

Cambridgeshire County Council

Business Plan for 2016-17 and the budget decisions, February 2016

Background

In common with all County Councils, Cambridgeshire is facing major problems in providing the services people have come to expect. This arises from a combination of factors:

1. Increasing demand i.e. an increasing proportion of the population in the age bands for which CCC provides the most expensive services (the young, vulnerable, elderly).
2. Increasing costs: although nationally inflation is not high, the costs involved in CCC services are suffering from inflation e.g. the introduction of the National Living Wage
3. Central government has cut back the Revenue Support Grant (funding from general taxation allocated to councils). It has done this every year since 2010 and intends to do so for the remaining four years of this parliament (estimated overall reduction over the decade: 79%).
4. Central government sets a cap on council tax increase of 2% and any council proposing to exceed that must hold a referendum (which is in itself a cost).

In his Autumn Statement on November 25th, 2015, the Chancellor acknowledged that the financial pressures he was applying were causing hardship to councils with adult social care responsibilities. He announced that an **extra 2%** could be levied in council tax without a compulsory referendum i.e. a 4% increase in total.

The CCC officers, in consultation with the various committees, produced a draft Business Plan showing the severe service cuts that would be needed even if a 2% increase were to be approved. The full proposal can be seen on-line at

<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12736>

You will see a list of documents. The top one gives the County's overall position and then **Section 3** gives the full tables for all the changes scheduled to take place in the various part of the Council.

The Council debated this on February 16th. The Liberal Democrats, Labour and Independent groups tabled a proposal to go for the full 4% permitted. This was rejected by the Conservative and UKIP councillors. UKIP then proposed a 0% increase which was rejected by all the other groups. Later the Conservatives and Independents proposed that the 2% Adult Social Care increase should be used but not the general 2% increase. This was rejected. After much negotiation, they came back with the same proposal together with a commitment to carry out a thorough public consultation next year to see if there is general public support for higher increases to protect services. This was carried as a result of one UKIP councillor voting with the Conservatives and one abstaining.

The summary on the following pages illustrates the decisions that have been made in three areas:

- A. Children, Families and Adults.
- B. Economy, Transport and Environment
- C. Public Health

The explanatory text after each expenditure reduction is taken from the officer comment on each proposal.

The comments in bold italic are from the Lib Dem group's alternative budget and illustrate what it might have been possible to salvage to some extent with a 4% total increase. Every 1% increase raises £2.4 million and costs a Band D household £11.40 a year, i.e. 43p per month. Most houses are valued in Bands A, B and C and so pay lower rates of tax and people living alone get a 25% reduction. Those least able to afford council tax receive financial relief.

Peter Downes, 25-3-16

A. Children, Families and Adults Services

Services to be provided

The Children, Families and Adults (CFA) Service delivers the Council's responsibilities for the safeguarding, wellbeing and education of the residents of Cambridgeshire. The Service is responsible for the safeguarding of vulnerable adults and children, educational outcomes and makes a significant contribution to the health and well-being of children, families and adults. In broad terms, services include the following:

- Prevention, early intervention and support for vulnerable adults, including the provision of advice, information, advocacy and support for carers; effective use of assistive technology and re-ablement services to promote independence and prevent the need for more expensive services in the future; work with partners to help prevent the need for people to access our statutory services.
- Assessment of the needs of older people with particular vulnerabilities, adults with learning disabilities, physical disabilities or sensory needs and adults and older people with mental health needs. These assessments will be directed by adults themselves and support personal choice and control in how assessed eligible needs are met, including the use of personal budgets and the needs of family carers.
- Commissioning, procuring and providing services that meet assessed eligible needs, support choice and control and maximise independence.
- Safeguarding and protecting vulnerable adults from abuse.
- Providing a school place for every school-age child living in Cambridgeshire whose parents want their child educated in the state funded sector.
- Working with all schools and early year settings to ensure that children and young people get the best quality education, standards improve and educational achievement is accelerated for those who face deprivation.
- Identifying and supporting children and families who are vulnerable at the earliest opportunity through locality teams and working with schools, adult, health, police and fire services.
- Safeguarding all children and young people at risk of significant harm and ensuring children who are unable to remain at home are given the highest priority and minimal delay in finding alternative permanent homes.
- Provision of high quality fostering and adoption services to meet the placement demands of Cambridgeshire children.
- Provision of a range of family support services to those families in greatest need.

