

Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 2 February 2017

Subject: Budget Process 2017-2020: Consideration of the Executive's Draft Budget Proposals and Directorate Budget Reports and Business Plans

Report of: Strategic Director (Adults), Joint Director of Health and Social Care Integration, Director of Public Health and City Treasurer

Summary

This report provides an update on the Council's financial position and sets out next steps in the budget process, including scrutiny of the Executive's draft Budget proposals and Directorate Budget and Business Plan reports and accompanying delivery plans by this Committee.

Recommendations

The Committee is asked to consider and make recommendations to the Executive on those draft budget proposals which are within the remit of this Committee and to comment on draft Directorate Business Plans and Delivery plans which have been designed to ensure the Council delivers high quality services and outcomes for residents, as well as a balanced budget, across the three financial years 2017/18-2019/20.

Wards Affected:All

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Appendices:

- Appendix 1: Recommendations of the Health Scrutiny Committee Meeting 8 December 2016 – Budget Process and Options
- Appendix 2: Budget Options Consultation – Report to Executive 11 January
- Appendix 3: The Executive's Draft Budget Proposals (consolidated schedule)
- Appendix 4: Directorate Budget and Business Plan Report and Delivery Plan– Adults
- Appendix 5: Directorate Budget and Business Plan Report – Locality Plan

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Final Local Government Finance Settlement from DCLG, 8 February 2016 (all papers available on the DCLG website).

Autumn Statement, 23 November 2016 (<https://www.gov.uk/government/topical-events/autumn-statement-2016>)

Provisional Local Government Finance Settlement, 15 December 2016, <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2017-to-2018>

1. Overview

- 1.1 At its meeting on 8 December, the Committee received details of the Council's anticipated financial position for the period 2017/18 to 2019/20, which continued to outline a potential budget gap ranging from £40m to £75m. The need for such a range at the time was due to uncertainty around elements of available resources and the potential need to address further risks, pressures and priorities. At this point Officers put forward a number of savings options to address the budget gap which totalled c£58m and which were considered by this Committee when it met in November and December.
- 1.2 The Provisional Local Government Finance Settlement was published on 15 December 2016. The Final Finance Settlement will be laid before the House of Commons in February 2017. The headlines from the Provisional Settlement were reported to Scrutiny on 5 January 2017 and included announcements regarding:
- the increase in Council Tax rate allowable before triggering a referendum;
 - confirmation of the Adult Social Care Grant, of £240m nationally, in 2017/18; and
 - a corresponding £240m reduction, nationally, in the New Homes Bonus Grant. Further to this the Government is also introducing a new reduction by applying a baseline for housing growth of 0.4% of the prior year's Band D properties.
- 1.3 The net impact of the Provisional Finance Settlement for Manchester was an overall reduction in funding of £1.2m over the three-year period to 2019/20.
- 1.4 Changes to early years and schools funding have also been announced and are out to the second consultation stage. The launch of the second stage consultation on a schools national funding formula is a key development and has significant implications for schools in Manchester who are likely to see a reduction in their budgets over the next three years.
- 1.5 The Provisional Settlement also confirmed the intention to move to 100% business rates retention by 2020/21 and that this will be piloted in a number of areas, including Greater Manchester, from 2017/18.
- 1.6 The medium term financial strategy 2016/17 to 2019/20 reported to Executive on 11 January takes in to account the Provisional Finance Settlement and further refinements to the assumptions regarding pressures and resource availability, most notably around business rates, council tax, capital financing and commercial income from the airport dividend. This has resulted in a forecast budget gap of around £30m for the three-year period to 2019/20. The draft savings proposals to address the funding gap were also presented as part of the medium term financial strategy. The figures remain subject to change prior to February Executive.

2 The Financial Position 2016/17 to 2019/20

- 2.1 The City Council has accepted the Government's offer of a four-year financial settlement for the period 2016/17 to 2019/20. This was confirmed by Government following the publication of the Council's Efficiency Plan and accompanying suite of reports in October.
- 2.2 As stated previously the budget position has been revised for a number of factors since the initial forecast reported to this Committee in December and these are outlined in the paragraphs below.
- 2.3 The overall impact of the Provisional Finance Settlement has been minimal with the changes to the budgeted position being as follows:
- A reduction in New Homes Bonus grant of £3.6m in 2017/18 and £1.2m in 2018/19 and 2019/20 respectively.
 - Inclusion of Adult Social Care Support grant of £2.7m in 2017/18 only.

The net effect of these two adjustments in 2017/18 is a reduction in funding of £0.9m for Manchester. The ability to increase Council Tax by 5% in 2017/18 rather than 4% results in additional income in 2017/18 of £1.329m. However by the end of the three year period the Council Tax increases have a neutral effect and overall the council is £1.2m worse off.

- 2.4 There has been a full review of how the resources available are utilised to support the financial position to best effect. The growth in the City is starting to generate additional revenue. This includes £8.374m additional airport dividend announced in August and November of this year, which will be used to support the revenue budget alongside the decision to utilise £6.76m of the Airport dividend that is currently used to support the capital investment to support the revenue budget. More volatile one off income - such as collection fund surpluses - will be used to support investment in its place. The policy on the amount of funding the council has to set aside to repay debt will be revised with c£5m per annum now available to support the revenue budget. Finally, commercial income, including from an increase in business rates activity is likely to continue to grow and this has been factored into the budget.
- 2.5 The increasing resources generated locally will underpin a more stable funding base for the revenue budget and mitigate the scale of the budget reductions required over the next three years.
- 2.6 The net result of the above is that the council now needs to find budget reductions of c£30m over the three year period. .
- 2.7 This current forecast position assumes the full year effect (FYE) of savings agreed for 2016/17 are delivered and these are included within the figures below. The total additional FYE savings included for 2017/18 are £3.326m with a further £1.864m in 2018/19. Details of these can be found in the accompanying Directorate Budget Reports. The overall financial position is summarised in the table below and the assumptions are set out in the paragraphs which follow.

**Table 1: Resources Requirements against Resources Available
2016/17 to 2019/20**

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Resources Available				
Revenue Support Grant	113,768	90,152	73,740	57,041
Business Rates	165,571	170,654	186,958	194,597
Council Tax	136,617	141,664	150,195	157,013
Public Health Funding and Other Non-ringfenced Grants	78,128	76,210	79,645	87,674
Dividends and Use of Reserves	34,432	46,471	44,471	44,471
Total Resources Available	528,516	525,151	535,009	540,796
Resources Required				
<i>Corporate Costs:</i>				
Levies/Charge, Contingency, Capital Financing and Transfer to Reserves	122,504	122,318	124,786	126,335
<i>Directorate Costs:</i>				
Directorate Budgets (including 2016/17 pressures and inflationary budgets yet to be allocated, and other costs such as additional allowances, other pension costs and insurance)	406,012	417,336	433,309	446,218
Total Resources Required	528,516	539,654	558,095	572,553
Budget Gap	0	14,503	23,086	31,757
In Year Savings required	0	14,503	8,583	8,671

- 2.8 The draft savings proposals for each Directorate are shown in the table below. These total £31.757m over the period 2017/18 to 2019/20 and are in addition to the £5.2m full year effect of 2016/17 savings already included in the base budget position.

Table 2: Savings Options

	2017/18	2018/19	2019/20	FTE Impact (Indicative)
	£,000	£,000	£,000	
Adults	5,000	8,000	12,000	0
Children's	1,221	1,441	1,621	19
Corporate Core	5,481	8,406	10,566	54
Growth and Neighbourhoods	1,490	2,710	7,220	3
Strategic Development	350	350	350	1
Total Savings identified in latest schedules	13,542	20,907	31,757	77

- 2.9 The Adults savings are to be met by a reduction to the Health and Social Care pooled budget through a strong focus, enabled by the Transformation Fund work, on providing the transformation that will deliver more sustainable health and social care models.
- 2.10 In addition there are significant demographic pressures on Adult Social Care, over and above those which have been built into the budget. These total £4.68m for 2017/18 rising to £4.82m by 2018/19. These additional pressures are also to be met from within the Locality Plan resources. The net impact on the Locality Plan is that savings of £9.68m will be required next year (to cover the savings target and pressures) rising to £16.82m by 2019/20.
- 2.11 The Children's savings to support the budget gap are net of £2.9m savings which will be retained by the directorate to reinvest in the Looked After Children's Investment Fund.

Balancing the Budget Each Year

- 2.12 After taking account of the savings proposals a small gap remains of £0.961m in 2017/18 and £2.179m in 2018/19. It is proposed this is met by using General Fund in 2017/18 and Capital Fund in 2018/19.

Table 3: Remaining budget gap

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Budget Gap	14,503	23,086	31,757
Savings Proposals	(13,542)	(20,907)	(31,757)
Revised total	961	2,179	0
Use of Reserves / (transfer to reserves)	(961)	(2,179)	
Total	0	0	0

3 Scrutiny of the Executive's Draft Budget Proposals and Directorate Budget and Business Plans, including Delivery Plans

- 3.1 At their meetings on 6-8 December, all six Scrutiny Committees considered savings options developed by Officers and were asked to rank which options they believed the Executive should only considered should savings of more than £40m be required or those options that the Executive should only consider if all options were required to be taken forward, and no alternatives could be found. The recommendations made by this Committee on the options within their remit are set out at appendix 1.
- 3.2 The Executive's draft budget proposals were agreed on 11 January and were developed with reference to recommendations made by Scrutiny Committee on the officer savings options, as well the budget options consultation which closed on 15 December (a report on this consultation is attached as appendix 2). As stated previously, these draft proposals include £31.757m of savings in addition to the £5.2m full year effect of 2016/17 savings already included in the base budget position. In addition to revenue savings proposals, the Executive also considered the draft Capital Strategy, which sets out how the Council will seek to align its capital resources to support the Our Manchester strategy priorities.
- 3.3 The Draft Directorate Budget and Business Plans and accompanying Delivery Plan for Adults and also the Locality Plan. These reports contain details of the directorate' draft budget and revenue savings proposals and how the directorate will support the delivery of the Council's priorities as set out in the Our Manchester Strategy. A consolidated list of all of the Executive's draft budget proposals detailing which officer options have been rejected by the Executive, and which options have changed and have been taken forward into draft proposals – is attached at appendix 3 so that Members can understand the budget proposals in their entirety. This schedule also lists the portfolio holder and Scrutiny Committee for each of the draft proposals. Savings in white, or with no shading, form part of the Executive's draft proposals, those shaded lilac are options originally put forward by officers but have been changed and now form part of the Executive's draft proposals and those shaded grey are options prepared by officers in October which are not part of the Executive's draft proposals. This schedule also lists the portfolio holder and Scrutiny Committee for each of the draft proposals.
- 3.4 The Delivery Plans provide a monitoring framework for the objectives in the budget narrative, and set out how progress towards the Directorates' objectives will be monitored through financial, workforce and performance monitoring and through risk management and equality monitoring and action planning. The plans also set out the key challenges the Directorates will be addressing during the implementation of the budget, as evidenced by the Council's Performance Management Framework.
- 3.5 The Committee is invited to consider those draft proposals which are within its remit, as well as the draft directorate budget reports and business plans and to make recommendations to the Executive before it agrees the final budget proposals on 8 February.

4. Next Steps including Consultation

- 4.1 The third and final phase of the budget consultation - focusing on the Executive's draft budget proposals - will run from 3 January until 10 February.
- 4.2 As set out above, the Executive will agree its final budget proposals on 8 February and recommendations made by the six scrutiny committees on the draft proposals will be taken into account by the Executive as part of its decision making process. These final proposals, and the outcome of the final stage of the budget consultation, will be considered by the Resources and Governance Scrutiny Committee at its special budget meeting on Monday 20th February. Chairs of the other five Scrutiny Committees will be invited to attend this meeting to articulate the views of their Committee regarding final proposals. The Council will then make its final decisions and will set the budget on 3 March.

