

HASC: Adults' Health and Care Savings Programme to 2023 (SP2023) Revenue Saving Proposals

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Funding Recap (SR2020)

- One year spending review (SR) period to April 2022 as a result of economic and fiscal uncertainty due to Covid.
- Continuation of existing £38.5m social care grants but limited additional funding provided (£1.2m for Hampshire).
- Announcements dominated by one-off Covid-19 financial support package, however additional local funding of £69m required to meet unfunded pressures and delayed savings.
- Adult Social Care precept not confirmed beyond 2021/22 resulting in potential funding gap of up to £29m by 2023/24.
- Record levels of government borrowing due to the pandemic, necessitating a further period of fiscal restraint.

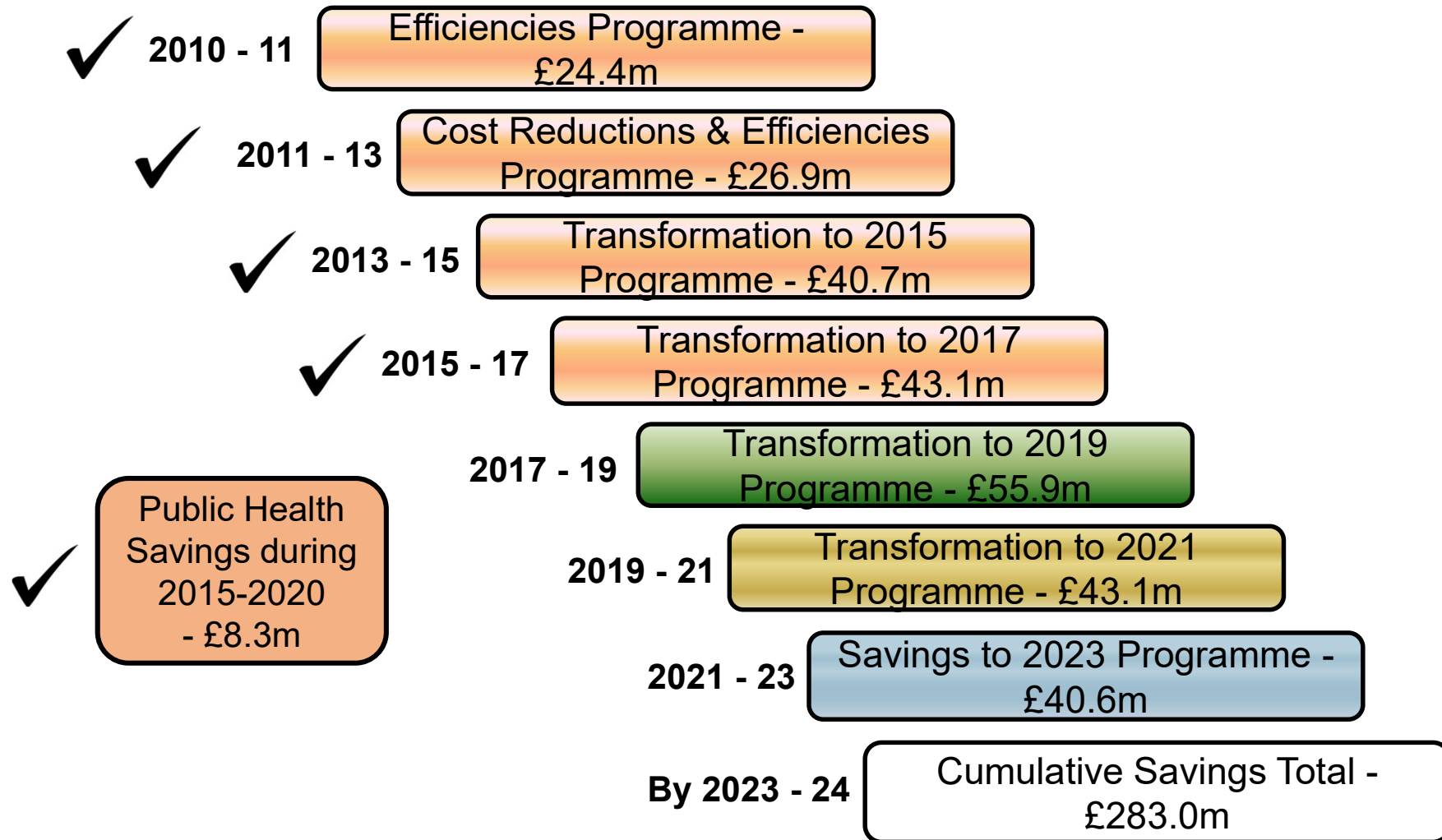
County Council Context

- £560m removed from budgets over eleven years.
- £80m forecast budget gap for the two years to 2023/24.