When considering the services provided within the CFA Service, it is important to note the changing national legislative context. Expectations around the National Living Wage will significantly increase the cost of commissioning domiciliary care, residential homes and other care for older people, those with disabilities and with mental health needs. Alongside this, significant changes to the education system have resulted in an increasingly diverse and autonomous school system and a changed role for the Council.

Reduction in expenditure on meeting the needs of people with physical disabilities and people on the autistic spectrum.

Expenditure reduced in 16-17 by £1.2m and by a further £2.5m over the next four years

The focus of activity will be reducing the provision for service users with disabilities within the context of the transforming lives model. This will include accepting more risk in packages

Reduction in expenditure on meeting the needs of people with learning disabilities

Expenditure reduced in 16-17 by £5.2m and a further £12.1 million over the next four years

The focus of activity will be on reducing the provision for service users with Learning disabilities within the context of the Transforming Lives model. This will include:

- Accepting more risk in packages
- Funding in place to manage situations where there was a likely need for increased support will be removed where there is no evidence that this has been used; Instead working to the transforming lives model, teams will be more responsive to emerging need and intervene early to prevent or delay that need.

Reduction in expenditure on meeting the needs of older people requiring care

Expenditure reduced in 16-17 by £2.063m and a further £5.8m over the next four years.

Our plans mean that we will support only the same number of Older People in 2021 as we do in 2015, despite the demographic pressures. We recognise that this will be very challenging to implement and could have a negative impact on the outcomes of the older people we support and some older people may not receive the amount of care they had hoped for or may not be placed in the care setting they would ideally have chosen. There is also a risk that as we seek to manage within the allocated budget, that this will increase pressure on other health and care partners, at a time when their budgets and services are also under significant pressure. We aim to ensure that we plan with partners how we will use resources to achieve greatest impact by working in partnership to plan for and anticipate the impact of the reduced budget.

Reduced expenditure on care for adults with mental health needs

Expenditure reduced by £841k in 16-17 and a further £2.5m over the next four years

Savings will be delivered by reducing the cost of the care plans organised to meet the needs of people aged under 65 with mental health needs. The key strategy for reducing overall spend is to decrease the proportion of care costs which are allocated to residential care. This will be achieved through a combination of

- Decreasing the proportion of new packages which are in residential provision
- A concerted review of all existing high cost placements and in particular those made out of area to identify alternative packages
- Reducing the weekly cost of residential packages
- Reducing the number of weeks people spend in residential care before moving into more independent living arrangements

This is modelled as a 4.5% reduction in the number of residential service users and an 8% reduction in the average unit cost of residential provision. The impact of this on adults aged 18-65 will be that the cost of support packages for existing service users will be reduced which may in some cases result in a reduction in the amount of support received. For new service users there will be a greater level of scrutiny of care packages authorised and this may mean in some cases that the level of support is less than may have been expected. Reduction in the cost or amount of care funded is likely to have an impact on outcomes in some cases.

Reduce cut by £420k, as these changes will be difficult to implement quickly without potentially serious harm.

Volunteers in Child Protection

Expenditure reduced by £65k in 16-17

Cut Volunteering in Child Protection scheme currently being delivered by Community Service Volunteers Charity. The scheme links volunteers with families with children on a protection plan, offering practical support and informal pastoral support during the stressful process of working through a statutory child protection plan.

Remove this cut entirely – small saving with disproportionately adverse effect

Home to School Transport (Special)

Expenditure reduced by £388k in 16-17 and a further £3.7m over the next four years.

The ability to make considerable savings from 2018/19 onwards is based on increased in-county education provision and reduction in Education, Health and Care plans due to more need being met within mainstream provision, both of which are needed to reduce the number of pupils requiring transport even with demographic increase in population. Savings are planned to be achieved through a change to post-16 funding policy introducing contributions to all post-16 pupils.

Reduce this cut by £100k in 16-17 to minimise disruption to some of the most vulnerable families

Looked After Children Savings

Expenditure reduced by £1.4m in 16-17 and a further £4.9 million over the next four years.

Reducing the total spend on placements for Looked After Children (LAC) by 33% over 5 years, through the delivery of the cross directorate LAC Strategy to reduce numbers of Looked after Children, from current levels of 570 (40.5 per 10,000 population) to 453 (29.3 LAC per 10,000 population) over 5 years. This is a significant saving and will have an impact on all children's services. Savings will be achieved through a combination of three objectives. Firstly, reducing the number of children and young people entering care – with a particular focus on outcomes for teenagers, keeping families together and breaking cycles of family crisis. Secondly, reducing the length of time children are in care for – ensuring that children move into family based care promptly where this is appropriate and safe. Thirdly, reducing the unit cost of placements by better commissioning, changing the mix of placements and considering different ways of meeting needs, with a particular focus on reducing the spend on residential placements and increasing the number of available Local Authority foster carers.

