

## **Manchester City Council Report for Resolution**

**Report to:** Health Scrutiny Committee – 3 January 2017  
Executive – 11 January 2017

**Subject:** Adult Social Care Budget and Business Planning: 2017-2020

**Report of:** Strategic Director Adult Social Services, Joint Director Health and  
Social Care Integration

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### **Purpose of the Report**

This report provides a high level overview of the priorities to be delivered in Adults Social Care and Public Health throughout 2017-2020 alongside the Directorate's saving proposals. Accompanying delivery plans which set out the performance, financial, risk management and workforce monitoring framework are in development and will be prepared for the scrutiny committees in late January / early February.

The report sets the savings the directorate proposes to make in the context of its objectives. The delivery plans will provide a framework to be used throughout 2017-2020 to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the five Directorate reports and delivery plans show how the Directorates will work together and with partners to progress towards the vision for Manchester set out in the Our Manchester Strategy.

The vision, objectives and key changes described in this report will be communicated to staff across the Directorate to ensure that staff at all levels of the organisation understand how their role contributes towards the vision for the city.

### **Recommendations**

The Executive is recommended to:

1. Note and endorse the draft budget proposals contained within this report, which are subject to consultation as part of the overall budget setting process; and
2. Note that final budget proposals will be considered by the Executive on 8 February for recommendation to Council.

Scrutiny Committee is requested to comment on the draft Budget and Business Plan for Adult Social Care.

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**Wards Affected:** All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Supporting the Corporate Core in driving forward the growth agenda with a particular focus on integrated commissioning and delivery which will focus on utilising available resources effectively and developing a diversity of providers including entrepreneurs and social enterprises. This will provide opportunities for local jobs
A highly skilled city: world class and home grown talent sustaining the city's economic success	Integrated commissioning will focus on utilising available resources to connect local people to education and employment opportunities, promoting independence and reducing worklessness. Working with schools to engage and support our communities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The focus is on changing behaviours to promote independence, early intervention and prevention, the development of evidence-based interventions to inform new delivery models integration with partners where appropriate.
A liveable and low carbon city: a destination of choice to live, visit, work	Development of integrated health and social care models and local commissioning arrangements that connect services and evidence-based interventions to local people and enable families and their workers to influence commissioning decisions aligned to locally identified needs. Schools as community hubs playing an essential role in reaching out to communities and leading early intervention and prevention approaches at a local level
A connected city: world class infrastructure and connectivity to drive growth	

**Full details are in the body of the report, along with implications for**

- Equal Opportunities
- Risk Management
- Legal Considerations

**Financial Consequences for the Capital and Revenue Budgets**

The proposals set out in this report form part of the draft revenue budget submitted to the Executive on 11 January 2017.

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**Background documents (available for public inspection):**

None

## **1.0 About Adults Social Care**

- 1.1. The Directorate for Children and Families is responsible for social care services for children and families, public health, and for education, skills and youth services, with statutory responsibilities for safeguarding children and adults.
- 1.2. In line with the priorities of the Our Manchester Strategy, the Directorate is focused on helping people who have to rely more than most on targeted and specialist services to make the changes in their lives which will see them become more independent. There is a need to ensure that every child has the best possible start in life and that everyone in the City has the same opportunities, life chances and potential to lead safe, healthy happy and fulfilled lives. Connecting people to the economic growth of Manchester by helping them overcome the barriers to training and jobs is key to this.
- 1.3. In doing this, public services need to be radically transformed so they are focused around people and communities rather than organisation silos. The Directorate is working across traditional organisational boundaries to bring innovation and new ways of working to the fore.
- 1.4. Within the wider Directorate, the key vision for Adult Social Care has been set out in the Manchester Locality Plan - A Healthier Manchester – which details the strategic approach to improving the health outcomes of residents of the City, while also moving towards financial and clinical sustainability of health and care services.
- 1.5. It builds upon the Manchester Strategy which sets a long term 10 year vision for Manchester's future and how it will be achieved. The Manchester Strategy is underpinned by the Joint Health and Well Being Strategy, the City's overarching plan for reducing health inequalities and improving health outcomes for Manchester residents. The Locality Plan sets out how this transformation will be delivered. The plan will be supported by growth, development of skills, education, early years, improved housing and employment. Partners working across Manchester, in the public sector, in businesses, in the voluntary sector and communities, all have a role to play in making Manchester the best it can be.

### **Budget Consultation**

- 1.6. Since the Budget Options were published in October, the Council has invited residents and stakeholders to tell us what they think about which options they think should be part of the final budget. Of the Budget Options published by the Council in October, £27m was identified from the integration of Health and Social Care as set out in the Locality Plan (a detailed report on which is included elsewhere on this agenda). We know from our earlier budget conversation that services for people with disabilities and mental health problems are making the City healthier and of high priority for the City's residents and that people feel Health and social care, support for the voluntary and community sector and tackling homelessness were important.

- 1.7. Residents and stakeholders were asked to comment on our key proposals for integrate Health and Social Care, which was:

*'join up more health and social care services. We are already working with NHS partners to join up more and to save money by buying and designing services as one. This makes services more effective by bringing teams and their management together. We could further increase prevention and early help, which would reduce demand on residential care, nursing and hospital admissions'.*

64% of respondents agreed with the proposal and a further 24% agreed but with some concerns. 12% disagreed with the proposals. This option has now been revised to reduce the amount of savings which have to be made from the new approach to Health and Social Care, so that these services have the best possible chance to make changes that improve outcomes for residents and so the draft budget proposals now contain £12m savings for Adults Social Care over the three year budget period.