- £45m of Tt2019 and Tt2021 savings still to deliver across 2021/22 and 2022/23, including delays of £25m due to the impacts of Covid-19.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation (7 June – 18 July).
- Medium Term Financial Strategy update to Cabinet in October and County Council in November 2021.

Departmental Context

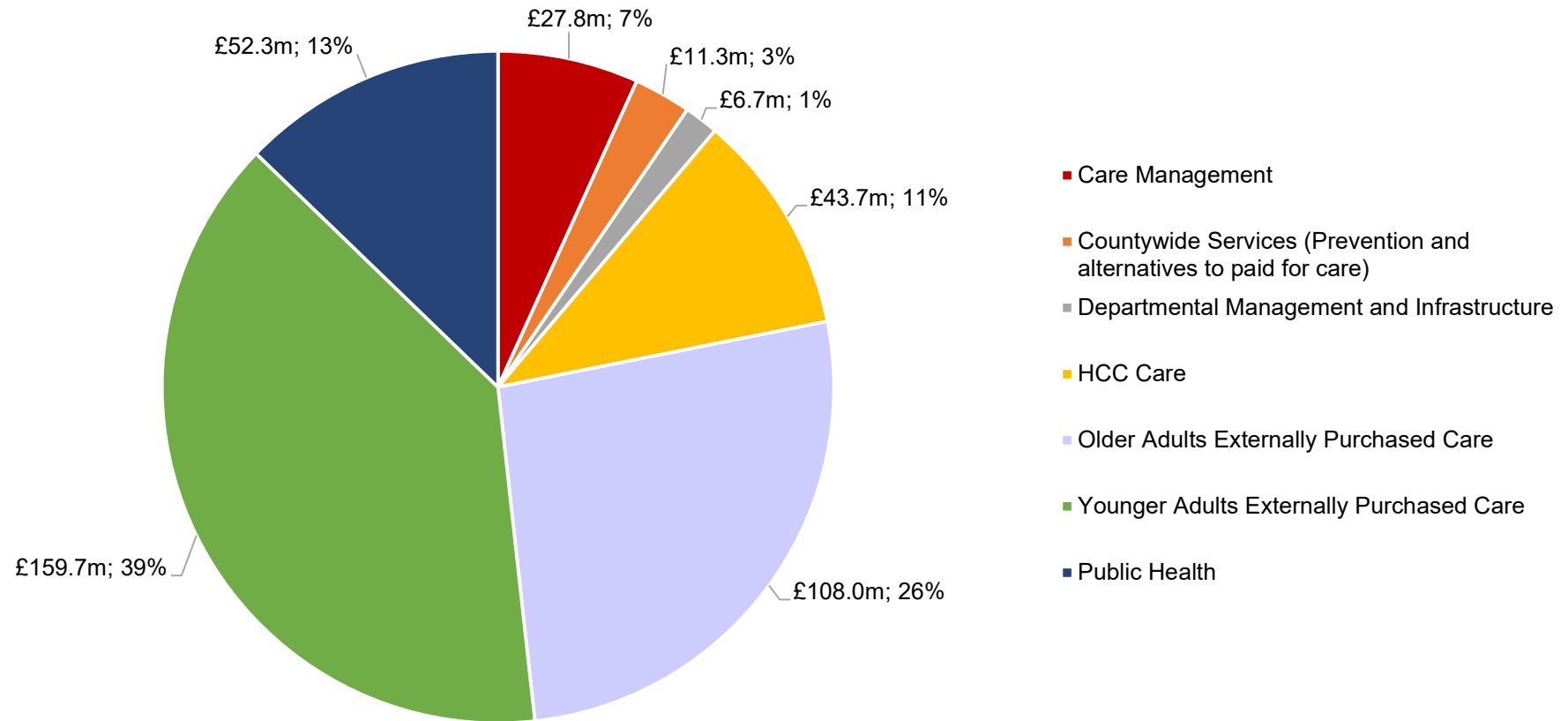
- Potential greater than previously forecast demography and complexity and inflationary demand pressures projected forward.
- Programmed to deliver remaining Tt2019 and Tt2021 (most challenging) savings of over £29m concurrently with the start of SP2023.
- Pressures across the entire Health and Social Care system that sits alongside individual organisational challenges – these pressures can be summarised as;
 - **Quality / safety**
 - **Workforce**
 - **Financial challenge arising from:**
 - **Increasing Demand**
 - **Market / Price Pressures**
- The planned savings in Public Health for both Tt2021 and the initial targets for SP2023 are no longer fully available to pursue.