Date	Milestone
31 January – 2 February	Scrutiny Committees scrutinise the Executive's draft Budget proposals and make recommendations to the Executive's budget meeting on 8 February
8 February	Executive agrees final budget proposals
10 February	General Budget Consultation Closes
20 February	Resources and Governance Budget Scrutiny Meeting to consider final outcomes of the budget consultation
3 March	Council sets the budget for 2017/18 – 2019/20

Appendix 1

Health Scrutiny Committee – Budget Process and Options December 2016

1. The Committee recommend that a detailed budget options report is submitted for consideration at the January 2017 meeting. This report is to include:

- Details of the proposals to achieve the required £27m savings over the next three financial years;
- Information on the implications of funding cuts from partners on the delivery of the Locality Plan.
- Information on the impact budget savings options will have on Community Groups delivering preventative work.
- The report will provide examples of how the invest to save model will deliver improved outcomes for residents.
- The report will provide information on how the new model of commissioning will deliver efficiency savings.

2. The Committee recommend that the Executive reconsider the savings figure identified to be achieved in year one of the budget proposals. The Committee recommend that these be distributed over the three years.

3. The Committee recommend that any recommendations arising from the consideration of the budget report at the January meeting are submitted to the January meeting of the Executive.

4. The Committee agreed that if the final budget settlement to be announced in late December is less than is anticipated that this should not impact further on the budget savings required by Adult Social Care.

Manchester City Council Report for Information

Report to: Executive – 11 January 2017

Subject: Outcome of the Budget Options Consultation

Report of: The City Solicitor

Purpose of Report

The paper details the feedback received budget options consultation – the second phase of the Council's budget consultation for the three year budget, 2017/20. The paper also outlines the next steps for the final phase of the consultation on the draft Budget proposals.

Recommendations

Members are asked to note 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	<p>Taking an Our Manchester approach the budget consultation approach understands:</p> <ul style="list-style-type: none">• What is important to Manchester people, why and what they could to support what they value.• Views on the budget options• Views on the proposed budget. <p>The feedback from this will help to shape the budget setting process for the next three years and how collectively we can work together to achieve the Manchester Strategy outcomes.</p>
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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

- Equal Opportunities Policy
- Risk Management

- Legal Considerations
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Financial Consequences – Revenue and Capital

None arising directly from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1. Introduction

1.1 This year the Council has taken a more participatory and strengths based approach – an Our Manchester approach - to budget engagement, which has significantly extended the period for engagement and formal consultation. In setting a three year budget there was a clear requirement for the communication and engagement approach, and the number of people engaged, to grow in line with the scale of the decisions being made. To do this the approach needed to be innovative and fundamentally different to set the different tone in line the Council's Our Manchester way of working.

1.2 To enable this approach the consultation process has been split into three distinct phases:

1.	21 July – 16 September	Budget Conversation: early engagement with a strengths based conversation
2.	3 November – 15 November	Budget options consultation – have your say on our options
3.	3 January – 10 February 17	Budget Consultation – have your say on our proposed budget

1.3 The first phase – Our Budget Conversation - was conversational and more informal – encouraging conversations to take place across a number of channels, that people want to use, rather than focus solely on a survey. The eight week budget conversation provided a clear understanding about what services and places are valuable to Manchester people. Many also gave their views about what they are their communities could do to support and improve their city. Over 2,000 people responded to the questionnaire, on line or postal paper copies, with thousands more sharing their views through social media and at local events.

1.4 The agreed objectives of the budget consultation engagement for all phases are:

To deliver broad awareness of:

- The shared vision for the city as outlined in the Our Manchester Strategy
- The benefits of working together to deliver the city's shared ambitions and meet the challenges using an Our Manchester approach
- How the Council is funded
- How the Council's budget is currently spent
- The scale of the budget challenge faced by the Council – both in increasing demand and decreasing resources
- The breadth of services the Council provides
- The emerging budget strategy and options

To provide opportunities for residents, businesses and other stakeholders to:

- Talk about the services and things the Council does that they value
 - Provide ideas about what the Council could do differently
 - Provide ideas about what they, their community, their neighbourhood, local businesses or other public services could do differently to support the services they value
- 1.5 The second phase of the consultation was live between 3 November and 15 December. Two further statutory consultations were also running at the same time. The consultation for the proposed changes to the council tax support scheme, also ended on 15 December and a consultation for changes to Sure Start, is running until 10 January 2017. A separate paper outlines the results of the council tax support scheme consultation.
- 1.6 This second phase asked people for their opinions on the wide range of options developed by officers. This approach was designed so that there is a clear understanding of the views from all our stakeholders about which of the options should be developed into budget proposals. The proposals developed will be informed by both of the previous phases of consultation.
- 1.7 Following the final phase, time will be taken to explain the outcomes of this consultation exercise, taking a 'you said we're doing' approach. This will detail the outcomes and impact of the consultation process, reflecting back on what was heard, as well as thanking people for participating in the Council's budget process.

2. Methodology

- 2.1 A key part of the communications strategy for phase 2 of the budget consultation was targeted communications activity to ensure a range of responses that reflect the demographic make-up of the city. Whilst the approach has been primarily digital, there is also a range of other supporting communications activity.
- 2.2 Engagement in the consultation and responses have been gathered by the use of what could now be termed standard communication channels for consultations. This includes an online questionnaire supported by web content and a social media campaign across a range of platforms using a mix of organic, boosted and paid-for targeted posts, supported by engaging digital content with images, films and animations.
- 2.3 To support this approach, however, a printed questionnaire using a typologies approach to target over 8,000 people areas with higher percentages of BME, older residents or where there has previously been a low response rate has also been distributed straight to the households across the city.
- 2.4 During phase one, the distribution of a small number of paper questionnaires (950) to areas of the city where a) response to consultations had historically been low and b) there were a significant percentage of older residents less likely to engage through digital channels, was tested. While overall response rate was low at 6.2%, the approach did increase the percentage of respondents from

older age brackets and the percentage stating they were disabled compared with online responses.

2.5 Over 8,000 printed copies were delivered to homes in:

- Moston
- Gorton North
- Brooklands
- Charlestown
- Longsight/Rusholme
- Moss Side
- Whalley Range
- Cheetham

2.6 A further 2,300 copies were distributed through the Customer Service Centre, councillors and libraries.

2.7 The approach for phase two also incorporated targeted media and broadcast coverage. During December an editorial featured in the Asian Leader, a free paper distributing 10,500 copies in areas with high numbers of BME residents. Communications worked with All FM and Asian Sound radio to include live reads and associated social and digital media coverage across their networks.

2.8 In addition, Communications worked with a large range of community and voluntary groups to ensure the opportunity to engage with the budget consultation was highlighted through their existing communications channels.

2.9 Finally, a key part of the digital activity on Facebook was paid-for, targeted posts to key demographics. This targeting was identified in response to weekly updates on the demographic data of those responding and targeted the geographical areas and demographics that are underrepresented in survey responses.

3. Engagement

3.1 **Web content and engagement** - responses have been gathered via an online questionnaire on the Council's website and via social media. This has been promoted using offline channels including media coverage and print, including posters in key council locations such as libraries. Stakeholders were signposted to a range of online content including:

- An overview of the budget setting and budget engagement processes
- Plain English summaries of the budget options developed by officers
- Budget animation explaining where the Council's budget comes from, how it is currently spent and the size of the gap
- Talking head films from the Leader and scrutiny chairs encouraging people to share their views on the options.
- A summary of what we heard through the first phase – the budget conversation.

- 3.2 17,446 unique visitors were driven to the budget web content, this includes the visits to the Council Support Scheme consultation as well as Sure Start content. The most successful channels for driving web traffic were the Council's e-bulletin and Facebook.
- 3.3 **Online Questionnaire** – 6,457 visited the specific options questionnaire pages. The questionnaire was completed by 1,400 people – a completion rate of 21.6%.
- 3.4 **Social Media** – the options consultation has been promoted on Facebook, Twitter, LinkedIn and Instagram inviting people to leave their comments and signposting them to the online survey. Posts include a mix of content (an animated budget overview, images and talking head films. Across all social media channels 98 organic (free messages using corporate channels) budget messages were posted with a resulting 39,336 interactions (comments, likes, favourites, shares, reactions or video views).
- 3.5 The budget animation and the shorter clips of the animation, explaining how the budget is spent and the scale of the savings required, were watched over 35,565 times. The talking head films received a further 4,829 views.
- 3.6 A small amount of targeted paid for social media activity also took place. 16 messages were posted with an overall reach (the number of times in appeared in people's social media feed) of over 280,000. This resulted in a further 126 comments and 28,162 interactions. This approach also resulted in an additional 27,000 views of the video content created.
- 3.7 Facebook has again been the most successful social channel for driving reactions, comments and shares. There has been less conversation in the social media comments in this phase compared to the first phase. This was intended as the predominant call to action was to complete the online questionnaire rather than promote a broader online conversation. In general, feedback from social media was more driven by the topic of the first person commenting – for example if the first commenter mentioned bins then it was likely that the remaining comments were also about bins.
- 3.8 In total 313 comments, from both organic and targeted activity, were made. The list below outlines the most mentioned topics:
- Council salaries, pay cuts and member expenses
 - Consultation and transparency of decisions
 - Waste collection and street cleaning
 - Road maintenance and alterations
 - Christmas expense
 - Social care
 - Town Hall refurbishment
 - Events e.g. homecoming parade
 - Council tax collection and support
 - Homelessness

- Alternative cuts or options e.g. selling assets or efficiencies

3.9 **Printed questionnaires** - In order to boost responses from older people, BME and areas that have been previously underrepresented over 8,000 printed questionnaires were delivered homes in nine wards. This approach was designed using the communications typologies research, which understands residents' communication preferences. 306 completed questionnaires have been returned – a response rate of 3.8%.

3.10 In total, including the digital questionnaires, 1,706 people responded to the consultation.

4. Questionnaire analysis

4.1 The complete analysis of the options with comments from respondents can be found in appendix one. The following outlines the headlines from the responses.

4.2 Throughout the consultation the options which respondents were most likely to agree or strongly agree with largely remained the same. Respondents tend to chose the 'back office options' or options that they consider to a wasteful way to spend money over those that they consider to directly impact vulnerable people or the services they value the most. The table below outlines the top ten options people were most likely to strongly agree or agree with.

Options	% strongly agree or agree
Schools and education – option 3 Reusing school sites	94%
Council offices and buildings – option 1 Reviewing council offices	92%
Leisure and parks – option 4 Renewable energy leisure centres	89%
Leisure and parks – option 2 Shared back office for sports and leisure	84%
Bins and recycling – option 1 Increasing recycling	76%
Services that keep the Council running - option 7 Contract management	76%
Leisure and parks – option 3 Commissioning of Leisure Services	70%
Services that keep the Council running - option 9 Financial management	70%
Council tax – option 1 Changes to council tax services	65%
Neighbourhoods and events – option 2 Christmas lights	63%

- 4.3 The options which respondents most strongly disagree or disagree with tend to be those that impact vulnerable people most or those that impact the services they care about, such as place based services. This does correlate with the responses received in phase one of the budget conversation. The table below outlines the top ten options people were most likely to strongly disagree or disagree with.

Options	% strongly disagree or disagree
Neighbourhoods and events – option 8 Community Safety	71%
Services that keep the Council running – option 4 Reducing prosecutions	70%
Neighbourhoods and events – option 4 Work and Skills budgets	70%
Neighbourhoods and events – option 5 Emergency Welfare grants	69%
Neighbourhoods and events – option 3 Neighbourhood Investment Fund	67%
Children services – option 4 Children's Centres	63%
Neighbourhoods and events – option 10 Work and skills team	61%
Neighbourhoods and events – option 9 Neighbourhoods staffing	54%
Leisure and parks – option 5 Grounds maintenance	54%
Council tax – option 2 Council Tax support	53%

5. Demographic analysis

- 5.1 Given the objective to improve the representation of responses and the additional channels used to do this, the demographic analysis of respondents is particularly important. Once again the demographic characteristics of the respondents to the survey were compared to those of the population using Census data. A higher proportion of respondents to date for this phase are male (51%) than the population (49.8%). More females responded to the phase one budget conversation.
- 5.2 The age profile of respondents is once again more clustered to the middle age bands with young people aged 16-25 and those ages over 75 slightly under-represented. The response rate, however, from these groups has improved from the first phase of the consultation. 16-25 response rate was 4.7% in phase one, increasing slightly to 5.8%. For the over 75s the response rate has improved from 1.3% in phase one to 4.1% in this phase. Respondents to the postal survey were more clustered to the older age bands and were significantly more likely to be disabled (20.4%) than respondents to the online survey (11.2%).