## **2.0 Adult Social Care – Vision**

- 2.1 The vision for Adult Social Care and Public Health is on the integration of commissioning and services through the three pillars of the Locality Strategy. These are mutually dependent and are:

- **A single commissioning system** ('One Commissioning Voice') ensuring the efficient commissioning of health and care services on a City wide basis with a single line of accountability for the delivery of services. This approach will integrate spending across health and social care on high cost/high risk cohort, reducing duplication of service delivery and fragmentation of care;
- **'One Team'** delivering integrated and accessible out of hospital services through community based health, primary and social care services within neighbourhoods. Through the combining of resources residents will get integrated services, resulting in improved outcomes (holistic needs addressed) at reduced cost; and
- **A 'Single Manchester Hospital Service'** delivering cost efficiencies and strengthened clinical services, with consistent and complementary arrangements for the delivery of acute services achieving a fully aligned hospital model for the City.

- 2.2 Importantly the commissioners and providers of health and care will come together in a single commissioning function (SCF) to ensure duplication and fragmentation of service provision is removed, that unnecessary costs are avoided, and that our clinical leaders shape the model of delivery most suited to meet the needs of residents in Manchester ensuring that in future they get the right care, at the right time, in the right place.

- 2.3 The Locality plan sets out the vision where neighbourhood teams of health, primary care and social care professionals work together as a single Local Care Organisation (LCO). These teams will work collaboratively with voluntary and community groups to empower people to increasingly self-care and improve wellbeing.
- 2.4 This vision also complements the Greater Manchester ambitions brought about by devolution. In effect, the Manchester LCO represents devolution in action: the people of Manchester taking control of the way their own health and care services can best meet their needs. To achieve our ambitions, we are now ready to commission a transformed system that is able to deliver care to support people to live more healthy lives, understands the needs of our population and is able to deliver new models of care.
- 2.5 The Directorate is a key partner in delivering this vision, and over the timescales of this business plan, adults services will be come integrated with health partners through the three pillars set out above.

#### Adult Social Care

- 2.6 Adult Social Care is a key partner in delivering the vision of the Locality Plan, and over the timescales of this business plan, Adults Service will become integrated with Health services, through the 3 pillars set out above.
- 2.7 Through the continued development of **One Team** there will be virtually no waiting times for an assessment as there will be a Trusted Assessor model of delivery – meaning that any relevant competent health or social care professional will be able to undertake a social care assessment and be well trained to do so. The need for face to face assessments will be reduced by offering more technological solutions to help yourself, where online questionnaires will help citizens navigate to solutions and people can directly access community assets that do what they are looking for once the citizens portal goes live in April 2017.
- 2.8 Through integrated health and social care, the Council and partners will achieve a 20% shift of resources from hospital to community services so that more people can be supported in their own homes, rather than hospital. There will be more locally-based rapid response and high impact services that can intervene earlier to help people who are poorly from deteriorating further and therefore requiring acute or residential care.
- 2.9 There will be more community assets and communities will be more Age-Friendly and Dementia-Friendly. The City will have at least three more large Extra Care Housing schemes to cater for older people who seek retirement housing with the option for on-site care. There will be a reduction in people dying in hospital and more people dying in their preferred place of choice, preferably at home.

## Public Health

2.10 A vision has been set out for the people of Manchester where;

- Every child is offered the support he or she needs through a framework of “progressive universalism”. Children are enabled to meet developmental goals, supported by a loving family and secure attachments, so that they enter school ready and able to learn, make friends and flourish. Services promote positive health behaviours such as breastfeeding, immunisation and a healthy diet;
- Adults are able to support themselves and live healthy lifestyles in gainful employment and in stable households. People are living in strong, supportive social networks in areas of high social capital. Where people have specific needs for support, these should be understood and services should be established to provide the relevant support based on clear needs assessments; and
- People have a healthier older age, live in age friendly environments, and are able to continue to contribute to society in the ways they wish. The role of public health in addressing the underlying causes of ill health is increasingly important as the scale of public services reduce. Lifestyle factors such as poor diet, physical activity, smoking and excess alcohol need to be tackled in the context of socioeconomic determinants of health, such as, employment, income and housing. There is also a need to develop the social networks and connectedness (social capital), that have benefits for health and wellbeing and economic growth.

2.11. Early intervention and prevention services, guided by public health priorities will improve the life chances of adults living in the City and address health inequalities. People will be safeguarded from harm and abuse and wellbeing will be at the heart of everything the authority does for citizens.

2.12. The voluntary and community sector will continue to play a large role in creating neighbourhoods where people want to live and supporting communities that may be more dispersed but face particular challenges or exclusion.

### **3.0 Adult Social Care and Public Health – Objectives**

3.1. An overarching strategic objective is to ensure that the Directorate's activity is aligned to the Our Manchester Strategy and that the Our Manchester approach is embedded throughout the Directorate. The Our Manchester Strategy provides the overarching framework and priorities for action by the Council and partners from all sectors over the next 10 years. These priorities are known as the 64 ‘We Wills’ and in order to be able to achieve these high-level goals there must be a radical change in the way that the Council and other organisations across the City operate. This radical change is the Our Manchester approach.