Reduce cut by £853k in the first year: the hoped-for reduction in children needing to be 'looked after' is totally unrealistic.

Recommissioning of Early Help - Locality Teams

Expenditure reduced by £495k in 16-17

This includes the removal of Senior Social Workers, Youth Development Coordinators and reducing the non-pay budget for Localities.

Use £495k to remove this cut which has already started and work to build up not diminish this vital service.

Recommissioning of Early Help - Youth Support Services

Expenditure reduced by £403k.

This includes £115k savings in the Family Intervention Partnership (FIP). There will no longer be a budget to support the reduction in teenage pregnancies (£58k). A number of further reductions are being made in Central Youth Support (£180k) including the removal of the Apprentice Strategy Lead and the vacancy service. The Duke of Edinburgh Award service will become fully traded and move to the Learning Directorate.

Allocate to £403k to rescue this important service for young people.

Speech and Language Therapy (SALT)

Expenditure reduced by £120k to close this service entirely

Cease funding for Speech and Language Therapy Contract which currently provides additional support for targeted families in the early years. This will mean the ending of drop-in services that are currently provided in children's centres.

Reinstate £120k; help given at an early age saves expense later and gives children with speech difficulties a much better chance in life. Saving is trivial relative to the personal damage caused.

Reduction in school improvement funding

Expenditure reduced by 450k in 16-17 and by a further £474k in future.

Numeracy, Literacy and Improvement Advisers to be fully traded from 16/17. Primary Advisers to be 50% traded in 17/18 and fully traded in 18/19. Area Senior Advisers to be part traded from 16/17 and reduced to 2 FTE (or become further traded) in 17/18. Reduction in funding to maintained schools, (£100k in 16/17, £102k in 17/18) supporting only where we have a statutory responsibility to intervene, and/or early intervention would be cost-effective. These savings are a risk to the current rate of improvement and are at risk if the current rate of improvement is not sustained. If there is insufficient buy-back we will have to stop offering specific services.

Remove this saving. Given the concern about the standards in Cambridgeshire schools and particularly the gap between the lowest and highest achievers, parents rightly expect the Local Authority to play a strong school improvement role for as long as it can.

Home to School Transport (Mainstream)

Expenditure to be reduced by £710k in 16-17, with further cuts of £2.58m in the next four years.

2016/17: Withdraw subsidies for Post 16 Transport of £520k (this spend is discretionary), excluding subsidies for disadvantaged students (£250k), subject to member approval. 2017/18 reflects savings from a range of actions including the introduction of Smart Card technology to manage capacity, delegating transport responsibility to schools, safe route reviews and personal budgets.

Restore 520k for coming year. This adversely affects rural students and could dissuade young students from continuing their education in the most appropriate place for them. Delegating transport responsibility to schools is unrealistic at a time when schools are under intense financial and other pressures.

B. Economy, Transport and Environment Services

Services to be provided

Economy, Transport and Environment (ETE), as the focus for the Council's place-based services, provides a wide and diverse range of services to the residents, businesses and communities of Cambridgeshire. These are crucial to maintaining and improving quality of life for the residents and are often experienced on a daily basis. ETE makes a significant contribution to the overall aim of promoting Cambridgeshire as being open for business and a great place to call home.

The services provided by ETE include:

- delivery of the right infrastructure and environment to encourage economic growth
- management, maintenance and improvement of the County's transport network
- local bus services and community transport (not commercial buses)
- education and social care transport
- planning and overseeing major new development proposals
- tackling rogue and other illegal trading and providing business advice
- waste management, including a Private Finance Initiative (PFI) to provide treatment solutions for the County's waste
- opportunities for life-long learning and skills development, cultural, sporting and community engagement
- registration and coroners services
- libraries, community hubs and archives
- work on reducing floods

Key outcomes and priorities of the service

The Strategic Framework describes how the County Council is moving towards a new Operating Model, with budgets being tailored to specific Outcomes. ETE contributes to all of the Outcomes, either directly or indirectly. Some of our key activities towards the Outcomes are shown below:

Older people live well independently, and people with disabilities live well independently - supported by the provision of social care transport and help to support community transport.

Places that work with children help them to reach their full potential – starting with the negotiation to secure s106 funding from developers, which is used to develop infrastructure such as schools, through to libraries providing specialist services for children and their families.