Departmental Transformation Journey



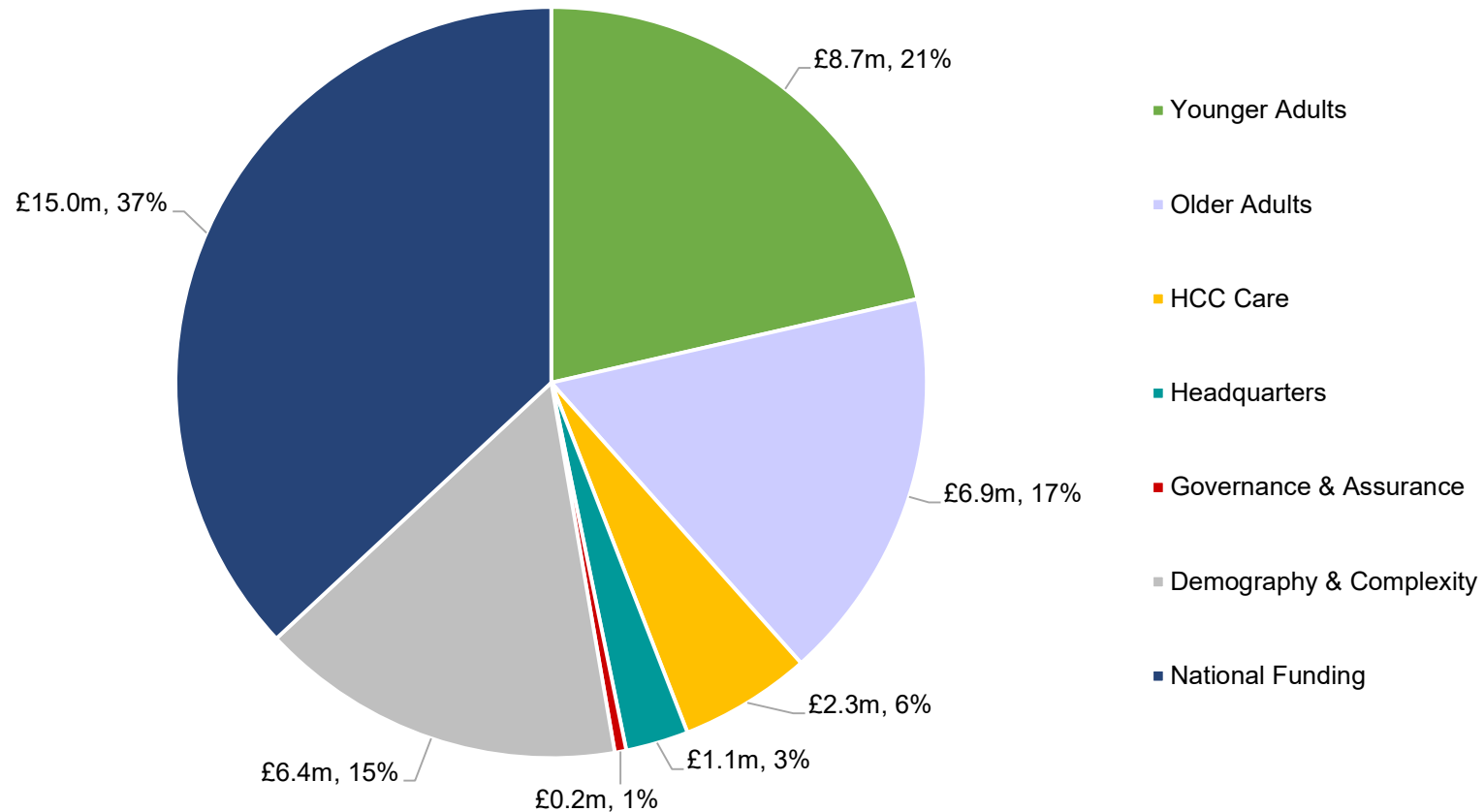
Adults' Health and Care Budget

Net Budget 2021/22 of £409.5m by Service Activity



Adults' Health and Care SP2023 Reductions

SP2023 Target of £40.6m by Workstream



SP2023 Approach

- **Principles, through continued application of the ‘straight-line’ approach:**
 - **Prevention:** Strengthen the prevention strategy to reduce and/or contain demand. Includes: improved working with Carers and VCS, improved information and advice (CtSH) and greater and wider use of Technology
 - **Independence:** Increase the number of clients living independently and reduce the cost of care
 - **Productivity:** Improve efficiency and productivity of the department’s operations
 - **External spend:** Increase outcomes and service efficiency from commissioned services
 - **Income generation:** Increase departmental income through traded services including technology enabled care
- **We will look to build on past performance that has resulted in positive service transformation and innovation**

SP2023 Approach

- **Initially proposed Public Health savings for SP2023 are no longer available to pursue**
 - The ring fenced Public Health grant remains intact and no indication it will be removed in the near future – a risk previously highlighted.
 - To deliver savings whilst the ring fence remains intact would mean prioritising existing Council services that also deliver Public Health outcomes.
 - The County Council view, and endorsed by Public Health England, is that currently there are insufficient alternative Council services with adequate Public Health outcomes to facilitate the delivery of just over half of the identified savings for Tt2021 and any savings for SP2023.
