

**Manchester City Council
Report for Resolution**

Report to: Executive – 28 June 2017

Subject: Adult Social Care Reform Grant

Report of: Strategic Director Adult Social Services
City Treasurer

Purpose of the Report

The 2017 Spring Budget included an announcement of an additional £2 billion for adult social care and a commitment to establishing a fair and more sustainable basis of funding in the future. This report details the allocations to Manchester City Council, the conditions attached to the grant and the principles for deployment to be used by Manchester Health and Care Commissioning. The funding is an integral component of a total reform programme, aligned to the Locality Plan, which also includes the GM transformation fund investment in the Manchester locality and a wider GM level adult social care transformation programme.

Recommendations

The Executive is recommended to:

1. Approve the addition of the adult social care grant to the Manchester Health and Care Commissioning partnership agreement.
2. Endorse the principles set out in 3.1. to be used by Manchester Health and Care Commissioning for the deployment of funding.
3. Note that the adult social care grant funding represents an integral element of a substantial reform programme being progressed both locally and at a GM level as detailed in the report.

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	Integrated commissioning will focus on utilising available resources to connect local people to

the city's economic success	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 report details the principles for deployment of substantial investment funding which will reform and improve the performance of adult social care.

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Background documents (available for public inspection):

None

1.0 Introduction

- 1.1. Following the local government financial settlement, which failed to recognise the growing pressures on social care, an additional £2 billion for adult social care, over three years, was announced in the 2017 Spring Budget. In the longer term, the Government also gave a commitment to establishing a fair and more sustainable basis of funding, in the face of the future demographic challenges.
- 1.2. The City Council will receive additional funding of £12.92m in 2017/18, £7.64m in 2018/19 and £3.78m in 2019/20. Note that the additional funding for adult social care including the recent grant and the improved Better Care Fund which was announced within the local government settlement, is not confirmed beyond the current spending review period. However given the national pressure on levels of funding for adult social care, for financial planning purposes, it will be assumed that the residual amount in the final year (£3.78m) will be an ongoing resources which will enable more effective decisions about its use to be made.
- 1.3. The grant is to be spent on adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS - including supporting more people to be discharged from hospital when they are ready - and stabilising the social care provider market.

2.0. Grant and Conditions

- 2.1. The grant will be distributed to local authorities from DCLG, as a Section 31 Grant, on a formula which is 90% based on the Improved Better Care Fund and 10% social care relative needs formula.
- 2.2. A recipient local authority must:
 - pool the grant funding into the local Better Care Fund, unless the authority has written Ministerial exemption;
 - work with the relevant Clinical Commissioning Group(s) and providers to meet National Condition 4 (Managing Transfers of Care) in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-19; and
 - provide quarterly reports as required by the Secretary of State.
- 2.3. DH and DCLG are developing, in consultation with a range of stakeholders, a set of metrics – including, but broader than, delayed transfers of care (DTCOs) – to assess patient flow across the NHS and social care interface. Following the development of the metrics, the Care Quality Commission will carry out targeted reviews in a small number of areas, starting as soon as is practical from May 2017. These reviews will be focused on the interface of health and social care and not cover wider council social care commissioning.

2.4. The adult social care grant is required to:

- Meet adult social care needs;
- Improve the interface between health and social care; and
- Ensure that the local social care provider market is supported and sustainable.

2.5. Within this context there are clear pressures locally relating to transfers of care from hospitals, and delays associated with difficulties in securing appropriate social care provision. It is acknowledged that in Manchester there are particular difficulties in the southern part of the city with significant delay pressures at UHSM.