The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents – ETE promotes jobs and supports infrastructure through ensuring that available funding is focused on infrastructure to support economic growth. There is a specific focus on managing congestion, which is a major issue in and around Cambridge, on major routes, and in some market towns. ETE develops strategies and schemes that address the most significant congestion problems.

People lead a healthy lifestyle and stay healthy for longer - through the provision of books, information and other resources to support their learning, skills development and recreation. ETE also develops and maintains infrastructure for walking and cycling, as well as promoting its use.

People live in a safe environment - through maintaining a safe highway network by prioritising the maintenance of those roads that are of economic importance and have persistent problems and safety issues. Also, through other activities, such as waste disposal and floods and water management.

People at risk of harm are kept safe - through tackling problems such as rogue traders and helping to support community transport.

How our services will change as a result of the Business Plan

ETE's approach to meeting the required savings was, initially, to consider efficiencies and income generation before identifying cuts or changes to service provision.

Efficiencies are proposals where the same services are provided at a lesser cost and more effectively, such as through restructuring and sharing services. Alongside efficiencies, income generation has been a key area that has been developed, leading to proposals such as extending bus lane enforcement and introducing a permitting scheme for utility companies working on the highway.

In addition to these measures, the scale of the financial challenge means that some cuts and changes in service provision are needed. Examples of these service reductions are:

- Reduction of library opening hours and library management, systems support and stock (book) fund
- Reduce service levels in Archives
- Reduce Winter maintenance (gritting)
- * Switch off Street lighting
- Reduce Rights of Way service
- Review School Crossing Patrols
- Reduce flood risk work
- Remove non-statutory concessionary fares
- Reduce Transport Strategy capacity
- Remove Economic Development

It is therefore important to understand that services will inevitably be affected by the financial challenges we face, although we will do our best to reduce the impact of these reductions.

Remove community grants

Reduce expenditure by £15k in 16-17 and forever.

These are grants given to a variety of local voluntary groups, which have previously been reduced. It is proposed that these should be removed completely which will have an impact on voluntary services dependent on public sector finance.

Re-instate £15k and possibly increase. The Council will become more and more reliant on the voluntary sector to provide services so starving them even of small sums of money is counter-productive.

Reduce winter maintenance

Expenditure reduced by £650k

Reduction in gritting of roads from the 45% of the network currently treated to 30%. The statutory requirement is to keep the roads free of ice and snow. 30% coverage is considered to be the absolute minimum level. Risks are associated with road safety, impacts on services and increased isolation of rural communities during winter.

Eliminate this cut entirely. If climate change continues and winters get wetter and warmer, this heading might be reviewed.

Reduce the Library service

Reduce the opening hours at larger libraries and look to transfer a number of smaller community libraries to community control. Reduce staffing numbers accordingly. Reduce library management and systems support and stock (book) fund.

Expenditure reduction of £500k in 16-17, followed by £40k the following year.

The Library Transformation Strategy identifies a new approach that increases community involvement to reduce costs. The proposal is for a reduction in the number of libraries funded by the Council and a corresponding increase in community-led libraries through transfer to local groups. Savings would also reduce adult and children's activities within the libraries, reduce opening hours and maximise income generation. The statutory requirement is to provide a comprehensive library service including a good range of books and the promotion of reading to children and adults. The proposal could have a significant impact on the Council's overall objectives, although increased community involvement could improve local resilience. This needs to be seen in conjunction with the following two library savings proposals. Reduction of library stock, deliveries, IT, management of the service. £80k of system support savings could be achieved but any further would impact the ability of communities to take on their libraries. A reduction in management costs of £100k would reflect the scaled down service.

Protect the library service at a cost of £500k for the reasons given in the officers' commentary.

Reduce Community Service work

Expenditure reduced by £35k in 16-17 and £85k next year.

Further reduction of the budget related to community services, in particular the development, embedding and delivery of community resilience across the preventative/protection agenda and supporting integrated community participation. There is no statutory requirement to deliver these functions however there are risks associated with reduction of the prevention work for vulnerable people their carers and communities, and there would be a significant impact on community resilience through ceasing the development of community led projects and networks to deliver local priorities.

Use £35k to protect community service work as this will become increasingly essential in the future.

Remove final economic development officer posts

Expenditure of £109k removed.

