calshot Activity Centre; in residential and day care settings, on electronic noticeboards in GP surgeries and healthcare settings. 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.

66. 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%.

67. 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.
- Changing local government arrangements in Hampshire.

68. 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 considered 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.

69. 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.

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

71. 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 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 nation 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 several 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 (HiST).
 - 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 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

72. 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, several 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 around **devolution of financial powers** in response to the Government's County Deal and levelling up agenda.

73. The proposals set out in Appendix 1 have, wherever possible, been developed in line with these principles. Some examples include:

- Services to schools – opportunities to expand business activity and to make modest changes to pricing structures to create a surplus.

- Services for Young Children – targeting resources to drive efficiencies and ensuring costs for traded services are fully recovered.
- MPP – careful targeting of resources to maximise efficiency, increase cost avoidance and deliver better outcomes to vulnerable children.

74. 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.

75. 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 disadvantages, where mitigating action(s) may be needed.

76. Together the *Balancing the Budget* consultation and Equality Impact Assessments have helped to shape the final proposals presented for approval in this report.

77. The following proposals will require phase 2 consultations

Short Breaks – Overnight respite:

- A public consultation is planned and would open in January 2022 for a period of at least 12 weeks. During this period, the Council will engage service users, stakeholders, partner organisations and members of the public to provide input to shape how these types of services could be delivered more effectively, whilst reducing cost.
- The consultation will outline the range of options that are under consideration. These will include not reopening Firvale, opportunities for modernising service delivery, increased use of alternative provision/providers, greater innovation and for the short breaks/respite offer to become more outcome focussed.

Commissioning and funding of Short Break Activities:

- If HAF funding does not continue, a public consultation may be required to seek views on how best to reshape the short breaks offer, maximising opportunities for innovative forms of service delivery, meeting parental priorities and to realise a £200,000 saving.

Home to School Transport

- The SP23 HtST programme is exploring how best a reduction in unit costs can be achieved. Discussion with major stakeholders (schools, families, other services within the Local Authority, and transport operators) will be

required and ongoing as new initiatives are developed and then implemented. It is possible that impacts for service users, for example extensively changing how children join the transport route from a 'home pick' up to collection points will require fuller and formal public consultation.

- As proposed changes are developed, the requirement to consult will be confirmed and as needed consultations will be carried out to align with the associated decision-making processes.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

| | |
|---|--------|
| Hampshire maintains strong and sustainable economic growth and prosperity: | Yes/No |
| People in Hampshire live safe, healthy, and independent lives: | Yes/No |
| People in Hampshire enjoy a rich and diverse environment: | Yes/No |
| People in Hampshire enjoy being part of strong, inclusive communities: | Yes/No |

Other Significant Links

| | |
|--|--|
| Links to previous Member decisions: | |
| <u>Title</u> Medium Term Financial Strategy Update https://democracy.hants.gov.uk/documents/s53375/MTFS%20-%20Cabinet%20FINAL.pdf | <u>Date</u> Cabinet - 14 July 2020 County Council – 16 July 2020 |
| 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 | |

EQUALITIES IMPACT ASSESSMENT:

78. 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 regarding 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 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.

79. 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).