2.6. Advisory guidance issued with the grant conditions highlighted high impact changes for managing transfers of care from hospital into the community, which can support local health and care systems reduce delays. These are:

- Change 1 - Early Discharge Planning
- Change 2 - Systems to Monitor Patient Flow
- Change 3 - Multi-Disciplinary/Multi Agency Discharge Teams, including the voluntary and community sector
- Change 4 - Home First/Discharge to Assess
- Change 5 - Seven-Day Service
- Change 6 - Trusted Assessors
- Change 7 - Focus on Choice
- Change 8 - Enhancing Health in Care Homes

2.7. All 8 change models current feature within the Local Care Organisation implementation programme and complementary adult social care reform programme, all attracting some amount of investment from the combination of investment monies (including adult social care grant) available. Work is currently underway to assess the current range of workstreams as they map against the change models identified, to confirm rigour of targeted work programmes. The requirements for this funding therefore will be to use it more broadly than the health and social care interface issues.

3.0. Adult Social Care Grant Prioritisation and Workstreams

3.1. Manchester Health and Care Commissioning partners have established an adult social care reform programme and developed the following principles which are proposed to guide decisions on the allocation of the grant, as part of the implementation of the Locality Plan. Investments will be used in accordance with the Locality Plan previously approved by the Executive and will:

- contribute and be part of implementation of Manchester Health and Care Commissioning and the Local Care Organisation;

- support Our Manchester by funding radical changes in assessment and involvement of families, carers and communities, tapping into their strengths and support;
 - be a vehicle to channel investment into reform of adult social care for the long term as well as funding immediate performance improvements;
 - align with GM Transformation Fund investment into the Local Care Organisation and with other existing revenue and capital available for investment in adult social care; and
 - connect to the GM Adult Social Care Transformation Programme, the developing programme of investment for which is detailed at Section 6 below and the GM review of commissioning.
- 3.2. Alignment with the High Impact Change Model, a self-assessment tool, will also be taken into account.
- 3.3. The adult social care reform programme comprises 4 work streams which are overseen by the programme board:
- Short term improvements/here and now pressures, focussing upon high cost provision, including high cost commissioned packages of care; and addressing the system pressures and demand challenges, including those resulting in delayed transfers of care (DTC);
 - Development of new models of home care, residential and nursing care homes, acknowledging the pressures upon the care market, and the development of reformed models of care that deliver a step change in outcomes and experience for citizens, which offers attractive employment opportunities and scope for career development; and supports the delivery of wider system savings;
 - Supporting the Local Care Organisation development and review of retained services due to transfer to the Local Care Organisation in later phases, delivering additional investment in adult social care services in year 1 supplementing investment from the GM Transformation Fund and other sources; and
 - Developing the finance, performance and contract management system infrastructure required to support the delivery of new models of social care delivery.

4.0. Investment Allocation Decisions

- 4.1. It is proposed that the adult social care grant funding is added to the Manchester Health and Care Commissioning partnership agreement and the detailed investment schemes and associated business cases will be progressed within the set governance arrangements for Manchester Health and Care Commissioning. As the funding is required to be pooled within the

Better Care Fund arrangement, there is also a requirement that the deployment is endorsed at Health and Wellbeing Board and as such will be reported to the next meeting of the Board.

- 4.2. As referenced in 1.2 above, £3.78m can be deployed in a recurring basis. The key investment areas will be in relation to DTOCs, capacity to deliver the reform programme and to help to address the underlying demographic pressures in learning disabilities and mental health that have contributed towards the overall financial gap in the Locality Plan. Given the immediacy of need in relation to work supporting DTOCs, Manchester Health and Care Commissioning has approved deployment of £0.5m in 2017/18 (prior to the Local Care Organisation implementation) to support current pressures and maintain, at all three hospital sites, the national target of 3.3% delays as a sustainable state.
- 4.3. The substantive one-off funding, will be aligned to locality plan priorities, the GM adult social care transformation programme and will complement the investment awarded to Manchester by the GM Health and Social Care Strategic Partnership Board Executive in relation to the out of hospital Local Care Organisation proposals. Critically, investments will be intended to reduce future costs across the Manchester health and social care system and success will be monitored by a formal Manchester Investment Agreement (see Section 5 below).
- 4.4. The full investment programme priorities, at a scheme level, will develop over the next month. At this stage, the core investments will most likely be focused on:
 - reform of commissioned services including homecare, learning disability services and residential care homes;
 - fewer long term support needs of older adults met by admission to residential care homes, particularly through development of extra care provision;
 - enable more older people staying at home after discharge from hospital with reablement packages, the roll out of discharge to assess across the City and investment in assisted technology; and
 - maximise the investment available to support the implementation of the Local Care Organisation to integrate social care, community health, primary care and mental health around individuals, their carers, families and communities.
- 4.5. The City Council's budget has considerable financial risk within the adult social care portfolio. The national pressures and locality plan position have been previously documented and these pressures are being experienced on the adult social care budget, as outlined in the outturn report, elsewhere on the agenda. Whilst significant resources are being deployed into adult social care across 2017-20, the pressure do continue to grow and the 2017/18