 - Alternatively the equivalent savings will be delivered through a recurring reduction in the growth funding for Adult Social Care, that is achievable due to the fall in client numbers observed at the outset of the Covid-19 Pandemic.
 - This is a potentially high risk option given that it is difficult to predict with any certainty the future growth in care packages between now and April 2023.

Adults' Health and Care SP2023 Savings

Adults' Health and Care SP2023 Programme

	£m	£m	£m
Adult Social Care			40.6
Younger Adults Services		8.7	
Younger Adults Accommodation	3.0		
Review & Reassess	4.6		
Least Restrictive Practice	0.7		
Volunteering	0.4		
Older Adults Services		6.9	
Care at Home	1.5		
Alternatives to/lower cost of Residential and Nursing Care	5.4		
In-House Care Provision - Discharge to Assess		2.3	
Headquarters		1.1	
Demand Management & Prevention	0.4		
Learning & Development	0.1		
Technology Enabled Care	0.2		
Transformation	0.1		
Social Inclusion	0.3		
Governance & Assurance Operating Model		0.2	
Demography & Complexity		6.4	
National Funding		15.0	
Total			40.6

Adults' Health & Care – Key Proposals

Demography and Complexity & National Funding (£21.4m) includes:

- National funding (**£15.0m**) - the biggest targeted saving is in anticipation that additional recurring funding will be available by 2023/24. 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 Transformation to 2021.
- Demography and Complexity (**£6.4m**) - a saving is anticipated from further reducing planned for and funded demand (Demography & Complexity) during 2021/22 and 2022/23. This demand will be avoided through maximising improvements in prevention and demand management practises. In addition further savings are available, that manifested during the start of the Covid-19 pandemic in 2020/21, through reductions in baseline care volumes caused by excess deaths.