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|--|--|------------------|------------------|-----------------------|--------------------------------|
| CS01 | Central Government Funding (Expected) Government Grant 2023/24 | N/A | 0 | 6,107 | 6,107 | 0 |
| CS02 | Additional Corporate Funding Grant 2021/22 | N/A | 0 | 5,000 | 5,000 | 0 |
| CS03 | Care Leavers/Post 16 <ul style="list-style-type: none"> Review and improve internal processes to ensure that post 16 placements for young people are appropriate and suitable, and that young people move into placements designed to enhance their independence as soon as they are ready to do so. Expand supported and semi-independent accommodation in the county (in partnership with the voluntary and independent sector) to provide more placements for post 16 young people, which are close to home. | <p>Service Users: More appropriate and right sized local placements would be identified for post 16 CIC and CL's. Some post 16 CIC may have to leave long term high-cost placements.</p> <p>Staff: No significant impact on staff</p> <p>Politicians: This would be a positive development to provide more local and suitable placements for this cohort</p> <p>Partner: Provides an opportunity for a partner to expand and/or develop their provision in the county.</p> | 0 | 75 | 75 | 0 |
| CS04 | Wessex Dance Academy Proposal is to seek alternative funding sources for Wessex Dance (incl. High Needs Block) and make efficiencies to current service model (Income and efficiency) | No impact expected across any of the stakeholder groups | 0 | 40 | 40 | 0 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|--|---|------------------|------------------|-----------------------|--------------------------------|
| CS05 | <p>Participation</p> <p>Participation function is now well embedded in districts and across the service. Proposal is for this to continue with districts developing, co-ordinating and promoting this work without a specific central function.</p> | Staff: One post at risk of redundancy | 46 | 46 | 46 | 1 |
| CS06 | <p>New Ways of Working</p> <p>Aggregated cross branch savings from new ways of working post-Covid/lockdown including buildings, travel, car parking and other related costs.</p> | <p>Service Users: No impact</p> <p>Staff: Minimal impact</p> <p>Politicians: No impact</p> <p>Partner: Minimal impact</p> | 0 | 224 | 224 | 0 |
| CS07 | <p>Youth Offending Team</p> <p>Reduce staffing levels in the YOT by not replacing vacant posts as caseloads continue to reduce.</p> | If the impact of youth crime prevention continues to be successful, then the numbers of young people in core youth offending business should be absorbed by the reduced staffing. | 0 | 178 | 178 | 5 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|--|---|------------------|------------------|-----------------------|--------------------------------|
| CS08 | <p>Short Breaks – Overnight Respite</p> <p>Close Firvale respite home for disabled children and provide alternative sources of support to families.</p> | <p>Service Users may receive alternative and different forms of respite care, but would still receive a service.</p> <p>Changes to provision and the location of provision may result in stakeholders communicating and seeking support from councillors.</p> <p>The Firvale building belongs to the NHS and so there will be an impact on HHFT as a partner in the event that HCC no longer utilises the building.</p> | 100 | 450 | 450 | 20.6 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|--|---|------------------|------------------|-----------------------|--------------------------------|
| CS09 | <p>Short Breaks Activities</p> <p>Use Holiday Activity and Food funding to fund relevant schemes currently commissioned via short breaks. Reshape the short breaks offer, identifying opportunities for innovative service delivery and targeted parental priorities.</p> | <p>Service Users: Minimal given the potential for continued HAF funding and evidence that suggests costs for activities are lower than anticipated in the latest commissioning round.</p> <p>Politicians: Short break activities have been subject to budget reductions in the recent past and some stakeholders and providers may seek support in relation to any proposed changes.</p> <p>Partners: Providers will need to collate data on those attending are eligible for free school meals. If HAF funding does not continue, there will be less funding available to deliver activities in the same way as they do today.</p> | 0 | 200 | 200 | 0 |
| CS10 | <p>Sold Services: Out of Hours (OOH)</p> <p>Selling OOHs services to other LAs.</p> <p>HCC currently provides OOH for IOW, Southampton, and Portsmouth. There is interest from OLAs, including Berks.</p> | <p>Partners: Opportunity for regional LAs to pool resources and share in Hampshire expertise.</p> <p>Streamlines interactions for allied professions - Police, Education, Health and brings a coherence to 'thresholds' for access to services that crosses several LAs</p> | 0 | 50 | 50 | 0 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|---|--|------------------|------------------|-----------------------|--------------------------------|
| CS11 | <p>Modernising Placements Programme</p> <p>The focus of MPP is to ensure that when children and young people come into care they are placed with the most appropriate placement and support that will meet their needs, an environment which will give them the best possible start in life, and the support that they need as they move into adult life.</p> <p>MPP aims to increase the number of foster carers who work directly with the Council, rather than through other, more expensive, care providers. This includes the introduction of a new Hive foster care support network.</p> <p>New residential services (Urgent Care & Extended Care) will offer initial and ongoing support to children to find their best long-term place to live.</p> <p>The new Psychological Service will support foster carers and Residential and District staff to provide trauma informed care building on the Hampshire Approach enabling them to care for a broader number of children.</p> <p>MPP will train and support residential care home staff to improve staff retention, keeping Council, Care Home beds available, reducing the need to use more expensive private care homes.</p> <p>Work with other providers of care, outside of the County Council to ensure a fair price is paid.</p> | <p>A positive impact on children and young people in care, both in the quality of the care provided through support and training, but also due to finding the best care available first-time reducing changes in carers and their homes and increasing children's sense of belonging.</p> <p>A positive impact on Foster Carers and staff, who will receive more training and support improving their experience of looking after children and young people.</p> <p>This change will be politically positive, improving the lives of children and young people in care at a lower cost.</p> <p>Staff will feel higher levels of job satisfaction through increased knowledge and skills meaning they can positively meet children's needs whilst feeling more resilient and supported in their roles.</p> <p>Partners more directly involved bringing their skills and expertise to Children's Services staff where shared development and learning can benefit children more widely.</p> <p>A tension with the external market as placements as our need for placements</p> | 0 | 2,700 | 4,014 | 0 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|---|---|------------------|------------------|-----------------------|--------------------------------|