- 5.3 By ethnicity those in the white British group are again over-represented at 80.8% compared to 59.3% of the population. This over representation has, however, reduced from 84% in phase one. Those in the Other Black demographic are also slightly over-represented following small improvements in the response rate. Postal respondents were more likely to be from ethnic minority groups than online respondents with a high proportion of Pakistani (10.8%) and African (5.4%) minorities.
- 5.4 The e-bulletin, social media activity and the paper questionnaire has been targeted at previously underrepresented areas and communications activity continued to target these areas as the consultation continued. Whilst still underrepresented there have been improvements in the response rates from some wards compared to the previous phase of consultation. For example Cheetham, Moston, Charlestown and Gorton North have all seen improvements in numbers of responses.

6. Next steps and the final phase of the consultation

- 6.1 Over 3,700 people have responded to the first two phases of consultation and thousands more in social media. The final phase of the budget consultation goes live on 3 January 2017 and runs until 10 February, focusing on the draft budget proposals included in the agenda for this meeting. However, the conversation does not stop there: as part of the Our Manchester approach, the Council will continue to consult and engage with residents and other stakeholders in new and innovative ways about how best to collectively work together to deliver the priorities for the city.
- 6.2 This phase of the budget consultation is the next stage of a process which began nearly six months ago to ask residents and stakeholders about their priorities for the Council's budget. So the approach to the third phase of consultation will be to provide the latest information about the Council's financial position, what has changed since the options were published and inviting comments on the draft proposals in their entirety.
- 6.3 The engagement methodology will once again be targeted to encourage a representative sample of residents and businesses, with both paper and digital options. Different areas of the city will be targeted for the postal questionnaire, again using the communication typology information to boost representation. In addition, further engagement will be undertaken with key groups, particularly those which are under represented, including young people, to ensure that feedback is received from as many groups as possible before proposals are finalised.
- 6.4 The consultation will be promoted to businesses as well as residents and will ensure that the Council is compliant with its statutory duty under the Local Government Finance Act 1992 to consult with persons or bodies appearing to them to be representative of persons subject to Non-Domestic Rates (also known as Business Rates) in their area, about their proposals for expenditure for the forthcoming financial year.

- 6.5 Specific consultation will also be undertaken for staff and partners. Staff engagement sessions, led by directorates will start on 3 January and more generally staff will be encouraged to respond to the questionnaire. Partner engagement will be led by the appropriate Strategic Director.

7. Conclusion

- 7.1 Executive is asked to note and comment on the budget consultation process and proposed next steps.

Appendix one – questionnaire analysis

1. Bins and recycling

1.1 Residents were asked whether they agree with the following:

‘Option 1: Increase recycling, saving up to £2.2million over three years. Changes we’ve already made to the size of bins will save £1.3million next year. We could save another £900,000 a year by working with people to recycle more and put less into grey bins’

1.2 Over three quarters (76%) of respondents agreed or strongly agreed with the proposal. 18% disagreed or strongly disagreed. Those living in the City Centre were significantly more likely to strongly agree with the proposals than those living in other areas.

Extent agreeing with proposal	Count	%
Strongly agree	816	49%
Agree	456	27%
Neither agree nor disagree	102	6%
Disagree	148	9%
Strongly disagree	158	9%
Total known	1,680	100.0%
Don't know	14	-
No response	12	-

1.3 The main reason for agreeing with the proposal was to protect the environment (cited by 29%). A further 19% cited reasons of common sense citing both environmental and fiscal reasons:

‘There seems to be no reason to not recycle all that we can if it also saves us money’.

1.4 Just over a tenth (11%) had some concerns and felt various things need to be put in place for it to work. Some were concerned over the lack of plastic or other types of recycling:

‘Smaller grey bins are not currently working because people are not recycling more or because the type of rubbish they produce is not currently recyclable. More resources need to be put into finding out what all this non-recyclable rubbish is and how it can be recycled.’

1.5 7% focussed on the cost savings from recycling:

‘I feel improving recycling is a positive step to make to save money, rather than just cutting services and other organisations having to pick up the slack’

1.6 The main reason for disagreeing with the proposal, cited by 13% was the view that the current bins were already too small. 7% felt it would encourage more fly tipping:

‘The smaller bins have already increased fly tipping in some areas. Recycling centres are too spread out across the city and not easy access for those without cars, the elderly and disabled. Often clothes recycling and recycling centres are overflowing onto the pavement before collection and this encourages tipping also as emptying them is not timely’.

- 1.7 People were asked how the changes would affect them personally. Just over two fifths (42%) cited a positive impact; 50% cited a negative impact and 8% a neutral impact.

Positive impact	Count	%
A better environment	128	15%
Cost savings	70	8%
Positively	68	8%
More responsible community	38	4%
Better educated community	26	3%
Reduced littering	24	3%
Increased employment	2	0%
Negative impact		
Increased fly tipping/rubbish	334	39%
Not practical for me to implement	33	4%
Issues with neighbours/shared facilities in flats	22	3%
Negatively	14	2%
More work sorting rubbish	8	1%
Untidy - too many bins	6	1%
More trips to tip	4	0%
Neutral impact		
Other	3	0%
No impact	68	8%
Total	848	100%
Unrelated comment	110	-
Don't know	27	-
Blank	721	-

- 1.8 Positive impacts included a better environment cited by 15% of respondents. Almost two fifths of respondents felt their neighbourhood would be impacted by more fly tipping/rubbish as a result:

‘Cuts to household waste collection services, such as reducing amount / frequency of general waste collections, will further increase the vermin problems in my densely populated community’

2. Leisure and parks

- 2.1 The table details residents' views on the five options. Option 4, to invest in ways to save energy was the most popular with 88% of respondents strongly agreeing or agreeing with this option. Option 2 to share office and management costs was also popular with 82% agreeing with this option. Over two thirds (71%) of respondents agreed with option 3, to commission leisure services directly. Just over half (51%) of respondents agreed with option 1 to review the

contract for community sport and leisure. Option 5, to reduce grounds maintenance was the least popular with 29% agreeing with this option.

	1. Review contract		2.Share office and management costs		3.Commission leisure services differently		4.Saving energy		5.Reduce grounds maintenance	
	Count	%	Count	%	Count	%	Count	%	Count	%
Strongly agree	336	22%	621	38%	439	28%	888	55%	190	12%
Agree	449	29%	748	46%	660	42%	549	34%	283	18%
Neither agree nor disagree	305	20%	136	8%	301	19%	102	6%	280	17%
Disagree	286	18%	83	5%	103	7%	53	3%	475	30%
Strongly disagree	172	11%	34	2%	51	3%	32	2%	380	24%
Total	1548	100%	1,622	100%	1554	100%	1,624	100%	1,608	100%
Don't know	117	-	47	-	98	-	37	-	60	-
Blank	41	-	37	-	54	-	45	-	38	-

2.3 Respondents were asked to describe why they agreed or disagreed with these options. The table outlines the main reasons given:

	Count	%
Agree need to make efficiency savings	273	27%
Sports facilities are essential	220	21%
Maintenance needs to be prioritised	178	17%
Lack of information on which to base decision	110	11%
Energy saving investment is important	54	5%
Risk of under valuing of leisure services	45	4%
More sports and leisure facilities should be paid for by users or privatised	39	4%
Other	39	4%
Need to improve contracting	21	2%
No opinion	16	2%
Sports facilities are not a priority	15	1%
Need to maintain public sector involvement	10	1%
Need to increase community involvement	7	1%
Total	1027	100%
Don't know	8	-
Blank	671	-

2.4 Over a quarter of respondents recognised the need to make efficiency savings in this area:

'I want the maximum savings to be made with the minimum job loss and reduction in services'.

2.5 Over a fifth of respondents reiterated the importance of sport & leisure services:

'Reducing spending on affordable community leisure services will simply transfer the cost to the Health budget due to poorer health, obesity, mental health issues and poor well being'.

- 2.6 There was a degree of concern about option five with 17% of respondents concerned that it would affect both the appearance of green spaces and about the loss to older residents.

‘Not maintaining areas such as bowling greens has a massive effect on older people who depend on these sorts of leisure activities to avoid social isolation - which ends up costing more in social care/hospital costs’.

- 2.7 5% of respondents were positive regarding the potential for energy savings in Option 4.

‘Don’t think we should cut funding, or share facilities. But do think we should invest in cheaper cleaner energy for all our buildings where possible’.

- 2.8 4% of respondents cited concerns over the under-valuing of leisure services in option 1:

‘Option 1: when contracts are reviewed you sometimes get organisations submitting realistic bids which result in their staff working longer hours for less pay and fewer services’.

- 2.9 Residents were asked how the changes would affect them personally. 16% cited a positive impact; 65% cited a negative impact and 20% a neutral impact.

	Count	%
Positive impact		15%
Better use of money	62	9%
Improved services	25	4%
Positive impact	13	2%
Improved environmental sustainability	8	1%
Negative impact		65%
Poorer services	307	45%
Reduced maintenance & reduced local pride, safety concerns	88	13%
Lack of information	21	3%
Greater public contribution to costs and/or maintenance	14	2%
Job losses	12	2%
Neutral		20%
no impact	112	16%
unrelated comment	23	3%
Total	685	100%
Don't know	51	-
Blank	969	-

3. Bereavement services

- 3.1 Residents’ were asked for their views on the following option:

‘Increase income from bereavement services, saving £160,000 over three years. We could invest £20,000 in improvements to the service to increase the number of burials and cremations undertaken. This could increase the service’s income by £60,000 per year’.

- 3.2 Just under two thirds (62%) of respondents agreed or strongly agreed with the proposal. 14% disagreed or strongly disagreed. Younger age groups were more likely to agree with the proposal with 60% of those aged 26 to 39 and 58% of those aged 40 to 64 in agreement compared to 48% of those aged 60 to 65 and 47% of those aged 75+.

Extent agreeing with proposal	Count	%
Strongly agree	397	26%
Agree	568	37%
Neither agree nor disagree	357	23%
Disagree	137	9%
Strongly disagree	88	6%
Total known	1,547	100%
Don't know	135	-
Blank	24	-

- 3.3 The table below details the reasons provided for agreeing/disagreeing with the proposal.

	Count	%
Agree		58%
Yes - Cost effective option	302	38%
Yes - Services will improve	80	10%
Yes - if savings are through growth not cuts or increased cost to services	79	10%
Yes - it has less priority than other services	2	0%
Not sure		22%
Not sure - Lack of information on which to make decision	166	21%
No opinion	10	1%
Disagree		20%
No - Don't agree with charging more for burial	99	12%
No - Don't agree council should be focussing on this area	52	6%
No - Lack of money saved	13	2%
	803	100%
Unknown	4	-
Unrelated comment	17	-
Blank	882	-

- 3.4 For 38% of respondents it represented a cost effective option. A further 10% however qualified this response with the proviso that savings would need to be made through growth rather than cuts or increased costs of services. A fifth of respondents disagreed with the proposals, often due to concerns about increased costs.