Adults' Health & Care – Key Proposals

Younger Adults (£8.7m) includes:

- Younger Adults Accommodation (**£3.0m**) – continuing successful Extra Care programmes that support people to move on from higher cost, less personal residential care settings into more modern, flexible ways of living.*
- Review & Reassess (**£4.6m**) – continued application of strengths-based practice, greater use of care technology, earlier intervention and joint working with Children's service's complex clients who will transition to adulthood.
- Least Restrictive Practice (**£0.7m**) – extension of current work with providers supporting individuals presenting with challenging behaviour, leading to reduced support costs.
- Volunteering (**£0.4m**) – reduced support costs through extension of the current volunteering model whereby some elements of a personal support plan are met by volunteers.

** This will require £15m capital investment funded through prudential borrowing, with repayments accounted for within the proposed saving.*

Adults' Health & Care – Key Proposals

Older Adults (£6.9m) includes:

- Care at Home (**£1.5m**) – further embedding strengths-based practice to reduce demand and ensure individuals' need are met by other means where appropriate, including timely review and right-sizing of care packages following hospital admission to maximise independence, greater use of care technology, and proactive enhanced support to amplify opportunities to identify and mitigate causes of crisis events before they occur.
- Alternatives to/lower cost of Residential and Nursing Care (**£5.4m**) – maximising Discharge to Assess arrangements from hospital stay as part of a Home First approach, increasing the availability of step up options from the community, greater use of In-House (HCC Care) settings, a revitalised day services offer to provide carer respite and reduce need for paid for care, and working with the provider market as part of a refreshed Residential and Nursing strategy.

Adults' Health & Care – Key Proposals

Other (3.6m):

- In-House Services (**£2.3m**) - implementation of the Discharge to Assess model within HCC Care, with planned income generated through delivery of 80 beds on behalf of the CCG.
- Headquarters (**£1.1m**) – a range of efficiency and income generation proposals including a review of all local and county-wide grants directly funded by Adult Social Care to voluntary, community and partner organisations, a reduction in funding for commissioned non-statutory Social Inclusion 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, extension of Learning and Development sold services, and a reduction in training venue and IT costs.
- Governance & Assurance (**£0.2m**) – operating model efficiencies, the detail of which will be finalised following the completion of a review and restructure of the function.

Risks to Highlight (1)

- 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
- System-wide challenges, exacerbated by Covid-19, are ever-present including integration, Continuing Health Care and dependency on Government/NHS funding for Discharge – continued close working with our partners is crucial
- Managing service demand, whilst appropriately meeting eligible needs (against the backdrop of a reducing budget) is becoming increasingly challenging
- Overall increase in the complexity of clients (proportionately more Dementia needs for example), higher cost packages and market pressures (in part caused by Covid-19)
- 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

Risks to Highlight (2)

- 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
- Adult social care case law turns upon circumstances in individual cases and as such some areas of risk are by their nature less predictable – oversight of practice and working with people and their representatives and co-producing are vital
- Changes in the Department's service offer may reduce (or may be perceived to reduce) – managing the message and maintaining outcomes is key
- Recruitment and retention of staff within the care sector is becoming increasingly challenging, compounded by Covid-19 and the opening up of the hospitality sector – workforce resilience and the Department's capacity to maintain and improve service quality remain at significant risk

Risks to Highlight (3)

- Recent announcements and the timing thereof regarding the longer term funding for Adult Social Care presents two significant risks to the Department:
 - The required changes will be complex and resource intensive to implement and will fall over the same time period as delivering the SP2023 savings
 - Currently there is no indication of the potential funding for the County Council or the local impact of the changes, it follows that the additional funding and the additional cost may not be perfectly aligned

Equality Impacts to Highlight (1)

- **Younger Adults:**

- Impact: Fewer service users will be supported in residential care in favour of more flexible supported living; respite and day services may change/reduce with alternative provision identified for the most vulnerable; changes/reductions are likely to impact on largely the same individuals as in previous years
- Mitigation: Packages of care will continue to be personalised to the needs of the individual; Direct Payments will be promoted to maximise service user choice; investment will continue into enablement services and supported employment services

- **Older Adults:**

- Impact: Some older people may receive less formal domiciliary, residential and nursing care with greater expectations on families and communities – this may increase safety/wellbeing risk
- Mitigation: Working with partners, a range of approaches will be taken to seek to increase or maintain people's independence and support them to remain at/return to home, for example through alternative community provision