- 3.2. The Our Manchester approach is a redefined role for the Council and public services as a whole. It puts people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries, and changing the way that the council works to reflect this. It is about listening, then learning, then responding. It is about creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. Finally it is about working together more, by building long term relationships and having honest conversations which give a say and role to both those who need services and those who provide them.
- 3.3. Together with the other Directorates of the Council, Children and Families Directorate will deliver the shared vision and objectives set out in the Locality Plan and the Our Manchester Strategy. The ambition, in line with the transformational programme, Our Manchester and the Locality Plan, is to employ a co-production approach, engaging stakeholders across health and social care. Key areas of focus are as follows:
- Whole systems change to improve health outcomes as well as integrated commissioning.
  - Improve and transform mental health services to ensure they are more accessible and focus on early intervention
  - Move to an asset based model that draws on the whole range of personal, family and community resources to maximise independence and resilience. This is linked to the All Age Disability Strategy and Age Friendly Manchester
  - Work with people who have experience of homelessness, the Voluntary and Community Sector, Registered Providers, Faith Groups as well as statutory bodies to deliver the pledges within the Homelessness Charter.
  - Invest in prevention to reduce the need for acute interventions and long term treatment;
  - Redefine the deal with the citizens so that contacts with services become self service and enable people to organise their own care and support, and ensure that assessments are common, trusted and portable across Greater Manchester;
  - Design and commission a new model of care at home in partnership with older people, people with disabilities, stakeholders and providers;
  - Focus residential and nursing care on those who can really benefit from it and creating centres of excellence in care that maximise independence and reduce the call for hospital admission;
  - Support Carers by creating a Greater Manchester offer to provide consistent advice and support to local and condition based career organisations and integrating all funding and support to Carers;
  - Work with employers, educational institutions and professional organisations to strengthen the recruitment, retention, skills and stability of the social care workforce;



- Transform services for people with learning disabilities to provide access to inclusive local services for people with complex needs;
- Ensuring citizens who access the council's services are linked to growth and work opportunities in the city; and
- Continue with the reform of public health that creates health enhancing work, places and communities and enables citizens to tackle the causes of ill-health and poor wellbeing early and successfully.

## **Delivery of Objectives and Savings**

### **4.0. The Directorate Budget**

4.1. The current Directorate budget for 2016/17 is summarised in the table below.

Service Area	2016/17 Gross Budget	2016/17 Net Budget	2016/17 Budgeted Posts (FTE)
	£,000	£,000	
Adults	172,435	125,379	1,246
Back Office	4,779	4,504	152
Public Health	28,663	27,809	42
<b>Total</b>	<b>205,877</b>	<b>157,692</b>	<b>1,440</b>

4.2 The budget 2017-20 by business area is provided at **Appendix 1**. The approved adjustments to the current base budget reflect:

- (i) The full year effect of the savings proposals implemented in the 2016 process, detailed below, covering Extra Care, Home Care and a review of line management and assessment functions (2017/18 £1.065m, 2018/19 £1.814m).

	2017/18	2018/19	Total
	£'000	£'000	£'000
Extra Care	473	1,347	1,820
Line management and assessment functions	125		125
Home Care	467	467	934
<b>Total</b>	<b>1,065</b>	<b>1,814</b>	<b>2,879</b>

Extra care (£1.820m) - the Council has a capital investment plan for Extra-Care and the intentions are set out in the Locality Plan with an additional 295 beds in Manchester in detailed planning and a further 500 proposed by 2019. The savings reflect the cost benefit analysis work undertaken;

Review of line management and assessment functions (£0.125m), note this replaces the review of City Wide services; and

Home care (£0.934m) – employing enhanced care workers, taking on a range of additional tasks currently undertaken by other professionals,

the new service will be an integral part of wider system and multi-disciplinary team delivery, using a strengths and asset based approach, to increase independence and reduce demand on it's own service. Strengths-based practice is a collaborative process between the person supported by services and those supporting them, allowing them to work together to determine an outcome that draws on the person's strengths and assets. Modelling work indicates that a 5% saving should be achievable.

(ii) 2017-20 Savings Proposals

Saving proposals detailed at Section 6 below 2017/18 £5m, 2018/19 £3m and 2019/20 £4m.

4.3. This reduces the 2016/17 net budget from £157.692m to £151.627m 2017/18, £146.813m 2018/19 and £142.813m 2019/20.

4.4. Public Health Grant

On 15 December 2016 the Department of Health issued the circular containing the details of the Public Health grant allocations to local authorities for 2017/18. The schedule confirms that the grant allocation for Manchester will be as previously reported, £53.250m, a reduction of £1.346m compared to 2016/17. This reduction will be met by efficiencies across all major areas of public health expenditure including sexual health, wellbeing services and children's public health.

The circular also confirmed that because Greater Manchester (GM) authorities are part of the 100% business rates retention pilot, the public health grant in GM is moving to be funded from business rates. This is in advance of the proposals for the rest of the country. The grant conditions have therefore been removed but there is an expectation that reporting on expenditure will continue under transitional arrangements.

	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
Level of Grant/Public Health funding	54,596	53,250	51,865	50,517

4.5. Other Grant Programmes

The Directorate's budget includes other service areas which are funded through government grant. Details on each of these grants are as follows:

- (i) Asylum Seekers Adult  
This supports the resettlement of refugees who have been assessed as exceptionally vulnerable, their human rights are still at risk in the countries from which they sought refuge, they are unable to sustain long term security and have no prospect of local integration in the country they sought refuge. Final acceptance of cases are with the

UKBA (Border Association) and the UKBA meets the full costs incurred. The funding for 2017/18 is estimated as £2.724m.