'Agree, as long as affordable burials/cremations are available to the public. It's already too expensive to bury someone'

4. Neighbourhoods, people and events

- 4.1 The table below details respondents views on the twelve options. Respondents most strongly agreed with the proposals to reduce Christmas lights and

celebrations with 63% in agreement with this option. Levels of disagreement were highest with proposals to reduce funding for local work and skills projects and to reduce staff costs in community safety and compliance.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Option 2 Reduce Christmas lights	35%	28%	6%	16%	14%
Option 11 Reduce contributions to partners	23%	36%	19%	15%	7%
Option 7 Review markets	20%	33%	18%	18%	11%
Option 1 Reduce events funding	24%	28%	11%	22%	15%
Option 6 Change management	17%	35%	24%	15%	9%
Option 12 Review animal welfare	17%	22%	17%	24%	20%
Option 9 Reduce staff costs in neighbourhoods	10%	21%	15%	31%	23%
Option 10 Cut staff in work and skills	9%	16%	13%	34%	27%
Option 3 Reduce neighbourhood investment funds	8%	14%	10%	35%	32%
Option 5 Reduce emergency welfare grants	10%	10%	10%	27%	42%
Option 4 Reduce funding for work and skills	8%	12%	10%	34%	36%
Option 8 Reduce staff costs in community safety	7%	11%	11%	34%	37%

4.2 The table below details the reasons provided for agreeing/disagreeing with the proposals.

	Count	%
Agree with proposals		12%
Generally agree	42	5%
Agree with 2 - Lights not essential	27	3%
Agree with 2 - Santa not essential	24	3%
Agree with 1 - Don't need events/need fewer events	11	1%
Disagree with proposals		29%
Generally disagree - cuts will reduce quality of life	79	9%
Disagree with 10 - Employability support saves money in long term	69	8%
Disagree with 1 - Do not cut events - events have wider impact	43	5%
Disagree with 12 - Animal welfare is important	36	4%

	Count	%
Agree with proposals		12%
Generally disagree - False economy to make cuts	28	3%
Disagree with 1 - Maintain Xmas Lights	2	0%
Views on priorities		48%
Focus on supporting communities/ Neighbourhood services a priority	102	12%
Focus available funds on those most in need	80	9%
Spend on people not events	67	8%
Find other (private) sources of funding	62	7%
Invest where it delivers returns/ value for money	30	3%
Cut higher management costs and bureaucracy	26	3%
Support people rather than animals	19	2%
Need to maintain minimum standards on streets	16	2%
Increase productivity	11	1%
Shift spend to neighbourhoods from city centre	9	1%
Cut services that have less impact	2	0%
Do not know		10%
Not enough information provided	64	7%
Other	22	3%
Don't know	5	1%
Total	876	100%
Unrelated comment	28	-
blank	802	-

- 4.4 12% of respondents agreed with one or more of the proposals, in particular the proposals to reduce Christmas lights and events funding. Many respondents suggested the need for more private sponsorship. However, 5% thought that the Council should consider the wider impact of funding for events and Christmas celebrations:

'Events and Christmas celebrations contribute to Manchester's reputation and draw in income and investment - cutting these would be financially counterproductive'.

- 4.5 29% of respondents expressed disagreement with one or more of the proposals. 8% of respondents felt strongly that work and skills support should be prioritised:

'Cutting initiatives for things like work and skills will be a major blow and will affect how we support people getting back into work, especially when people are being encouraged to work as a consequence of welfare reforms'

- 4.6 12% considered that the Council should focus support on supporting local communities:

'I believe that the community of Manchester is extremely important. To withdraw funding from this area would leave the local support groups floundering and could eventually leave us all in a worse state. It is important for local groups to feel that they have the council's blessings and support.'

- 4.7 9% of respondents considered that decisions should be governed by the need to protect those most in need:

'All of these are tough decisions. We must protect the vulnerable, especially those who have, through no fault of their own, found themselves in difficult circumstances. We should attempt to protect staff. A loss of experience and expertise will cause harm. It will also result in us having to support those who have lost jobs. Where possible we should work with partners to reduce the amount of money they need from us, this includes community groups and event organisers'.

- 4.8 Respondents were asked how these changes would affect them personally:

	Count	%
Negative impact		68%
Reduced quality of life and long-term impact on communities	203	36%
Increase disaffection in community	46	8%
Impact on clean streets and the environment	44	8%
Impact felt by most disadvantaged	23	4%
Animal welfare issues	20	4%
Reduced ability to meet local needs	19	3%
Negative impact on the economy	15	3%
Increase in homelessness and health problems	5	1%
Negative impact on image of Manchester	4	1%
Impact on peoples' ability to find work	3	1%
Positive impact		17%
Increased efficiency by controlling costs / attracting more private sector investment	41	7%
Improvements to neighbourhood	7	1%
Improvement in image of city and environment	2	0%
No impact		8%
No impact	46	8%
Do not know		15%
Lack of information	11	2%
Don't know	39	7%
Other	33	6%
Total	561	100%
Blank	1145	-

- 4.9 Just over two thirds of respondents considered the proposals would have a negative impact. Seventeen percent of respondents considered the proposals would have a positive impact mainly through increased efficiency.

5. Children's services

- 5.1 The table below details respondents' views on the six options. Respondents most strongly agreed with option 1, to safely reduce the number of children in care and families needing support with 63% agreeing with this option. Levels of disagreement were highest with option 4 to reduce children's centre services and locations with 63% disagreeing with this option.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Option 1 Reduce number needing support	28%	35%	8%	13%	17%
Option 5 Change youth and play services	12%	48%	2%	25%	12%
Option 3 Reduce services for very young children	9%	49%	2%	30%	10%
Option 6 Change short breaks for children	16%	27%	14%	19%	24%
Option 2 Reduce health visitors	17%	26%	13%	23%	21%
Option 4 Reduce children's centres and locations	9%	15%	13%	30%	33%

5.2 The table below details the reasons provided for agreeing/disagreeing with the proposals.

	Count	%
Agree		26%
Agree with need for greater efficiency	87	11%
Agree with option 1	43	5%
Parents need to take more responsibility	29	4%
Agree with efficiency if done safely/if services are protected	24	3%
Agree with option 6	11	1%
Agree with option 2	6	1%
Agree with greater targeting of families	5	1%
Agree with option 5	1	0%
Disagree		65%
Children's services need to be protected	389	48%
Need to consider detrimental long term impact	48	6%
Disagree with option 6	40	5%
Disagree with option 3	16	2%
Disagree with option 1	9	1%
Disagree with option 5	8	1%
Disagree with option 4	4	0%
Do not agree changes would save money	4	0%
Disagree with option 2	3	0%
Don't know		10%
Unrelated comment	34	4%
Lack of information	27	3%
Don't know	16	2%
Total	804	100%
No comment	11	-
Blank	891	-

5.3 Just under two thirds (65%) of respondents disagreed with one or more of the proposals. Just under half (48%) commented that children's services were a key

area to be protected. A further ten percent commented on the negative long term impact of one or more of the proposals:

'Cuts to preventative services in 3, 4, and 5 are likely to be counter-productive and lead to higher care costs in future'

- 5.4 11% of respondents considered that efficiency savings should be considered however a substantial minority qualified this with the need to protect services and consider safety:

'Carefully being the operative word. Careful evaluation and negotiation could lead to savings. However this must not be used as an easy way to simply reduce costs by providing poor service'

- 5.5 Five percent of respondents commented that they agreed with option 1 to safely reduce the number of children in care and families needing support. Comments were more mixed on option 2, to reduce the number of health visitors:

'On the fence a bit with regards to health visitors, clearly not everyone needs regular contact with a health visitor but how do you pinpoint who does, mistakes could be costly isn't terms of child welfare should you kiss signs of abuse or neglect'

- 5.6 2% of respondents commented on their disagreement with option 3. 1% of respondents disagreed with option 5:

'The youth sector saves. It 'mops up' and prevents a lot of more expensive interventions further down the line'

- 5.7 Respondents were asked how these changes would affect them.

	Count	%
Adverse impact	327	80%
No impact	51	13%
Positive impact	17	4%
Positive impact though cost savings	13	3%
Total	408	100%
Not enough information to say	10	-
Don't know	39	-
Unrelated comment	18	-
blank	1231	-

- 5.8 Four fifths (80%) of respondents considered the proposals would have an adverse impact:

'At-risk children and their families obviously need support, and it affects everyone in the community when services are cut, families don't get the help they need and children grow up to become disruptive and non-productive'

- 5.9 Thirteen percent of respondents considered the proposals would have no impact and seven percent a positive impact, mainly through more money for other services.

6. Schools and education

- 6.1 The table below details respondents' views on the three proposals. Respondents most strongly agreed with the proposal to reuse closed school sites with 93% agreeing with this option. Levels of disagreement were highest with option 2 to reduce school crossing patrols, with 43 percent disagreeing with this option, however, 47% did agree or strongly agree with the option.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Option 3 Reuse closed school sites	57%	37%	3%	2%	2%
Option 1 Review services to schools	22%	34%	14%	16%	14%
Option 2 Reduce school crossing patrols	17%	30%	10%	21%	23%

- 6.2 The table outlines the focus of respondents' comments on the proposals:

	Count	%
Agreement		63%
Agree with option 3	176	30%
Agree with all options	72	12%
Agree with option 2	45	8%
Agree with option 1	32	5%
Agree with all but with concerns	18	3%
Agree with option 2 with concerns	15	3%
Agree with option 3 with concerns	11	2%
Agree with option 1 with concerns	7	1%
Disagreement		37%
Disagree with option 2	104	18%
Disagree with option 1	88	15%
Disagree with all options	18	3%
Disagree with option 3	8	1%
Total	594	100%
Unrelated comment	60	-
Lack of information	47	-
Don't know	5	-
Blank	1000	-

- 6.3 Over three fifths of respondents commented on their agreement with one or more option. Just under a third of comments related to agreement with option 3 and many respondents considered that re-use of closed school sites could be very positive:

'Option three is by far the best. Many community/education groups may already be able to make good use of former school buildings'.

- 6.4 18% of comments related to disagreement with option 2, mainly on grounds of safety:

'I feel school crossing patrols help children learn to cross safely, even where crossings exist and also act as a reminder to drivers that there are children in areas'.

- 6.5 15% of comments related to disagreement with option 1, reviewing services to schools:

'Option 1 seems to be a most tricky one as schools could lose certain services altogether and the most disadvantaged are the ones that suffer the most such as migrant children requiring extra support, children with a disability and the poor. On the other hand, schools are fundamental to making people better human beings that feel they can fulfil their goals in life and move forward. Cutting services cut lead to poor quality education'.

- 6.6 The table below outlines how people thought the changes would affect them personally.

	Count	%
Positive impact		38%
Positive impact from redevelopment of sites	58	19%
Other positive impact	23	7%
More funding for other things	17	5%
Improved congestion / road safety	13	4%
Positive impact on education	6	2%
Reduced council tax	1	0%
Negative impact		38%
Increased child safety concerns	75	24%
Negative impact on education	35	11%
Other negative impact	7	2%
Increased congestion/health impacts	1	0%
Increased costs to parents	1	0%
Neutral/no impact		24%
No impact	49	16%
Other	17	5%
Not enough information to say	10	3%
Total	313	100%
Don't know	34	-
Unrelated comment	51	-
blank	1308	-

- 6.7 Thirty eight percent of respondents cited a negative impact. In 24% of cases this was linked to concerns over safety from the reductions to school crossing patrols. In 11% of cases respondents were concerned about a negative impact on education. A further thirty eight percent of respondents cited a positive impact. In the majority of cases this was linked to a positive impact from the redevelopment of closed school sites.

7. Adult social care and health

- 7.1 Residents' were asked to comment on the following:
'Join up more health and social care services, saving £27.064 million over three years. 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’

- 7.2 The views in response to this are set out in the table below. Overall 64% of respondents agreed with the proposal and a further 24% agreed but with some concerns. 12% disagreed with the proposal.