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

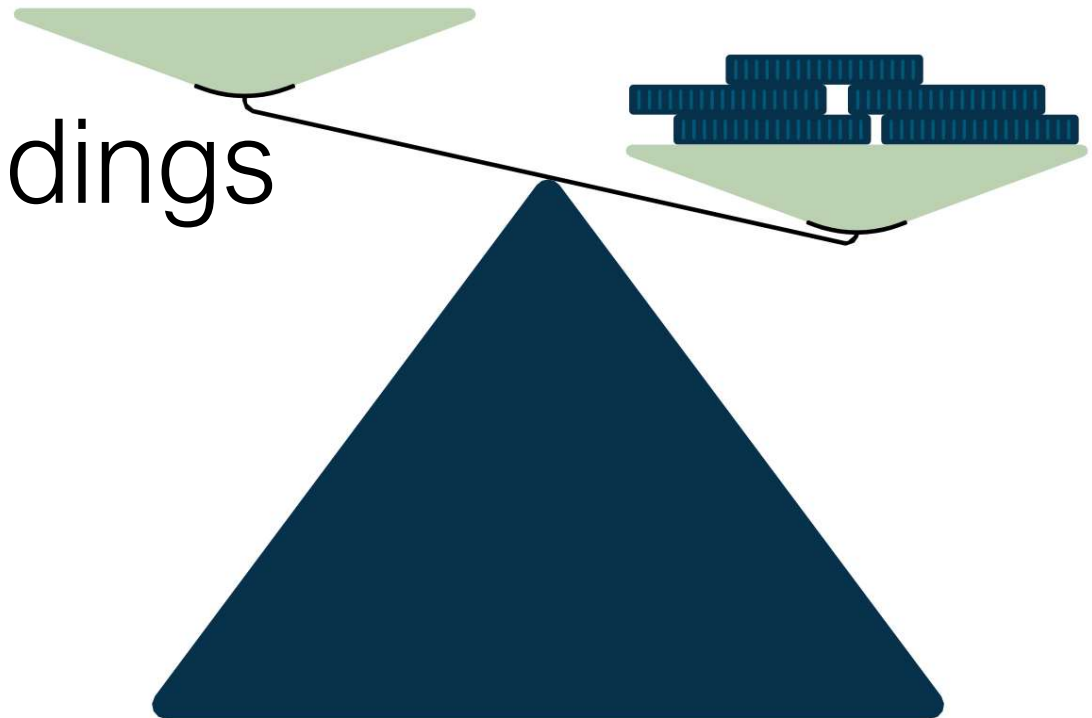
- Impact: On completion of assessment, individuals will need to move between settings if they require longer-term residential and care support, impacting upon predominantly older people who may be physically frail and/or have complex needs
- Mitigation: Care will continue to be provided to the same overall levels. Any moves will be carefully managed and follow best practice to minimise impact

Equality Impacts to Highlight (2)

- **Demand Management & Prevention (Headquarters):**
 - Impact: A significant portion of projects currently grant-funded by Adult Social Care provide support for individuals with protected characteristics
 - Mitigation: Insight and support will continue to be provided to the Voluntary Community and Social Enterprise sector and partners to target individuals most at risk of needing social care; organisations will continue to be able to apply for funding through the County Councillor Grant scheme
- **Social Inclusion (Headquarters):**
 - Impact: Fewer people will be able to access the specialist accommodation based and community support services funded by Adult Social Care
 - Mitigation: Adult Social Care funded services will continue to be available for those with eligible support needs as a result of mental health and/or substance misuse or other complex needs; extensive engagement with partners including District and Borough councils to review the future provision of these services
- **Technology Enabled Care (Headquarters):**
 - Impact: If additional funding is not available, the service for new (not existing) clients would need to be reduced impacting mainly older people who may have complex needs such as Dementia
 - Mitigation: Joint funding for these services are being explored with the NHS alongside a fall prevention initiative – should this be successful, negative impacts will be mitigated