- (ii) Independent Living Fund (ILF)  
The responsibility for ILF transferred to local authorities in July 2015. The grant supports individuals by enabling them to choose how they live in the community, rather than the individual having to move into residential care. The funding for 2017/18 is £2.113m.

## 5.0. Timeline of Key Changes

- 5.1. A comprehensive update on progress towards implementing the Locality Plan is detailed in the report Manchester's Locality Plan – A Healthier Manchester, elsewhere on the agenda.
- 5.2. The next stages of implementation include the deployment of Council staff and resources into the Single Commissioning Function and a procurement exercise to appoint a single provider of integrated health and social care in Manchester, with the intention that there will be a single contract that will include all out of hospital health services, including primary care, adult social care, community health and mental health services.

Dates	Activity
April 17	Single Commissioning Function operational
April 17	Citizens portal goes live
2017/18	Development of models of care, Integrated Neighbourhood teams and front door for LCO function.
Sept 17	First phase implementation of single hospital function (CFLT / UHSM)
April 18	Integrated health and care services delivered through a local care organisation. Pooled budgets and contracting arrangements in place
2018/19	Second phase implementation of single hospital function (PAHT)

## 6.0. Key Changes and Savings

- 6.1. It is clear the City Council can no longer deliver an Adult Social Care savings program of any significance in isolation of health partners, without compromising statutory obligations and putting at risk the direction set through the devolution of health and social care responsibilities. Benchmarking information on Adult Social Care also indicates Manchester's already low unit cost:
  - (i) Compared to its nearest neighbours, Manchester's total unit costs for Adult Social Care were 30.1% below average, and ranked 15th highest in the group (out of 16 authorities).

- (ii) Relative to all authorities in England, Manchester's total unit costs for Adult Social Care were 32.6% below the average, and ranked 144th highest in the group (out of 150 authorities).

*[source: LG Futures finance intelligence report 2015/16]*

- 6.2. Within the above context however the City Council has relatively high unit cost spend compared to similarly deprived and other Core City authorities in respect of clients with learning disabilities and high spend on mental health, predominantly due to the high number of service users. Both of these services were identified in the budget conversation feedback as priority areas and as such, focus to improve value for money will be progressed through improving joint commissioning arrangements with health partners, a program of which is outlined in the Locality Plan finance report elsewhere on the agenda.

**Savings Options: New Options (£12.0m) (Appendix 2)**

- 6.3. In the above context and informed by the pressures on Adult Social Care detailed at Section 8, there are no specific additional direct Adult Social Care savings options. The substantive options for savings are partnership based and detailed in the Locality Plan financial report. The partners to the Locality Plan are committed to joint financial planning.
- 6.4. The build up of the City Council's component of the Locality Plan financial gap is detailed in the Locality Plan finance report elsewhere on the agenda and is summarised in the table below.

<b>Locality Plan Financial Gap</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>Total £'000</b>
- In Scope	17,980	6,534	2,550	27,064
- Out of Scope	4,279	3,515	3,575	11,369
	<b>22,259</b>	<b>10,049</b>	<b>6,125</b>	<b>38,433</b>

- 6.5. The assumptions include funding for additional costs to support a growing population and implementation of the national living wage. It also factors in estimated additional resource from the new Better Care Fund and the council tax 2% precept. Finally it includes a share of the assumed budget gap and reduction in overall resources available to the Council. In total, the financial gap is £22m in 2017/18 rising to £38m by 2019/20. This includes the position for Adult Social Care and Children's Services. £11.369m relates primarily to Children's Social Care and Safeguarding, included within the locality financial model budget gap build up, but deemed out of scope from the Locality Plan reform pillars in the first year (subject to review in future years).
- 6.6. The original intention was to include a reduction to the Health and Social Care pooled budget of £17.980m in 2017/18, rising to £24.514m in 2018/19 and £27.064m in 2019/20 reflecting the financial gap for in-scope services (detailed above). This forms a significant proportion of the total commissioner gap for Manchester. The profile of the Council reductions reflects the front loading of the reductions to RSG and back loading of the additional funding for

social care via the Improved Better Care Fund. This has contributed significantly to the financial shortfall for the CCGs and Council (the 'Commissioner Gap') over the three year period and particularly in the first year.

- 6.7. This level of savings will have to be achieved to put the health and social care economy onto a sustainable footing. However, implementing significant cuts in Council spend will not help if all that happens is people are at risk of staying in hospitals longer than necessary. Research demonstrates that every pound cut in social care creates a 35p pressure for the NHS. What the trends show is that simply cutting budgets does not actually deliver all the savings for either the Council or the 'system'. Demand is increasing faster than the assumptions about demographic change and unless the development of new care models is accelerated with an accompanying level of increased social care investment there will continue to be system overspends and impacts will worsen. In short reductions of the scale originally envisaged cannot be achieved. Taking out too much money too soon will be counter productive and the case for increased adult social care funding at a national level is clearer than ever.
- 6.8. The detailed savings proposals for the Locality Plan are detailed in a report elsewhere on the agenda. In order to support progress, the Executive's budget proposals include:
- A slower reduction in the contribution to the pooled fund to release savings to the Council of £5m 2017/18, rising to £8m 2018/19 and £12m 2019/20;
  - A requirement that a proportion of joint savings with partners is reinvested to fund a proportion of the budget pressures facing Adult Social Care £4.8m;
  - Establishing a realistic level of funding to contribute to the pooled budget; and
  - Providing additional investment for the ramping up of the new care models, via the bid to the GM Transformation Fund.
- 6.9. It should be noted that whilst it is expected the pool will deliver savings of £17m by the end of the three years, the contribution includes almost £35m additional investment into adult social care and a net addition of c£23m once the savings target has been taken into account. This is in line with the Improved Better Care Fund which will be £24.4m in 2019/20 (note half of it is funded by a reduction in the New Homes Bonus) and the social care precept element per annum increase in council tax which will generate £8.3m by that year.