	Count	%
Agree		64%
Agree - good idea	225	29%
Agree - joined up services will improve services	98	12%
Agree - need greater efficiency and money saving	83	11%
Agree - to provide greater focus on prevention	36	5%
Agree - need to prevent bed blocking	29	4%
Agree - more frontline staff	12	2%
Agree - current system not working	9	1%
Agree - to reduce bureaucracy	8	1%
Agree - work with even more partners	2	0%
Agree - equal pay for social care	1	0%
Agree but with concerns		24%
Agree if no staff or service cuts	61	8%
Agree but need better communications and IT systems	54	7%
Agree but needs careful management	32	4%
Agree but concerns over cost	27	3%
Agree but needs to go further	7	1%
Agree but concerns over privatisation	4	1%
Agree but need for consultation / transparency / evidence	5	1%
Disagree		12%
Disagree - will not work	33	4%
Disagree - concerns over services	20	3%
Disagree - other	10	1%
Disagree - too much reorganisation	8	1%
Disagree - concerns over private involvement	8	1%
Disagree - concern over costs	7	1%
Disagree - need to focus on other areas	6	1%
Total	785	100%
Don't know	64	-
Unrelated comment	199	-
Not enough information to say	53	-
Blank	605	-

- 7.3 12% of respondents agreed because they considered that joined up working would help to improve services. 11% commented it would help to save money through efficiencies:

‘Any initiative that reduces the financial burden on institutional care and healthcare settings is of benefit to both the local community and local government budget’

- 7.4 9% agreed with the proviso that it would not affect staffing or the quality of services.

‘Bringing services together is not a bad thing, provided they tell each other what the other one is doing. No reduction to staff please! This makes for stress and stress doesn't work when you're looking after the community. Just make them more efficient and that they are able to give 99% to their jobs. Maybe some jobs could be voluntary in this area’.

- 7.5 8% of respondents disagreed with proposals largely due to concerns over reductions in funding and the issues reorganisation:

‘I fear for the health service, a service that is already underfunded, combining with social care which is dramatically underfunded, meaning health care loses out overall’

‘Having worked in social care, the amount of money wasted is the problem, not the provision of services. This is the unfortunate case with many public services. Constant reorganisation and changes to provision doesn't solve the problems long term’

8. Council offices and buildings

- 8.1 Respondents were asked for their views on the following option:

‘Review use of Council offices and buildings, saving £250,000 in 2018/19. We could improve Council offices and buildings to support services better, stop using those that are no longer useful, and share buildings with partners’.

- 8.2 Levels of agreement were high with 92% strongly agreeing or agreeing with reviewing use of Council offices and buildings, as set out in the table below.

Extent agreeing with proposal	Count	%
Strongly agree	917	56%
Agree	602	36%
Neither agree nor disagree	91	6%
Disagree	21	1%
Strongly disagree	19	1%
Total known	1650	100%
Blank	17	-
Don't know	39	-

- 8.3 The table below outlines respondent's reasons for agreeing/disagreeing with the options:

	Count	%
Agree		70%
Will provide greater efficiency	157	29%
Will provide savings	115	21%
Agree with transfer to other use	55	10%
Agree plus consider flexible/teleworking	18	3%
Agree, there is too much spent on (luxury) offices	14	3%
Preferable to other options	3	1%
Agree - other	20	4%

	Count	%
Agree		70%
Agree with concerns		9%
Yes as long as still accessible and services do not suffer	24	4%
Yes with other conditions	15	3%
Yes but need to ensure staff working conditions are good	4	1%
Yes provided there is a saving	7	1%
Agree but co-location preferable to hot desking	2	0%
Disagree		8%
Need to sort out town hall first	24	4%
Doubt there will be savings	4	1%
Reduce other costs (running, maintenance)	4	1%
will impact on staff efficiency	3	1%
Disagree - other	9	2%
Don't know		13%
Not enough information to say	38	7%
Need for review / planning	28	5%
Don't know	5	1%
Total	549	100%
Blank	970	-
Unrelated comment	187	-

8.4 In 29% of cases respondents' agreed with the suggestion on the basis that it would lead to increased efficiency:

'I agreed as many building have a lot of empty offices that can be used so they could be incorporated into bigger buildings already in use thereby keeping costs down'

8.5 The main reason for disagreeing with the proposal was the lack of information on which to base a decision:

'With the new central library and town hall renovation being such a success it would be interesting to see what the council deems as 'no longer useful'. I do not agree with closing local council building that bridge the gap between the city and the surrounding areas but I would be curious to know and which services would be expected to 'share' as this doesn't seem like a huge operation with a large financial saving - again very vague as really examples are needed before a final comment is made but the concept seems good'

8.6 5% of respondents spoke of concerns over the cost of the Town Hall refurbishment and ongoing maintenance:

8.7 Respondents were asked how these changes would affect them personally:

	Count	%
Positive impact		54%
Greater funding for other areas	89	28%
Buildings as community assets	23	7%
Improved services	20	6%
less empty buildings	11	3%
Improved integration between services	13	4%

	Count	%
Positive impact		54%
Feel MCC is sharing in the pain	7	2%
Greater home working and work life balance	5	2%
Improved staff morale	3	1%
Environmental benefits	2	1%
No impact		37%
No impact	86	27%
Not enough information to say	31	10%
Other	3	1%
Negative impact		9%
Poorer access to council services	20	6%
Reduced staff morale	4	1%
More disused buildings	4	1%
Total	321	100%
Unrelated comment	15	-
Don't know	35	-
Blank	1335	-

8.8 Just over half of respondents were positive about the changes. In 28% of cases respondents' welcomed the change because they felt it would provide more funding for other areas:

'It will free up money that otherwise is just "taken by the council" into making changes that people can actually see and feel'

9. Services that keep the Council running

9.1 Respondent's most strongly agreed with option 7 to save £750,000 on contracts with 76% agreeing with this option. Levels of disagreement were highest with option 4 to reduce numbers of prosecutions with 70% disagreeing with this option.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Option 7 Save £750k on contracts	34%	42%	16%	4%	3%
Option 9 Reduce costs of financial management	27%	43%	16%	10%	4%
Option 3 Change legal, democratic and election services	26%	39%	15%	13%	7%
Option 8 Change employment policies and processes	27%	35%	16%	13%	9%
Option 2 Reduce HR Services	22%	30%	16%	22%	10%
Option 5 Reduce voter registration activity	21%	31%	14%	18%	16%
Option 11 Reduce policy, partnerships and research team	20%	32%	8%	23%	18%

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Option 6 Reduce communications support	16%	34%	25%	17%	7%
Option 12 Reduce reform and innovation team	20%	27%	19%	23%	12%
Option 1 Reduce IT	20%	27%	17%	22%	14%
Option 13 Reduce costs in audit and customer services	17%	29%	22%	22%	10%
Option 10 Reduce strategic development staff costs	19%	26%	20%	23%	12%
Option 14 Reduce costs in performance, research and intelligence	18%	26%	20%	23%	12%
Option 4 Reduce number of prosecutions	8%	12%	9%	29%	41%

9.2 The table below outlines respondent's reasons for agreeing/disagreeing with the proposals:

	Count	%
Reduce bureaucracy/ increase efficiency	212	37%
Need to maintain staff or services suffer	71	12%
Embrace technology to make services more efficient	67	12%
False economy to make cuts in this area	51	9%
Don't cut staff vital to innovation	53	9%
Maintain prosecutions	27	5%
Cut strategic management	19	3%
Minimise impact on communities/protect those most in need	21	4%
All suggestions will lead to poorer services	10	2%
Maintain voter services	12	2%
Shared services	7	1%
Improve procurement	9	2%
Cut staff costs	8	1%
Need to keep city clean	4	1%
Total	571	100%
Not enough information to say	105	-
Other	25	-
Blank	1005	-

9.3 37% of respondents felt the focus should be on reducing bureaucracy and increasing efficiency:

'I have seen how grossly inefficient back-office services are in other Councils where I have worked (as a procurement consultant) and have little doubt Manchester is just as flabby. Cut costs and bureaucracy, demand they deliver

more with less. No organisation needs an army of personnel officers and accountants'

- 9.4 12% of respondents emphasised the need to maintain staff and a further 9% cited the need to maintain staff vital to innovation:

'Whilst I'm sure that there are areas where staff costs can be reduced, I can't agree to the wholesale reduction of council teams and staff, especially in areas such as urban regeneration and planning. Manchester is a rapidly growing city, and its development could potentially be crippled by some of these cost cutting measures'.

'The policy, performance, research, and audit funding should not be cut. Reducing these services could blind the self-awareness of the council. Savings can be made, but not at planning and observing the services of the council. Without the data and auditing mistakes and misspending could go on unwatched and not stopped'.

- 9.5 9% of respondents emphasised false economy of the changes:

'A lot of these options seem like false economies. E.g. cutting HR - the council need to recruit and manage the best people for the jobs available. It would be a false economy to cut back on the service responsible for delivering that'.

- 9.6 Respondents were asked how these changes would affect them personally.

	Count	%
Positive impact		29%
Improved efficiency	63	24%
improved quality of service	12	5%
Other positive impact	3	1%
No impact		21%
No impact	41	15%
Need to be careful to avoid detrimental impacts	10	4%
Need to focus support on communities	3	1%
Accountability is important	2	1%
Negative impact		49%
Detrimental to communities	48	18%
Impact on growth & image	29	11%
Reduced service quality	18	7%
Worsening of environment and image	11	4%
Reduced services	9	3%
Impact on democracy	6	2%
More unemployment	3	1%
Other negative impact	7	3%
Total	265	100%
Don't know	57	-
Not enough information to say	4	-
Unrelated comment	2	-
Blank	1378	-

- 9.7 29% of respondents felt the changes could have a positive impact, mainly through increased efficiency:

'A more efficient, cost-effective and productive council would benefit all residents'.

- 9.8 Just under half of respondents considered the changes could have a negative impact. 18% of respondents were concerned about the impacts on local communities and the most vulnerable:

'It will be the most vulnerable people who suffer if you reduce your functioning and so the potential impact on the community is massive if you cut back many of your key functions'.

- 9.9 11% had concerned that it could impact on Manchester's growth and image:

'If a lot of these cut were made, I'd fear that Manchester's momentum would slow down, it's slowly becoming a "place to be" and drawing in talent and money - I don't want to see that go!'

10. Council Tax, changing benefits and business rates services

- 10.1 The table below details respondents' views on these options. Respondents most strongly agreed with option 1 to change our benefits, council tax and business rates services with 65% agreeing with this option. Levels of disagreement were highest with option 2 to reduce Council Tax support with 53% disagreeing with this option:

'At least Council Tax - despite the fact that the bands are seriously out of date - put more burden on those more able to afford it, very roughly. Reducing Council Tax support to those in need could drive people on to the streets'

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
1.Change benefits, council tax and business rate services	26%	39%	14%	12%	9%
3.Increasing Council Tax by 2% each year	23%	28%	10%	16%	23%
4.Increasing Council Tax by another 1.99% each year	17%	25%	12%	20%	25%
2.Reduce Council Tax Support	17%	18%	12%	26%	27%

- 10.2 The table below outlines respondent's reasons for agreeing/disagreeing with the proposals.

	Count	%
Agree		21%
It is needed to continue providing services	128	17%
Agree with paying more	22	3%
Agree as too much benefit / support provided	8	1%

Agree with concerns		7%
Money raised from increased tax has to go to the services that the increase is supposed to fund.	50	7%
Disagree		45%
Burden on residents is already heavy enough	158	21%
Protect vulnerable people / it will affect those most in need	93	12%
Dissatisfied as tax increases whilst services reduce	48	6%
Risk that tax increase / reduced support will mean more people need support	14	2%
Disagree other reason	15	2%
It will affect people in work	8	1%
Prefer alternative option		28%
Council tax is unfair / need to reform council tax / those who can pay more tax should do so	91	12%
Run the services more efficiently / reduce red tape etc.	71	9%
Cut selected services / make savings elsewhere	14	2%
There are other ways of generating income	12	2%
The problem is Government cuts	9	1%
Collect from bad payers / fraud claims	8	1%
Other	2	0%
Total	751	100%
More information needed	19	-
Don't know	32	-
Blank	904	-

10.3 21% of respondents agreed with the proposals. In the majority of cases this was linked to a preference for increasing Council Tax rather than cutting services:

'Option 3/4: these are small increases given the increasing costs of providing services. I would rather pay more and keep services than pay the same and have vital service after vital service cut'

10.4 A further 7% of respondents were in agreement with Council Tax increases but only as long as they saw an improvement in services as a result:

'I believe that if we want good quality public services we need to pay for them - I am happy for my council tax to increase if I am assured that my money is being invested in to people who live in this city having better life chances. I do not believe in penalising the most vulnerable and making them pay more for less in return'.