Serving Hampshire – **Balancing the Budget 2021 Consultation**

Headline Findings



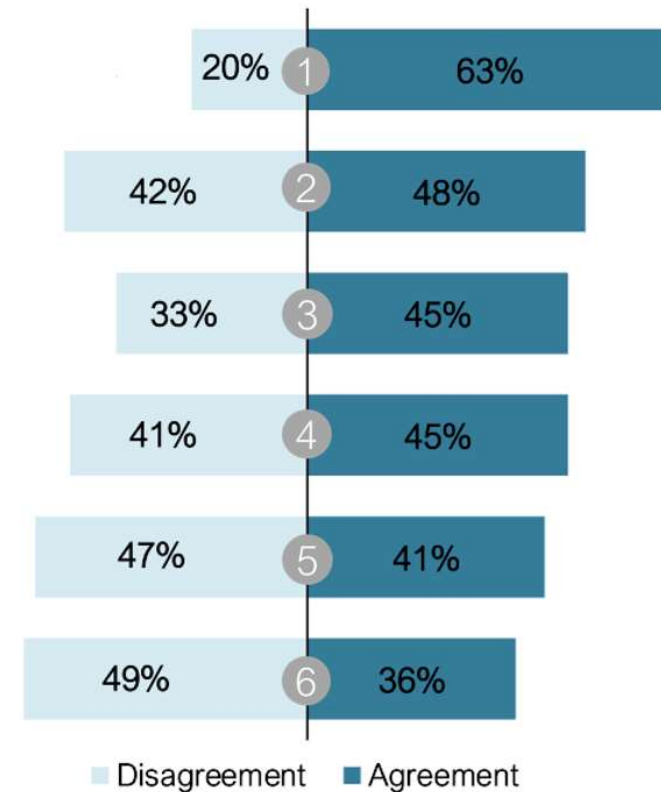
Consultation context

- The 2021 *Serving Hampshire - Balancing the Budget* consultation was designed to give all Hampshire residents and stakeholders the opportunity to have their say about ways to balance the County Council's budget.
- The consultation ran from **07 June to 18 July 2021** and was widely promoted through a range of online and offline channels.
- Information Packs and Response Forms were made available both digitally and in hard copy in standard and Easy Read formats, with other formats available on request. Unstructured responses could be submitted via email, letter or as comments on social media.
- The **consultation received 2,027 responses** – 1,931 via the consultation Response Forms and 96 as unstructured responses via email/ letter (44) or social media (52).
- Of the responses submitted via the consultation Response Forms, **1,878** were from individuals and **21** from democratically elected representatives. Including the unstructured responses **41** groups, organisations or businesses responded.

Level of agreement with proposed options

1. Six out of ten respondents (63%) felt that consideration should be given to changing local government arrangements in Hampshire
2. Almost half of respondents (48%) thought that the Council should **not** use reserves to plug the budget gap
3. 45% of respondents agreed that the Council should continue with its current financial strategy
4. This was also the number who agreed with the principle of increasing existing charges for services
5. Four in ten respondents (41%) agreed with the principle of introducing new charges for some services that are currently free, however a higher proportion (47%) felt that new charges should not be applied
6. Just over one in three respondents (36%) agreed with the principle of reducing or changing services, however almost half of respondents (49%) disagreed with this approach

Agreement or disagreement as to whether the County Council should. . . (Base: 1772-1917)



Service Specific SP2023 Consultations

- We are planning to consult on detailed options with regards to the following service areas:
 - 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

SP2023 Key Messages

- Overall the complexities of Savings Programme to 2023 will be delivered through three approaches:
 - Continue with and build upon the transformation created through Tt2019 and Tt2021
 - Protect key services through application of NHS/Government funding in order to achieve new and improved ways of working together across social care and health
 - Undertake new transformational saving and income generation opportunities

...this will mean:

- Greater application of the strengths-based approach – maximising independence, in turn limiting the cost of paid for care
- Developing new and improved ways of working between social care and health, as well as other partners / stakeholders
- Positive staff engagement, development and support
- Maximising opportunities to trade services
- Further investment in and use of technology and Technology Enabled Care
- Closer working with Carers and the Voluntary and Community Sector
- Capital investment to enable new service models (includes in-house configuration and Supportive Living/Extra Care
- Co-production with service user groups / others
- Resetting of public expectations about what we can do and about how people's needs will be met

Thank you

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