## **7.0. Investment Proposals, Budget Growth & Pressures**

### **Investment**

- 7.1. The Directorate base budget includes £7.3m of investment funding. In 2017/18, funding will be directed to support transforming Adult Social Care as

set out in the vision 'Taking Charge' but with £2.5m directed to assist in funding demographic funding. The core spending areas are:

- (i) Implementing the Locality Plan - Health and Social Care Integration;
- (ii) Community Asset Development - developing low level services at a local level;
- (iii) Safeguarding and Statutory Requirements;
- (iv) Care Act Compliance;
- (v) Reform of Homelessness and Domestic Violence services; and
- (vi) Learning Disability Services - investment to deliver the planned service reforms.

7.2. The funding above will play a key role in the integration of commissioning and services through the three pillars and as such deliver better outcomes for Manchester citizens.

### **Budget Growth and Pressures**

7.3. Social care budgets nationally are under extreme pressure. These pressures are well documented. Within Greater Manchester, local authority spending power has reduced by c11% between 2010-15 using government figures and by 24% using the new methodology which adjusts for Public Health and the NHS element of Better Care Fund. Whilst social care spend has remained broadly consistent in terms of the proportion of budgets for GM it has reduced by £65m from 2010/11 (source RA forms) and by over £130m in real terms. The figures for Manchester are £19m and £27m in real terms.

7.4. These pressures are set to continue with GM local authorities facing an average reduction of 29% in their funding available over the current Spending Review period. This is alongside the increasing demands arising from demographic and market pressures, including the increased costs to implement the National Living Wage. There is evidence locally that these reductions are a false economy as they impact disproportionately on NHS spend.

7.5. Within Manchester these pressures are being acutely felt. In line with national demographic growth, the population of Manchester is forecast to grow by 80,000 by 2025. There are approximately 49,500 people aged 65 plus, this equates to 9.7% of the Manchester's total population. This figure is expected to increase above the rate of overall population increase, with people aged 65 plus constituting 10.8% of Manchester's total population.

7.6. With an ageing population who live longer but also in poorer health and with more complex needs, there has been more demand on the health and social care system to meet their needs. Over the past 3 years there has been an 11-15% increase in admissions to Hospitals in Manchester, this has been fuelled by higher rates of emergency admissions for the 65 plus age group than the national average. There has also been an impact on social work capacity and the ability to support people at home or nearer to home for longer.

- 7.7. The provider market is fragile with significant concerns around financial viability and the labour market and there is a significant cost impact arising from the implementation of the National Living Wage, with the prospect of further pressure as the City Council begins to prepare to negotiate with providers to adopt the Manchester Living Wage.
- 7.8. The table below shows the budgeted pressures for Adult Social Care 2017/18 to 2019/20. Further detail on the individual key budget pressures is also outlined in detail below.

#### Budgeted Pressures for Adult Social Care 2017/18 to 2019/20

	2017/18 Base Correction £'m	2017/18 £'m	2018/19 £'m	2019/20 £'m	Total £'m
Mental Health	2.088	0.819	0.819	0.819	4.545
Homelessness	1.500	0.250	0.250	0.250	2.250
Learning Disability	4.640	2.135	1.585	1.585	9.945
Homecare	2.491	0.791			3.282
<b>Sub-total</b>	<b>10.719</b>	<b>3.995</b>	<b>2.654</b>	<b>2.654</b>	<b>20.022</b>
<b>Resources Identified:</b>					
Investment Funding	-2.500				-2.500
2016/17 Balance of National Living Wage	-0.600				-0.600
Homelessness: City Review	-0.500				-0.500
2016/17 Recovery Plan	-0.853				-0.853
Locality Plan Resources	-4.676		-0.069	-0.069	-4.814
<b>Sub-total</b>	<b>-9.129</b>		<b>-0.069</b>	<b>-0.069</b>	<b>-9.267</b>
<b>Total</b>	<b>1.590</b>	<b>3.995</b>	<b>2.585</b>	<b>2.585</b>	<b>10.755</b>

- 7.9. There are significant pressures on social care budgets due to the full year effect of demand in 2015/16 that occurred after the budget was set, the underestimation of the complexity of need for new placements for people with learning disabilities and increased demand within 2016/17, which has increased further since the summer.

(i) Mental Health

Continued demand for placements, including for older people with dementia, is putting increased pressure on the budget. The number of clients has increased from 572 in 2014/15 to 657 in 2016/17 (14.8% increase). The increase in clients is being driven from factors including earlier discharge from independent hospitals, Care Act 2014 and decommissioning of Community Living. If client numbers continue to increase in line with growth 2014-17, the total number of clients will increase to the region of 780 by 2019/20.

The budget proposals allocate £2.088m to address the full year effect cost into 2017/18 from increases in demand (a sharp increase in demand at the end of

2015/16 was after the 2016/17 budget was set) and then £0.819m per annum 2017-20 for further demographic increases, a total investment of £4.545m.