10.5 45% of respondents disagreed with the proposals. 21% percent felt the burden on residents was already heavy enough:

'With increasing council tax, I think if there will be no or terrible adult social care service then I've rather pay more in council tax but tbh the majority of people I know struggle paying council tax as it is. In this day and age we have enough bills without them increasing constantly'.

10.6 12% of respondents commented that Council Tax support should not cut in order to protect the most vulnerable. 28% of respondents suggested alternative options. 12% cited the need for Council Tax reform:

'Lots of people pay council tax who live in expensive houses. Don't decrease CTS and again penalise those at the bottom. Can't there be new valuation and more bands in council tax. The difference between band A and band H properties doesn't reflect the differences in lifestyle and income'.

10.7 9% considered that the focus should instead be on running the services more efficiently:

'If savings on non essential services are made and Council cuts its expenditure within itself no need to penalise people by increasing tax and reducing benefits'.

10.8 Respondents were asked how these changes would affect them personally:

	Count	%
Positive impact		20%
Right thing to do to get good services	40	10%
It will benefit the city	15	4%
Help to address concerns about health and social care	12	3%
Do not want to pay for people who abuse the system	7	2%
Agree with paying more Council Tax	3	1%
Neutral impact		8%
No impact	12	3%
Will pay more tax but preserve services	10	3%
I can afford it	7	2%
Negative impact		56%
Significant impact on household budget	129	34%
Negative impact on those on low/fixed income	47	12%
Risk of becoming uncaring / not supporting those who need help	17	4%
Concern about housing / homelessness	10	3%
People will move out of Manchester	6	2%
Rise in uncollected tax	6	2%
Other		16%
Need reforms to Council Tax instead	6	2%
Other	54	14%
Total	381	100%
Don't know	18	-
Unrelated comment	7	-
Blank	1300	-

10.9 56% of respondents considered the proposals would have a negative impact with 34 percent citing the impact on household budgets:

'4% annual increase in Council Tax will impact on me and many others'.

10.10 However 20% of respondents considered the proposals would have a positive impact, including through improved services:

'As a Manchester resident I am happy to contribute fully towards Council Tax to ensure that our cities most vulnerable residents get the support they need'

11. General comments

11.1 Respondents were asked to make general comments about the budget options.
An overview of the comments are presented in table below:

	Count	%
Views on options		50%
Preserve essential services (welfare, children.)	149	18%
Process efficiencies, shared services, reduce staff, reduce salaries rather than cut services	114	14%
Cut selected services	51	6%
Increase Council tax	32	4%
Continue investing for growth and generate future revenues	28	3%
Focus on environmental improvements	10	1%
Address transport concerns	8	1%
Do not increase Council Tax	7	1%
Increase business rate	6	1%
Greater private sector investment	6	1%
Transfer spend from city centre to outskirts	4	0%
Comments on consultation		35%
Not satisfied with the consultation and options proposed	132	16%
More information needed	69	8%
Satisfied with the options proposed	49	6%
Satisfied about being consulted and being informed	24	3%
Council should act, no need for this consultation	14	2%
Reassured about the Council's approach and options	5	1%
Need to consult council staff	1	0%
Concerns		9%
Worried about the future	51	6%
Should oppose Government cuts	23	3%
Other		6%
Other	54	6%
Total	837	100%
Don't know	6	-
No comment	3	-
Unknown	3	-
Blank	857	-

11.2 18% of respondents emphasised the need to preserve essential services for the most vulnerable:

'My only concerns about budget cuts, which however it is looked at this is, would be that strenuous efforts must be made to protect the most vulnerable members of our society. Children are too young and inexperienced to look after themselves. The elderly and those really seriously disabled are equally, in many cases, deserving of our respect and protection'.

11.3 14% spoke of the need to make process efficiencies rather than cuts to services:

'I think cuts should be made first quickly by seeing where money can be made, e.g. sharing business resources and space, then by cutting luxuries that don't impact spending within the city, e.g. Christmas lights, then making services

more targeted and efficient, e.g. child and adult care and benefits - however the latter would have to be done with time and care'

- 11.4 6% identified specific services which they felt could be cut and 4% commented that taxes should be raised to pay for services:

'If the central government insists on squeezing budgets we need to all chip in at a local level to ensure that vulnerable people don't suffer. Raise taxes, don't cut services!'

- 11.5 35% of respondents made comments on the consultation process. 16% were not satisfied with the options proposed. A further 8% commented on the vagueness of some of the proposals.

'As said before many were impossible to foresee what the consequences would be. It would be helpful in future to tabulate the proposals with the savings and their likely consequence'

- 11.6 6% however were satisfied with the options proposed and 4% expressed gratitude about being consulted:

'There are a good range of options and a lot of things that could be reduced without having too much of a negative impact on others. In some cases there would be a positive impact in the long run'

'Thanks for asking us what we think. There are a wide variety of types of savings being explored which is good to see. Might be worth hitting a few big ticket items rather than chipping away at a lot of smaller changes'.

12. Other ways to save money

- 12.1 Respondents were asked to provide suggestions of other ways money could be saved:

	Count	%
Increased efficiency		38%
Run MCC more efficiently	194	26%
More efficient service delivery (improvements planned better, review contracts with third parties etc.)	46	6%
Shared services, joint working (within local councils, human and financial resources, office space, IT)	38	5%
Reduce spend		21%
Reduce unnecessary expenses (decorations, planting, parties/events)	49	7%
Residents' participation in delivery (community participation, community work for offenders and for young people on benefit)	37	5%
Selective service cuts	19	3%
Greater private sector involvement	16	2%
Reform/ reduce benefits	18	2%
Improved contract management	8	1%
Greater third sector involvement	5	1%
Generate income		23%
Generate income - other	30	4%
Oppose government cuts	27	4%

	Count	%
Fine crime offenders (parking, fly tipping, drug users.)	25	3%
Generate income from Council's premises / land	22	3%
Investment and growth (through tourism, better services mean longer-term savings, prevention)	22	3%
Increase council tax / ensure people pay council tax	16	2%
Increase business tax (levy on stallholders, large businesses.)	13	2%
Reform tax system for landlords renting to students / home owners	5	1%
Innovative funding - public wealth fund, crowd funding	4	1%
Fraud check / tax evasion	4	1%
Investment		10%
Transport related (tax on public transport, remove bus lane to reduce congestion, invest in real-time bus movement information)	24	3%
Invest in renewable energy	18	2%
Cuts cannot apply to key services (i.e. protecting vulnerable people, environment)	15	2%
Invest in recycling	9	1%
Invest in affordable housing	7	1%
Invest in getting people into employment	1	0%
Decision making		4%
More consultation with council staff, with residents, experts / share experience with other councils	22	3%
Longer-term planning / preventative work	6	1%
Other	33	5%
Total	733	100%
Don't know	16	-
No suggestions	5	-
Unknown	3	-
Blank	949	-

12.2 38% of respondents cited the need to **focus on improvements in efficiency**. Just over a quarter suggested improvements to efficiency in the running of MCC including changes to the management structure.

12.3 6% of respondents commented on the need for more efficient service delivery (including better planning of improvements and reviewing contracts with third parties):

'Early preventive action is always a cheaper option than fire fighting. Employ people to cost the significance of ignoring known problems rather than moving in a team to solve them'.

12.4 5% of respondents suggested greater sharing of services and 7% suggested greater participation of residents' in delivery:

'Whilst there is some mention of shared services across GM there is a whole range of services that could be shared across some or all of the 10 Districts in GM. These should be explored in more detail and could save a considerable amount. The same applies to any outsourcing contracts - GM sized contracts give better spending power'

- 12.5 21% of respondents focussed on the **need to reduce spend**. In 7% of cases respondents suggested reducing unnecessary expenses, in particular events and decorations:

'Instead of decorating the city centre at every whimsy such as a ton of pumpkins at Halloween, don't bother. It makes very little difference to the feel of the place when litter is flooding the path. Focus on key services then when/if we can, on the additional decorative ones'.

- 12.6 23% focussed on **methods to generate income**. Suggestions were varied and included generating greater income through fines; from the Council's premises and land; through taxation and investment and growth.

- 12.7 10% of respondents suggested **areas in which investment should be made** including transport, renewable energy and affordable housing. A further 4% cited the need to **review the decision making process** including a focus on longer-term planning and preventative work:

'Proper investment into children services and social care means in the long term people will need it for shorter intervention and less crisis management thus reducing overall costs'.

Appendix 2 – Demographics of respondents

- 1,706 responses were received to the survey: 1,400 were completed online and 306 using a postal questionnaire. The demographic characteristics of the respondents were compared to those of the population using Census data.
- The table below compares on the basis of gender; overall a higher proportion of respondents were male (51.0%) than the population (49.8%) however postal survey respondents were more likely to be female than the population.

	Manchester		Postal respondents		Online respondents		Total respondents	
	Count	%	Count	%	Count	%	Count	%
Female	252,623	50.2%	150	52.4%	607	48.3%	757	49.0%
Male	250,504	49.8%	136	47.6%	651	51.7%	787	51.0%
Total known	503,127	100%	286	100.0%	1258	100.0%	1,544	100.0%
Prefer not to say	-	-	10	-	113	-	123	-
Unknown	-	-	10	-	29	-	39	-

- The age profile of respondents was more clustered to the middle age bands. Respondents to the postal survey were more clustered to the older age bands.

	Manchester		Postal respondents		Online respondents		Total respondents	
	Count	%	Count	%	Count	%	Count	%
16-25	111,630	27.5%	8	2.8%	83	6.5%	91	5.8%
26-39	123,636	30.5%	42	14.9%	435	34.1%	477	30.6%
40-64	122,899	30.3%	135	47.9%	605	47.4%	738	47.3%
65-74	24,767	6.1%	54	19.1%	133	10.4%	189	12.1%
75+	22,777	5.6%	43	15.2%	21	1.6%	64	4.1%
Total known	405,709	100%	282	100.0%	1277	100.0%	1,559	100.0%
Prefer not to say	-	-	14	-	91	-	105	-
Unknown	-	-	10	-	32	-	42	-

- By ethnicity those in the white British group were over-represented at 80.8%. Those in the Other Black group were also over-represented. Postal respondents were more likely to be from ethnic minority groups than online respondents with a high proportion of Pakistani (10.8%) and African (5.4%) minorities.

	Manchester		Postal respondents		Online respondents		Respondents	
	Count	%	Count	%	Count	%	Count	%
White								
English/ Welsh/ Scottish/ Northern Irish/ British	298,237	59.3%	184	71.0%	998	83.0%	1182	80.8%
Irish	12,352	2.5%	2	0.8%	34	2.8%	36	2.5%
Other White	24,520	4.9%	1	0.4%	62	5.2%	63	4.3%
Mixed								

	Manchester		Postal respondents		Online respondents		Respondents	
	Count	%	Count	%	Count	%	Count	%
White and Black Caribbean	8,877	1.8%	0	0.0%	8	0.7%	8	0.5%
White and Black African	4,397	0.9%	3	1.2%	5	0.4%	8	0.5%
White and Asian	4,791	1.0%	3	1.2%	12	1.0%	15	1.0%
Other Mixed	5,096	1.0%	0	0.0%	8	0.7%	8	0.5%
Asian or Asian British								
Indian	11,417	2.3%	8	3.1%	5	0.4%	13	0.9%
Pakistani	42,904	8.5%	28	10.8%	15	1.2%	43	2.9%
Bangladeshi	6,437	1.3%	3	1.2%	2	0.2%	5	0.3%
Chinese	13,539	2.7%	1	0.4%	2	0.2%	3	0.2%
Other Asian	11,689	2.3%	2	0.8%	7	0.6%	9	0.6%
Black or Black British								
Caribbean	25,718	5.1%	5	1.9%	4	0.3%	9	0.6%
African	9,642	1.9%	14	5.4%	2	0.2%	16	1.1%
Other Black	8,124	1.6%	4	1.5%	23	1.9%	27	1.8%
Other ethnic group								
Other ethnic group	15,387	3.1%	1	0.4%	16	1.3%	17	1.2%
Total known	503,127	100%	259	100.0%	1203	100.0%	1,462	100%
Prefer not to say	-	-	7	-	174	-	181	-
Unknown	-	-	21	-	42	-	63	-

4. 13% of respondents considered themselves to be a disabled person compared to 18% of the population (who considered their day-to-day activities to be limited a lot or a little). Respondents to the postal survey were significantly more likely to be disabled (20.4%) than respondents to the online survey (11.2%).