These posts leverage private and public sector investment for economic growth in Cambridgeshire, particularly the less prosperous areas. There is no statutory minimum level of service for this function. The proposal risks having an impact on the Agritech programme and relying on the Local Enterprise Partnership and Districts for economic development. There would be no capacity to seek grant funding and other support for development of businesses and industry in Fenland and other less well-off areas of the County.

Restore these posts @ £109k. Given the concern about the inequality of prosperity across the County, depriving Fenland of its economic development officer is counter-productive.

C. Public Health

Services to be provided

The Public Health Directorate is responsible for the commissioning and provision of services that will improve and protect the health of local people in the short and longer term. The functions provided include public health advice to various organisations and communities. The Public Health Grant for 2016-17 is allocated by the Department of Health and is ring-fenced. Services cover the following:

- Improving the health of the local population with a focus on prevention and a specific objective to reduce health inequalities.
- Overseeing plans to protect the health of the local population from public health hazards, such as infectious diseases.
- Providing specialist public health advice to local authorities and local NHS Commissioners.

The Public Health Directorate is instrumental in improving and protecting health through all functions within the local authority.

Health improvement services commissioned or provided by the Directorate include:

- Health visiting and school nursing services
- Sexual health services, including testing for and treatment of infections, contraception and disease prevention.
- Smoking cessation services, and wider measures to reduce tobacco use and associated harm to health.
- Interventions to promote physical activity and healthy eating and help people manage their weight.
- NHS Health Checks
- Public mental health – e.g. the local Stop Suicide campaign and mental health first aid training.

Key outcomes and priorities

The work of the Public Health Directorate supports a range of key strategic outcomes for the Council including but not limited to 'People live a healthy lifestyle and stay healthy for longer'. The Council is expected to use its Public Health Grant to work towards two overarching outcomes in the National Public Health Outcomes Framework

- Increased healthy life expectancy.
- Reduce differences in life expectancy and healthy life expectancy between communities and address the following areas of public health activity:
 - Improving the wider determinants of health – factors that have a diverse effect on health and wellbeing, and health inequalities.
 - Health improvement - assistance with healthier lifestyles, healthy choices and a reduction in health inequalities.
 - Health protection - from major incidents, communicable diseases and other threats.
 - Healthcare - reducing preventable ill health and preventable mortality and advising on population needs for health and care services.

Prioritisation will be given to areas highlighted as local needs in the Joint Strategic Needs Assessment and the Health & Wellbeing Strategy commissioned by the Health and Wellbeing Board, and to three priorities identified by the Health Committee:

- Public mental health
- Addressing health inequalities
- Links between transport and health

Working in Partnership

Public health business planning is carried out with regard to a range of partnership arrangements and strategies including:

- Joint commissioning of children's and young people's health services age 0-19, supported by the Cambridgeshire and Peterborough Joint Children's Health Commissioning Unit (including health visiting and school nursing services)
- The Better Care Fund 'healthy ageing and prevention' workstream, overseen by the Cambridgeshire and Peterborough Executive Partnership Board
- The Cambridgeshire and Peterborough Health System Transformation and Prevention Strategy
- The work of the Cambridgeshire and Peterborough Public Health Reference Group to develop a medium-term obesity strategy
- The Drug and Alcohol Action Team commissioning of drug and alcohol services

How will our service change?

In the comprehensive spending review recurrent reductions in the Public Health Grant to local authorities were announced, which for Cambridgeshire have an impact of approximately £2.2M cash reduction, leading to a total savings requirement of £2.7M when inflation, demography and pressures are incorporated. The focus of public health business planning since these reductions were announced in November has been on meeting the savings requirement, while minimising their impact on health outcomes and health inequalities. Efficiencies will be taken across a range of public health grant funded services and external contracts. In general the focus will be on management and staffing efficiencies, reducing or removing budgets for shorter term project work, service transformation, and removing any duplication across commissioned services. Income generated by public health staff working in partnership across local organisations will be maximised. The impact of the budget reductions will be assessed and monitored through routine contractual and performance reporting, and through oversight by the Health Committee and the Health and Wellbeing Board.

However it must be noted that there have been some reductions in investment which would otherwise deliver an evidence-based payback. This will result in health outcomes both today and in future being adversely affected and will increase costs for the broader health economy.

Health visiting and family nurse partnership

Expenditure reduced by £190k in 16-17 and a further 90k next year

Reduction in the contract value for age 0-5 public health services with Cambridgeshire Community Services. Details to be established in partnership with CCS, but likely to include review of family nurse partnership and of staffing skill mix.

Re-instate @ £190k. Early identification of problems through health visitors prevents suffering and reduces costs later on.