(ii) Homelessness

The current homeless system within Manchester across both in-house and commissioned services is experiencing increasing pressure of new presentations and existing numbers of complex cases already accommodated that are difficult to move-on. The system is responding to numbers of homeless people with complex needs that it was not designed to cope with; this has made the system reactive and is leading to driving up the budget pressures for the service specifically around usage of B&B accommodation to avert immediate hardship and to protect the most vulnerable. This has resulted in greater use of bed and breakfast accommodation for families from 30 in 2014/15 to 45 in 2016/17 and for singles from 21 to 102 over the same period.

Plans are underway to develop a new service model for Homelessness provision which will respond to some of the particular issues in Manchester around the complex lives led by an increasing number of service users. This includes new pathways from rough sleeping to assessment with wrap around first response care from health and social care services such as drug and alcohol treatment and mental health services. Discussions are underway with Housing providers to release more accommodation across the City that could be used for move on purposes to speed up the pace of the flow of people through the system. In addition, bids for external funding and from GM have been made to cover the new Prevention Duties. Financial support is also available from the City Centre Review where £1m per year for 2017/18 to 2019/20 has been set aside from non-recurrent business rates funding in a Corporate budget. This is to support implementation including tackling the rough sleeping and begging issues in the City Centre.

It was announced in December that eight areas, including GM, will benefit from a share of £10m in locally commissioned Social Impact Bonds to help long-term rough sleepers with the most complex needs. This funding will allow areas to trial a Housing First model, based on successful approaches pioneered in the United States. Housing First is based on the principle that housing is an individual's primary need, providing permanent accommodation for those currently sleeping on the street before addressing wider support needs. Pilots will form part of a wider evaluation of how a similar approach could be implemented in the UK, as part of a fresh approach to tackling homelessness.

The budget proposals allocate £1.500m for 2017/18 to reflect the increase in client numbers and then £0.250m per annum 2017-20 for further demographic increases, a total investment of £2.250m.

(iii) Learning Disability Service



It is estimated, through the analysis and collection of data from various government departments that in England in 2015 there were 1,087,100 people with learning disabilities; 156,700 are thought to be children. There is however no definitive record of people with a learning disability in England. The number of people with a learning disability nationally is steadily increasing. Child mortality is falling and people are living longer in adulthood. In 2007 the City Council commissioned the Institute of Health Research at Lancaster University to estimate the impact these Learning Disability population changes would have on future demand for adult social care in the city. The study estimated an annual growth rate in the population receiving support of between 2.6% (lower estimate) and 5.4% (upper estimate), with a middle estimate of 4.5%. Department for Education data also suggests that the number of pupils with learning disabilities is expected to increase by 26% from 2014 to 2023 and despite policy and legislative changes, spend on children with learning disabilities who will then require ongoing intensive care and support from adult social care is likely to continue to increase.

Within Manchester, there is now a more robust understanding of cases coming through the system. The volume of cases coming through from children and adult services is currently high and there are a number of high cost placements. Allocation of demographic funding into the budget has not fully taken account of the increasing complexity of need.

A deeper analysis of new starters/leavers and expected clients between 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017 has been completed together with demographics modelling. The net increase in clients accessing services in 2016/17 is forecast to be 177, with 147 with provision at 31<sup>st</sup> October and a further 30 known and expected to access services before year end. The full year impact cost on 2017/18 is significant. There are three pressure areas as follows:

- 18-25 years: the Transitions Board has been established and considerable progress has been made. However high costs have been transferred to Adult Social Care and will continue to impact over the next couple of years. Improved working with Education will see changes in future years beyond 2020;
- 40-50 years: a spike in costs for this age group is evident. A large proportion of new starters to the service each year are in their 40s or 50s, who are often entering the service in a 'crisis', for example as a result of a carer breakdown or death; and
- 60 years and over: costs for this age group is evident as needs become more related to older age, some often entering the service in a 'crisis', for example as a result of a carer breakdown or death and who for many have lived with parents/family and received no or small social care packages.

A key driver of reform will be to ensure that assessment and support planning increasingly focuses on securing innovative, cost effective solutions for people. This will involve increasing access to community assets and stepping

people down into less intensive provision. A GM Commissioning framework is also being undertaken which will include innovative ways to meet need as well as deliver value money and it is anticipated that this will be operational in autumn of 2017.

The budget proposals allocate £4.640m to address the full year effect cost into 2017/18 from increases in demand and then £2.135m 2017/18 and £1.585m per annum 2018-20 for further demographic increases, a total investment of £9.945m.

It should be noted that the full year effect cost of the care for those transferring out of Calderstones as a result of the Winterbourne View judgement is c£3.5m. It has been assumed that this will be covered by associated dowry payments from the NHS.

(iv) Home Care

The demand for home care has continued to increase with the number of commissioned hours rising by almost 23% between April 2015 and October 2016. Whilst it had been assumed that this would be managed across the whole system with moves to different models of care, such as Extra Care reducing the demand for residential placements, there is an increasing underlying level of demand that needs to be recognised to avoid putting unsustainable pressure on the whole health and social care system.

Analysis of the cohort of people newly in receipt of homecare and residential care this year has shown a very high proportion have dementia. The number of people being diagnosed with dementia in Manchester is increasing due to people in the City generally living longer, and improved diagnosis rates. The majority of support for people with dementia is provided from mainstream older people's services such as: Home Care, Day Care (at least 40% of day care clients in Manchester have either a dementia diagnosis or suspected dementia) and Care Homes (a recent Alzheimer's Society report estimates 80% of all care home residents have some form of dementia).

The budget proposals allocate £2.491m to address the full year effect cost into 2017/18 from increases in commissioned hours and a further £0.791m has been provided to allow for a further 1% growth increase. A financial business case in respect of the emerging GM new delivery model will also need to be evaluated in due course to inform further budget assumptions for 2018-20.