budget is particularly challenging. To the extent there is spending slippage in 2017/18, it is proposed that this supports the locality financial position.

5.0. Intra Manchester Investment Agreement

- 5.1. The Manchester Agreement will set out the key requirements of all partners to deliver the Locality Plan, including Manchester Health and Care Commissioning, Local Care Organisation and the Single Hospital Service. It will need to clearly tie the performance implications to financial and budget assumptions for partners, and the future shape of services over the next ten years.
- 5.2. The purpose of the agreement is to show how the investments being made will lead to reductions in demand. In particular, how new models of care will lead to reduced demand for acute care and residential and nursing care. The agreement creates the means for funding to 'flow around' the system. By tracking key metrics over time - including activity changes, reductions in demand, and population health impacts - partners will have assurance that cashable savings can be made. In turn, some of the cashable savings will be required for reinvestment in new models of care beyond the period of initial investment. Evaluation frameworks are needed to provide the evidence that the new approaches are causing these impacts. The agreement will also underpin work on how partners share risk and reward, with new incentives, payment mechanisms and contracts that can more effectively align resources across the system.

6.0. GM Adult Social Care Transformation Programme

- 6.1. It is important to recognise the interface and complimentary nature of investments at a local level from both the GM Transformation Fund and the adult social care grant, arrangements for which are detailed in this report, and the wider GM Adult Social Care Transformation Programme which is currently focused on developing a programme of investment which will provide:
 - A signature commitment to care worker terms and conditions; market stabilisation measures, implementation of a GM standard and roll-out of innovative 'well-being' teams for Care at Home;
 - A structured programme to support 'Shared Lives' for carers, increased employability opportunities and a revised, ethical commissioning approach to high-cost / high-need people with Learning Disabilities;
 - A new GM quality programme to ensure 'care excellence', remodelling of primary and community-resources to support independence and a unique new partnership with the Care Quality Commission to maintain a bespoke GM quality standard; and
 - A range of enabling measures related to workforce, carers, supported housing strategy, commissioning practice / insight and asset-based working which apply to all service users and workstreams.

- 6.2. As these programmes take shape over coming months, there will be a focus on ensuring they become one cohesive strategy for delivery.

7.0. Conclusions

- 7.1. Together the various investment programmes represent a very substantial and fast paced reform programme, with the potential for further national policy change also on the horizon.
- 7.2. In the context of a challenging financial settlement for social care, the adult social care grant provides critical investment funding over the next three years to meet adult social care needs, reducing pressures on the NHS and to stabilise the social care provider market.
- 7.3. The Manchester Health and Care Commissioning Executive will oversee deployment of funding with an immediate priority and £0.5m investment allocated to supporting DTOCs across the City.

8.0. Recommendations

- 8.1. The Executive is recommended to :
- (i) Approve the addition of the adult social care grant to the Manchester Health and Care Commissioning partnership agreement.
 - (ii) Endorse the principles set out in 3.1. to be used by Manchester Health and Care Commissioning for the deployment of funding.
 - (iii) Note that the adult social care grant funding represents an integral element of a substantial reform programme being progressed both locally and at a GM level as detailed in the report.