	Manchester		Postal respondents		Online respondents		Total Respondents	
	Count	%	Count	%	Count	%	Count	%
Yes	89,364	17.8%	54	20.4%	140	11.2%	194	12.8%
No	413,763	82.2%	211	79.6%	1,111	88.8%	1,322	87.2%
Total known	503,127	100%	265	100.0%	1251	100.0%	1,516	100%
Prefer not to say	-	-	18		108		126	-
Unknown	-	-	0		64		64	-

5. Just over a third (34.6 percent) of respondents had caring responsibilities. 9.2% provided care for a disabled child, adult, older person (increasing to 15.6% if secondary care is included). This is higher than the population; the 2011 Census recorded 8.9 percent of the population as providing unpaid care including looking after, giving help or support to family members, friends, neighbours or others, because of long-term physical or mental ill-health or disability or problems relating to old age. Online respondents were more likely to care for children and disabled adults however postal respondents were more likely to be carers of older people.

	Postal respondents		Online respondents		Total Respondents	
	Count	%	Count	%	Count	%
None	168	71.5%	795	64.2%	963	65.4%
Primary carer of child/children under 18	35	14.9%	245	19.8%	280	19.0%
Primary carer of disabled child or children	0	0.0%	24	1.9%	24	1.6%
Primary carer of disabled adult (18-65)	4	1.7%	39	3.2%	43	2.9%
Primary carer of older people (65+)	17	7.2%	52	4.2%	69	4.7%
Secondary carer	11	4.7%	83	6.7%	94	6.4%
Total known	235	100.0%	1,238	100.0%	1,473	100.0%
Prefer not to say	30	-	139	-	169	-
Unknown	0	-	64	-	64	-

6. The table below details the home locations of respondents. Postal survey respondents were more likely to be residents of East and North Manchester and online respondents were more concentrated in South Manchester and the City Centre. This is not unsurprising given that postal questionnaires were sent to previously under represented areas.

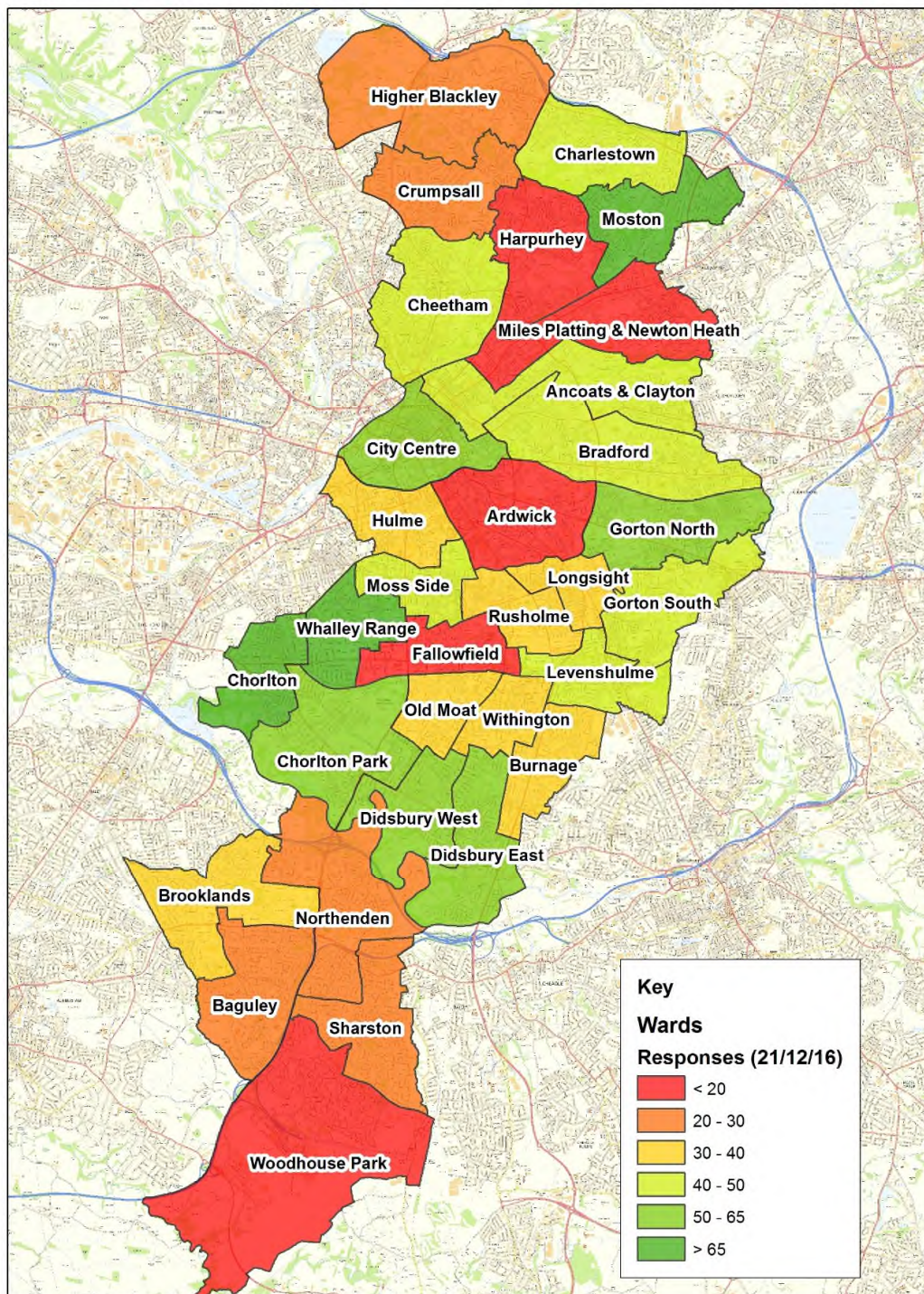
Geographical location	Postal respondents		Online respondents		Total Respondents	
	Count	%	Count	%	Count	%
South	76	24.9%	733	52.3%	809	47.4%
East	104	34.1%	210	15.0%	314	18.4%
North	67	22.0%	150	10.7%	217	12.7%
Wythenshawe	3	1.0%	129	9.2%	132	7.7%
Central	4	1.3%	142	10.1%	146	8.5%
Not recognised or outside of Manchester	51	16.7%	37	2.6%	88	5.2%
Total	306	100.0%	1400	100.0%	1,706	100%

7. The table below details the total number of responses from each ward.

Ward	Count of responses
Whalley Range	77
Moston	76
Chorlton	74
City Centre	63
Didsbury East	62
Gorton North	60
Didsbury West	59
Chorlton Park	54
Bradford	51
Levenshulme	50
Charlestown	49
Ancoats and Clayton	47
Cheetham	45

Ward	Count of responses
Gorton South	44
Moss Side	44
Rusholme	37
Hulme	35
Old Moat	35
Brooklands	33
Longsight	32
Burnage	30
Withington	30
Higher Blackley	28
Sharston	27
Crumpsall	26
Baguley	24
Northenden	23
Harpurhey	21
Miles Platting and Newton Heath	20
Ardwick	19
Fallowfield	19
Woodhouse Park	10
Not recognised or outside of Manchester	402
Total	1706

Number of Responses by Ward



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Adults

Adults - 2017/18 - 2019/20 savings options												
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Impact	Amount of Saving Option				FTE Impact (Indicative)	Scrutiny Committee	Portfolio holder
						2017/18	2018/19	2019/20	Total			
						£,000	£,000	£,000	£,000			
Efficiency and Improvements												
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		17,980	6,534	2,550	27,064		Health and Children and Young People	Cllr Andrews
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		Health and Children and Young People	Cllr Andrews
Total Efficiency and Improvements						5,000	3,000	4,000	12,000	0		
Total Adults						5,000	3,000	4,000	12,000	0		

Children's - 2017/18 - 2019/20 savings options												
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Impact	Amount of Saving Option				FTE Impact (Indicative)	Scrutiny Committee	Portfolio holder
						2017/18	2018/19	2019/20	Total			
						£,000	£,000	£,000	£,000			
Efficiency and Improvements												
Children Services	LAC Model incl Commissioning Reviews	Efficiency	Amber	Amber		886	993	1,019	2,898		Children and Young People	Cllr Newman
Children Services	Efficiency and Improvement savings above to be reinvested into Services for Looked After Children	Efficiency	Amber	Amber		-886	-993	-1,019	-2,898		Children and Young People	Cllr Newman
	Remodelled Health Visitor workforce	Efficiency	Red	Amber			500		500		Children and Young People	Cllr Newman
Education	Dedicated Schools Grant - recharge for statutory duties replacing Education Services Grant	Efficiency	Amber	Amber		600			600		Children and Young People	Cllr Newman
	Dedicated Schools Grant - redirect IT system costs and overheads replacing Education Services Grant	Efficiency	Amber	Amber		400			400		Children and Young People	Cllr Newman
	Closed School Budget - reduced requirement due to re-use of school sites	Efficiency	Green	Green		221			221		Children and Young People	Cllr Newman
	Impact of School Crossing Patrols Investment	Efficiency	Green	Red		250	250		500	29	Children and Young People	Cllr Newman
	Impact of School Crossing Patrols Investment	Efficiency	Green			0	220	0	220	13	Children and Young People	Cllr Newman
Total Service Efficiencies						2,107	1,213	1,019	4,339	13		
Service Reductions												
Children's Services	Early years new delivery model: Rescale target audience	Service reduction	Amber	Red		500			500		Children and Young People	Cllr Newman
Education	Youth and Play Trust: streamlined commissioning	Service reduction	Amber	Amber		400	400		800		Children and Young People	Cllr Rahman
	Other: Short breaks – implement direct payments replacing commissioning arrangements	Service reduction	Amber	Amber		100			100		Children and Young People	Cllr Newman
Children's Services	Reconfiguring the Early Years Delivery Model including Sure Start Children's Centres	Service Reduction	Red	Red				180	180	6	Children and Young People	Cllr Newman
Service Improvement												
Children's Services	Review of Early Years Delivery Model including Sure Start Children's Centres to deliver a better neighbourhood offer.	Service Improvement	Red	Red				180	180	6	Children and Young People	Cllr Newman
Total Service Improvement						0	0	180	180	6		
Total Childrens						1,221	220	180	1,621	19		