| | | <p>will still exceed what we can provided in-house. This will need to be managed through ongoing close working relationships.</p> <p>The full year impact is more than the targeted saving and will be realised beyond 2023/24.</p> | | | | |
| CS12 | <p>Services to Schools</p> <p>To generate additional surplus from the collective enterprise of the sold services to schools by increasing market share from Hampshire schools and those beyond Hampshire borders including consideration of pricing policy, operational efficiencies, reducing overheads and creating greater synergies between teams.</p> | <p>Potentially an opportunity to strengthen the services to Hampshire schools by becoming more customer focused.</p> | 0 | 250 | 250 | 0 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|---|--|------------------|------------------|-----------------------|--------------------------------|
| CS13 | <p>Children with Additional Needs</p> <p>There are several inclusion services that are currently funded by the Local Authority. These services facilitate vulnerable children's access to education and support improved outcomes. They include the Virtual School, Hampshire and the Isle of Wight's Educational Psychology Service and the Inclusion Support Service. This project will review the functions of those services to consider which are essential statutory services and will remain funded by the Local Authority and which are services could be funded in alternative ways through the dedicated schools grant. The proposal is to review costs for the non-statutory work with schools (currently funded by the Local Authority) and consider funding them through other sources.</p> | <p>The DSG and particularly the high needs block has some existing pressures so this proposal will require careful structuring of aggregated school budgets in order to meet funding requirements.</p> | 100 | 100 | 100 | 0 |
| CS14 | <p>Skills and Participation</p> <p>Cease the County Council's work on promoting the skills agenda through the creation of a skills strategy, and leave that work to the Local Enterprise Partnerships</p> | <p>A role will be at risk of being redundant</p> <p>The County Council will not have an overarching skills strategy or capacity to lead the debate in this area.</p> | 0 | 50 | 50 | 1 |
| CS15 | <p>Strategic Development: Premises Costs</p> <p>Reduce facilities management costs by vacating the Cambridge Road office accommodation, also potentially producing a capital receipt of £600k to £800k.</p> | <p>Planned in conjunction with the Corporate Accommodation Board.</p> | 36 | 36 | 36 | 0 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|---|--|------------------|------------------|-----------------------|--------------------------------|
| CS16 | <p>Strategic Development: Caretaking and Cleaning</p> <p>Through more efficient budget planning and more efficient service delivery, this workstream will reduce caretaking and cleaning costs</p> | No impact expected across any of the stakeholder groups | 0 | 30 | 30 | 1 |
| CS17 | <p>Home to School Transport</p> <p>To transform the school transport provider supply chain and the service's back-office function, including:</p> <ul style="list-style-type: none"> • The approach to dedicated contracted transport provision and optimisation of travel escorts provided directly by operators. • Contracting one or multiple schools to a single operator • Enabling the transport operator market to better develop supply chains and become more proficient in organising transport routes. This could enable operators to design transport, working directly with children, families, and schools to make more efficient transport arrangements. • A redesign of the Home to School Transport service achieving back-office efficiencies, such as reduction in the number of invoices being processed each month. | <p>There may be changes for service users in the way they transport arrangements are communicated, managed, and delivered. Journey times, key contacts, and the mix of children in a vehicle could change. Schools could work directly with one transport operator and that transport operator may work across several schools in a similar location seeking to make more efficient transport arrangements</p> <p>The responsibilities of the transport operators commissioned by HCC may change, and new responsibilities could potentially be incorporated into contracts. Currently travel escorts are almost all employed directly by HCC and assigned to a route. The escort workforce could see the proportion of escorts in the service, employed directly by HCC, reduce and more employment opportunity with operators.</p> | 0 | 2,300 | 2,500 | 2 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|---|---|------------------|------------------|-----------------------|--------------------------------|
| CS18 | <p>Workforce Development</p> <p>Restructure Workforce Development team, reduce external commissioning bringing more delivery in-house and changing course provision. Reduce external venue hire costs.</p> | <p>Some courses may be delivered to achieve learning outcomes but without external accreditation.</p> <p>Less choice in training venues and more online delivery.</p> | 38 | 158 | 158 | 3 |
| CS19 | <p>Health and Partnerships</p> <p>Integrating Continuing Care teams across Hampshire CSD and the CCG would provide opportunities to reduce the total FTE required from the removal of duplication and the other benefits relating to a single governance process from being a single integrated team.</p> <p>The process for establishing eligibility for Continuing Care, managing care packages, and administrating the process overall is currently managed by two separate teams in the CCG and Children's Services which inevitably leads to come duplication of tasks and staff time to ensure we are working jointly.</p> | <p>Potential for one multi-agency team managing the commissioning and quality monitoring of care packages for children eligible for continuing care which could result in an improved experience for families.</p> <p>Requires effective joint working between HCC and the NHS to integrate processes and governance.</p> | 0 | 50 | 50 | 1 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|------|--|---|------------------|------------------|-----------------------|--------------------------------|
| CS20 | <p>Attribution of Placements Costs</p> <p>The proposal will ensure that all relevant and appropriate costs are reviewed and charged to the high needs block and as a result seeks to reduce expenditure against the HCC revenue budget.</p> <p>The allocation of cost to each budget is locally determined. The proposal is to see a greater use of the of High Needs Block to fund joint placements - both Independent Non-Maintained Special Schools (incl. SPI) and residential placements where education is provided on site.</p> <p>The social care contribution to current SEN INMSS or SPI placements is £5m for 20-21 academic year (adults and children social care). There are other education related costs potentially being charged to Children's social care through education provision associated with NCP placements.</p> | <p>The proposal will not impact service users as placements will continue to be funded and young people can continue to attend the provisions.</p> <p>There would be no impact to the provider market as the current situation will remain whereby, they invoice SEN, and the split of the cost is agreed internally. The deficit on the high needs block may increase.</p> | 2,211 | 3,000 | 3,000 | 0 |