(v) Additional Resources

In order to fund the very significant pressures facing Adult Social Care the following additional resources have been identified and included with the Executives budget proposals.

- Investment – to redirect £2.500m from the funding detailed at 8.1.
- To utilise the balance of budget provision uncommitted from the National Living Wage settlements 2016/17 £0.6m;

- Resources identified as part of the City wide review for Homelessness £0.5m; and
- A range of measures identified (£0.853m) to mitigate the pressures in 2016/17 including: uncommitted resources in the Carers budget (£0.3m); Better Care Fund (£0.1m); income including Ordinary Residence recharges (£0.340m) and further resources in the Homelessness budget (£0.113m).

## 8.0. The Pooled Fund

- 8.1. An agreement between the three Manchester Clinical Commissioning Groups and the City Council for a pooled fund was established in 2015/16 reflecting minimum mandated Better Care Fund resources of £42m. The Clinical Commissioning Groups and City Council agreed to expand the scope of resources from 2016/17 to also include budgets covering 'One Team', i.e. adult community health (neighbourhood teams) and community assessment and support services (integrated intermediate care and reablement). This increased the value of the integrated health and care pooled fund to £80m.
- 8.2. The local aspiration is to pool all of Manchester's health and care budgets, subject to compliance with relevant legal and necessary assurance requirements (£1.137bn). Expansion of the pooled fund is considered a key enabler to fully integrating health and social care, securing financial sustainability and provides the mechanism for funding to flow around the whole health and social care system, to invest in community based services and allow savings to be released through reducing the City Council's contributions into the pool year-on-year as detailed earlier in the report. Agreement on benefits and risk sharing is an integral component.
- 8.3. The phasing of the expansion to the pooled fund 2017-20 will be determined before 1<sup>st</sup> April 2017 and in the light of the Council determinations of the budget.

### Contribution to the Pooled Budget

- 8.4. The proposed core level of funding, or social care expenditure limit, is set out in the table below.

	2017/18 £m	2018/19 £m	2019/20 £m
<b>Base Budget</b>	<b>157.69</b>	<b>156.63</b>	<b>154.81</b>
Apportionment of pay and non pay inflation	2.52	4.50	6.49
National Living Wage costs for commissioned services	4.26	8.52	12.77
Demographic pressures	10.26	12.91	15.57
Sub Total Additional Funding	17.04	25.93	34.83

	2017/18 £m	2018/19 £m	2019/20 £m
<b>Sub Total</b>	<b>174.73</b>	<b>182.56</b>	<b>189.64</b>
Savings Target	-5.00	-8.00	-12.00
Pressures Met from Locality Resources	-4.68	-4.75	-4.82
Total Savings	-9.68	-12.75	-16.82
<b>Total</b>	<b>165.05</b>	<b>169.81</b>	<b>172.82</b>
<b>Net Increase</b>	<b>7.36</b>	<b>13.18</b>	<b>18.01</b>
Year on Year		5.82	4.83

- 8.5. The expenditure limit will transparently set out the funding for pressures being addressed alongside the suggested reduced savings target of £12m. The £12m is based on a more realistic level of savings being £17m across the three years against which the fact that the pressures are now £4.8m higher than budgeted for also need to be offset.

### **9.0. Technological Support to Implement Changes**

- 9.1. The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from a Council and GM perspective. How the authority structures, governs and utilises data will be pivotal to the successful delivery of these agendas. Further investment will be required in how technology and the systems of the Council and partner organisations are utilised to deliver further savings and efficiencies. This will require a continuation of the ICT transformation journey.
- 9.2. ICT will work closely with the Directorate to identify ICT solutions that comply with the Information and ICT design principles and to develop robust business cases to support their development. The Capital Strategy sets out proposals for developing the next stage of investment in ICT.

Key priorities include:

- (i) Implementation of a new Social Care system, aligned with best practice in Early Help and Children's Social Care. There is also the need for a new case management system to support the Homelessness team (where the current system is due to be decommissioned within the next 6 months) and for the supported accommodation service, to implement improvements including those recommended by the CQC;
- (ii) Support for the establishment of a Single Commissioning Function and the Locality Care Organisation – ICT investment will be required to support the new organisations, including the selection and implementation of a new commissioning system;

- (iii) Implementation of tactical and strategic systems to enable sharing of social and health care records alongside supporting collaboration with tools such as Video Conferencing and File Sharing;
- (iv) Supporting integrated working and improving the service provided. Examples include:
  - Support for the ICT requirements for the MASH;
  - City Verve, where investment is required to support care to patients in the community ensuring that practitioners have the care information and equipment in readiness for visiting patients;
  - Streamlining the “front door” to explore new technologies to improve the process which supports the care that is provided to the citizen, from the contact centre to the social worker visit; and
  - Implementation of the Connect2Support solution, enabling citizens to choose packages of care which meet their requirements.
- (v) Digitisation of Safeguarding Records – these are currently paper-based. Any solution needs to be compliant with statutory requirements.