Appendix 1: Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

| Ref. | Service Area and Description of Proposal | Impact of Proposal | 2022/23 £'000 | 2023/24 £'000 | FY Impact £'000 | Est. Staff Impact FTE |
|---------------------|---|---|------------------|------------------|-----------------------|--------------------------------|
| CS21 | <p>Services for Young Children</p> <p>Deliver efficiencies in the services approach to contact management as well as its business processes, building on changes to delivery introduced through the pandemic, where new technology has enabled a more centralised service rather than geographic model. Changes planned include:</p> <ul style="list-style-type: none"> • Exploit contact management technology such as C4C. • Reducing administration resource through channel shift opportunities that increase the level of self service. • Streamline where possible, early years provider payments to reduce the number of payments made per term. • Ensure that the sold service function fully funds the administration resources needed. | <p>Staffing reductions will be achieved through the deletion of vacant posts.</p> <p>The way in which the service communicated with parents and service providers may change, with increased self-service and use of technology.</p> <p>Providers may see change to the way in which the data for EYE funding claims is collected and the timing and duration of payments, which has the potential to affect cashflow for providers however, any changes will remain compliant with statutory guidance.</p> | 105 | 105 | 105 | 3 |
| Total 21,349 | | | 2,636 | 21,149 | 22,663 | 37.6 |

Appendix 2 EIAs