## **10.0. Impact on Residents Communities and Customers**

- 10.1. Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City’s residents. The business planning process helps the Council to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Council will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business proposals will have on protected groups within the City.
- 10.2. The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorates’ equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment. The directorate’s priorities support the EFLG and its activities will continue to reduce inequalities through effective partnership working in particular those with health, schools, independent providers, other local authorities and the voluntary and community sector.
- 10.3. The Directorate continues to play a pivotal role around equalities through its work with key cohorts:
  - Children and Young People
  - Adults of working age
  - Older People

There are key developments looking ahead that will have an impact on equalities including the integration of health and social care and the health and

wellbeing of adults living in communities. There is a significant opportunity to address the following areas:

- Health inequalities and life chances
- Transition to adulthood
- The benefits of health and social care integration
- The reduction in social isolation of older people through the age-friendly work

All partners involved in delivering the Locality Plan are well aware of the need to undertake EIAs on service changes resulting from transformation. Partners have developed capabilities to do this on an individual and collective basis, driven by the scale and speed of change experienced in both the health and local government sectors over the last five years.

### **11.0. Workforce Impact**

11.1. Implementation of the locality plan will result in significant changes for staff currently working within the City Council and the NHS organisations within the City. Some of these changes include:

- Health and social care managers working together to lead and develop integrated teams to deliver a quality service to citizens
- Health and Social Care workforce integrated across 12 Locality hubs, a single commissioning function and a single hospital arrangement. This will require significant changes to how people work.
- Staff working to new matrix management arrangements with clear professional supervision links.
- Identification of new behaviours for staff to embed as part of new ways of working
- Increased information sharing and communication through multidisciplinary team working to build better local knowledge within teams and deliver an improved service to residents
- Staff working in a much more cohesive way with a focus on an asset based approach to supporting citizens
- Development of skills/capacity for the future to ensure delivery of new delivery models

11.2. It is envisaged that staff will work within different organisational forms which require new roles and ways of working. How this happens will change over time as arrangements develop.

11.3. The impact on FTE reductions is still to be confirmed.

**Appendix 1: Summary Budget Position**

Service Area	2016/17			2017/ 18			2018/ 19			2019/ 20		
	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)
	£,000	£,000		£,000	£,000		£,000	£,000		£,000	£,000	
Care	62,222	32,196	293	59,553	29,527	293	56,674	26,648	293	56,674	24,856	293
Assessment Care & Support	8,002	5,573	225	7,367	4,938	225	7,367	4,938	225	7,367	4,938	225
Learning Disability Services	40,118	35,917	34	38,169	33,968	34	36,967	32,766	34	36,967	30,746	34
Mental Health Services	19,590	17,794	0	19,578	17,782	0	19,390	17,594	0	19,390	17,406	0
Business Units	15,760	13,829	454	15,760	13,829	454	15,760	13,829	454	15,760	13,829	454
Homelessness	10,778	4,105	182	10,778	4,105	182	10,778	4,105	182	10,778	4,105	182
Commissioning	14,138	14,138	57	13,938	13,938	57	13,938	13,938	57	13,938	13,938	57
Public Health	28,663	27,809	42	28,063	27,209	42	27,518	26,664	42	27,518	26,664	42
Safeguarding	1,827	1,827	13	1,827	1,827	13	1,827	1,827	13	1,827	1,827	13
Back office	4,779	4,504	140	4,779	4,504	140	4,779	4,504	140	4,779	4,504	140
<b>Total</b>	<b>205,877</b>	<b>157,692</b>	<b>1440</b>	<b>199,812</b>	<b>151,627</b>	<b>1440</b>	<b>194,998</b>	<b>146,813</b>	<b>1440</b>	<b>194,998</b>	<b>142,813</b>	<b>1440</b>

**Appendix 1: Summary Budget Position**

Service Area	2016 / 17	2017 / 18			2018 / 19			2019 / 20		
	Net Budget 2016/17 £,000	Growth and other Budget Changes	Savings	Net Budget 2017/18	Growth and other Budget Changes	Savings	Net Budget 2018/19	Growth and other Budget Changes	Savings	Net Budget 2019/20
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Care	32,196		(2,669)	29,527		(2,879)	26,648	(1,792)		24,856
Assessment Care & Support	5,573		(635)	4,938			4,938			4,938
Learning Disability Services	35,917		(1,949)	33,968		(1,202)	32,766	(2,020)		30,746
Mental Health Services	17,794		(12)	17,782		(188)	17,594	(188)		17,406
Business Units	13,829			13,829			13,829			13,829
Homelessness	4,105			4,105			4,105			4,105
Commissioning	14,138		(200)	13,938			13,938			13,938
Public Health	27,809		(600)	27,209		(545)	26,664			26,664
Safeguarding	1,827			1,827			1,827			1,827
Back office	4,504			4,504			4,504			4,504
<b>Total</b>	<b>157,692</b>	<b>0</b>	<b>(6,065)</b>	<b>151,627</b>	<b>0</b>	<b>(4,814)</b>	<b>146,813</b>	<b>(4,000)</b>	<b>0</b>	<b>142,813</b>



**Appendix 2 – Savings Proposals 2017-20**

Adults - 2017/18 - 2019/20 savings proposals									
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18	2018/19	2019/20	Total	
					£,000	£,000	£,000	£,000	
<b>Efficiency and Improvements</b>									
Locality Plan	Implementation of expansion to pooled fund with health: benefits share from implementation of new care models in Local Care Organisation and outcome of commissioning reviews	Efficiency	Amber	Amber	5,000	3,000	4,000	12,000	
<b>Total Efficiency and Improvements</b>					<b>5,000</b>	<b>3,000</b>	<b>4,000</b>	<b>12,000</b>	<b>0</b>
<b>Total Adults</b>					<b>5,000</b>	<b>3,000</b>	<b>4,000</b>	<b>12,000</b>	<b>0</b>