Corporate Core - 2017/18 - 2019/20 savings options											
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)	Scrutiny Committee	Portfolio Holder
					2017/18	2018/19	2019/20	Total			
					£,000	£,000	£,000	£,000			
IMPROVEMENT AND EFFICIENCY											
Audit, Risk and Resilience	Reduce risk and resilience staffing	Efficiency	Green	Green	78			78	2.0	R esources and Governance	Cllr J Flanagan
Corporate Procurement	Increased external income from sale of procurement services	Income generation	Red	Amber	54			54		R esources and Governance	Cllr J Flanagan
	Staffing reduction	Efficiency	Green	Green	67			67	2.0	R esources and Governance	Cllr J Flanagan
Customer Services	Staffing reduction	Efficiency	Green	Green	50			50	1.0	R esources and Governance	Cllr J Flanagan
Financial Management	Reduce supplies and services budget, delete vacant posts and reduce valuation budgets	Efficiency	Green	Green	113			113	4.0	R esources and Governance	Cllr J Flanagan
	Reduce funding for vacant Head of Finance post following implementation of lean systems	Efficiency	Green	Amber		100		100	1.0	R esources and Governance	Cllr J Flanagan
	Lean Systems : Service review and improved efficiency through ICT developments and changes to finance processes	Efficiency	Red	Green			390	390	11.0	R esources and Governance	Cllr J Flanagan
HROD	Existing vacancy, regrading of G9 and other non staff	Efficiency	Green	Green	69			69	1.0	R esources and Governance	Cllr J Flanagan
ICT	Revenue savings through reduction in contract costs - data & telephony, mobiles and printing	Efficiency	Amber	Green	150	150		300		R esources and Governance	Cllr J Flanagan
	Staffing reduction following implementation of ITSM	Efficiency	Green	Green	160			160	4.0	R esources and Governance	Cllr J Flanagan
	Reduction in maintenance and refresh of ICT equipment	Efficiency	Green	Amber	100	150		250		R esources and Governance	Cllr J Flanagan
	Revenue savings through reduce maintenance/licensing cost following capital investment	Efficiency	Amber	Green		170	170	340		R esources and Governance	Cllr J Flanagan
	Travel reductions across the Council from collaboration technology	Efficiency	Amber	Green	50	50		100		R esources and Governance	Cllr J Flanagan
Revenues and Benefits	Staffing reduction from existing vacancies following efficiencies and transfer of functions to Dept Work and Pensions	Efficiency	Green	Green	448			448	15.0	R esources and Governance	Cllr J Flanagan
	Implement charge for managing the City Centre Business Improvement District collection of monies.	Income generation	Amber	Green	15			15		R esources and Governance	Cllr J Flanagan
	Improve Council Tax collection rates	Income generation	Green	Green	2,000			2,000		R esources and Governance	Cllr J Flanagan
	Utilise New Burdens funding	Efficiency	Green	Amber	400			400		R esources and Governance	Cllr J Flanagan
Shared Service Centre	Additional income and deletion of five vacancies	Income generation	Green	Green	322			322	5.0	R esources and Governance	Cllr J Flanagan

Corporate Core - 2017/18 - 2019/20 savings options											
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact	Scrutiny Committee	Portfolio Holder
Legal and Democratic Services	Staffing reduction in legal services following planned reduction in Children's caseload	Efficiency	Amber	Amber			100	100	2.0	R esources and Governance	Cllr R Leese
	Review of provision of mortuary services on a Manchester or Greater Manchester basis.	Collaboration	Amber	Amber		55		55		R esources and Governance	Cllr R Leese
Legal and Democratic Services	Electoral Registration Shared Service – explore centralised registration function for cluster of local authorities or at GM level, providing increased resilience and economies of scale.	Collaboration	Amber	Amber		150		150		R esources and Governance	Cllr R Leese
	Hand delivery of Electoral Registration Forms and Poll Cards	Efficiency	Green	Green	20			20		R esources and Governance	Cllr R Leese
Policy	Staffing reduction	Efficiency	Green	Amber	100			100	2.5	Resources and Governance and Economy	Cllr R Leese
Reform and Innovation	Staffing reduction, reduction in hours and deletion of time limited posts.	Efficiency	Green	Amber	55			55	1.0	Resources and Governance and Economy	Cllr R Leese
Cross Directorate	Contract savings across all Directorate	Service Reduction	Red	Amber		750		750		R esources and Governance	Cllr J Flanagan
Employee Related Budgets	Annual Leave Purchase scheme	Efficiency	Green	Green	200			200		R esources and Governance	Cllr J Flanagan
TOTAL IMPROVEMENT AND EFFICIENCY					4,431	1,425	660	6,516	51.5		
SERVICE REDUCTIONS											
Communications	Staffing reduction would impact on service delivery	Service Reduction	Amber	Red	38	12		50	1.0	R esources and Governance	Cllr B Priest
Human Resources	Reduction in support for complex cases and social work induction and contracts	Service Reduction	Green	Amber	296			296	5.0	R esources and Governance	Cllr J Flanagan
Legal and Democratic Services	Business Support Review for City Solicitors	Service Reduction	Amber	Amber	50			50	2.0	R esources and Governance	Cllr R Leese
Legal and Democratic Services	Reduction in the number of proactive prosecutions, saving from staffing	Service Reduction	Green	Amber	25			25	0.5	R esources and Governance	Cllr R Leese
	Statutory minimum requirements for Electoral Registration – single doorknock canvass to encourage the resident to return their form, do not register residents on doorstep	Service Reduction	Green	Amber	30			30		R esources and Governance	Cllr R Leese
Performance, Research and Intelligence	Continued delivery of statutory requirements with remaining resource focused on priorities with much less capacity for strategic support, analysis, evaluation and demographic modelling work.	Service Reduction	Amber	Red	90	270		360	8.0	Resources and Governance and Economy	Cllr J Flanagan
Policy	Further staffing reductions from across the team would reduce capacity for delivering growth priorities	Service Reduction	Red	Red		350		350	8.0	Resources and Governance and Economy	Cllr R Leese

Corporate Core - 2017/18 - 2019/20 savings options											
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact	Scrutiny Committee	Portfolio Holder
Reform and Innovation	As well as the tiered approach above there is the more radical approach which involves taking the whole team out.	Service Reduction	Red	Red		50	686	736	11.0	Resources and Governance and Economy	Cllr R Leese
Revenues and Benefits	Welfare Provision Scheme awards - continues delivery of a scheme to most vulnerable, £100k saving would remove non-recurrent contingency funding used for food banks in 2016/17	Service Reduction	Green	Amber	100			100		R esources and Governance	Cllr J Flanagan
	Cease Welfare Provision Scheme Awards	Service Reduction	Amber	Red	505			505	3.4	R esources and Governance	Cllr J Flanagan
Council Tax Support Scheme	Options are being consulted on for the reduction in spend on the Council Tax Support Scheme. These include increasing the top slice to a maximum of 80% (so residents pay the first 20%) and band capping options	Service Reduction	Amber	Red	2,000			2,000		R esources and Governance	Cllr J Flanagan
Council Tax Support Scheme	Options were consulted on for the reduction in spend on the Council Tax Support Scheme. These include increasing the top slice up to a maximum of 80% (so residents pay the first 20%) and band capping options	Service Reduction	Amber	Red	1,000			1,000		R esources and Governance	Cllr J Flanagan
Review of employment policies and processes	Reviewing employment processes and practices to identify savings	Reform	Red	Red		1,500	1,500	3,000		R esources and Governance	Cllr J Flanagan
TOTAL SERVICE REDUCTIONS					1,050	1,500	1,500	4,050	2.0		
TOTAL CORPORATE CORE					5,481	2,925	2,160	10,566	53.5		

G&N

Growth and Neighbourhoods - 2017/18 - 2019/20 savings options											
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)	Scrutiny Committee	Portfolio holder
					2017/18	2018/19	2019/20	Total			
					£,000	£,000	£,000	£,000			
IMPROVEMENT AND EFFICIENCY											
Parks, Leisure and Events	Further reduce costs of indoor leisure through re-commissioning of contracts.	Efficiency	Amber	Amber		500	150	650		Communities and Equalities	Cllr Rahman
	Energy improvements on leisure buildings - any savings will accrue to the leisure contract	Efficiency	Green	Green		50	50	100		Communities and Equalities	Cllr Rahman
	Wythenshawe Forum Trust - efficiencies from sharing back office functions	Efficiency	Green	Green		50	50	100		Communities and Equalities	Cllr Rahman
	Co-commissioning leisure services across Greater Manchester. This includes looking at ways in which 12 leisure operators across GM can collaborate more effectively	Efficiency	Amber	Amber		50	50	100		Communities and Equalities	Cllr Rahman
Compliance and Enforcement	Explore alternative models for delivery of the animal welfare service.	Efficiency	Amber	Amber	50	-	-	50		Neighbourhoods and Environment	Cllr N Murphy
Business Units	Increase bereavement services offer - pricing competitively with increase of £60k per year and £20k invested in year 1 to implement practice recommended by Institute of Cemetry and Crematoria	Income Generation	Green	Green	40	60	60	160		Resources and Governance	Cllr Rahman
The Neighbourhoods Service	Review of management arrangements across the Neighbourhoods Service structure	Efficiency	Amber	Amber	90	-		90	1.0	Neighbourhoods and Environment	Cllr N Murphy
	10% reduction in funding to partner organisation	Efficiency	Green	Green	26	-	-	26		Neighbourhoods and Environment	Cllr N Murphy
Work and Skills	Reduction in Work and Skills strategy project budget	Efficiency	Green	Amber	60	40		100		Economy	Cllr Priest
Waste	Planned Service change	Efficiency	Green	Green	1,300	-	900	2,200		Neighbourhoods and Environment	Cllr N Murphy
	Other service changes - apartment blocks	Efficiency	Amber	Amber		250	250	500		Neighbourhoods and Environment	Cllr N Murphy
	Other service changes - academy schools	Income generation	Green	Amber		100		100		Neighbourhoods and Environment	Cllr N Murphy
	Reviewing waste disposal costs	Collaboration	Red	Red			3,000	3,000		Neighbourhoods and Environment	Cllr N Murphy
Total Improvement and Efficiency					1,340	1,060	4,510	6,910	-		
SERVICE REDUCTIONS											
Parks, Leisure and Events	10% reduction in partner funding across all areas of events or ceasing 4/5 events	Service Reduction	Green	Red	100			100		Communities and Equalities	Cllr Rahman
	Revised client function arrangements for the Community Leisure operation at Wythenshawe Forum	Service Reduction	Red	Red			50	50		Communities and Equalities	Cllr Rahman
	Festive Lights - reduce scale by 50%	Service Reduction	Amber	Red			150	150		Communities and Equalities	Cllr Rahman
	Santa - install elsewhere in the city estimate if installed at lower height	Service Reduction	Green	Red		30		30		Communities and Equalities	Cllr Rahman
	Santa - do not install at all in the city centre (in addition to above)	Service Reduction	Green	Red		40		40		Communities and Equalities	Cllr Rahman
Parks, Leisure and Events	Review of Christmas Offer including income and costs		Green	Amber	0	60	0	60		Communities and Equalities	Cllr Rahman
Business Units	Review of viability and operating models for Wythenshawe & Harpurhey Markets to include consideration of capital investment to improve the two markets	Service Reduction	Amber	Red	150			150		Resources and Governance/Economy	Cllr Rahman

G&N

Growth and Neighbourhoods - 2017/18 - 2019/20 savings options

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)	Scrutiny Committee	Portfolio holder
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000			
Grounds Maintenance	Removal of fine turf team - stop maintaining 23 bowling greens across the city	Service Reduction	Amber	Amber		175		175	6.0	Neighbourhoods and Environment	Cllr N Murphy
Grounds Maintenance	Reduction in the fine turf team and the number of greens directly maintained across the City. The reductions will be made in partnership with the current users of the service.	Service Reduction	Amber	Amber		100		100	3.0	Neighbourhoods and Environment	Cllr N Murphy
Compliance and Enforcement	Reduction in out of hours team	Service Reduction	Amber	Red			134	134	3.0	Neighbourhoods and Environment	Cllr N Murphy
	Reduction in number of compliance staff.	Service Reduction	Amber	Red			102	102	3.0	Neighbourhoods and Environment	Cllr N Murphy
Neighbourhood Teams	Reduce Neighbourhood Investment Funding budgets to £10k per ward (from £20k)	Service Reduction	Green	Red	320		-	320		Communities and Environment	Cllr N Murphy
	10% Reduction in staffing within the Neighbourhood Teams - impact on role of team	Service Reduction	Amber	Red			237	237	6.0	Neighbourhoods and Environment	Cllr N Murphy
	20% Reduction in staffing within the Neighbourhood Teams (in addition to above)	Service Reduction	Amber	Red			237	237	7.0	Neighbourhoods and Environment	Cllr N Murphy
Work and Skills	Further reduction in work and skills budget	Service Reduction	Amber	Amber		239		239		Economy	Cllr Priest
	Reduction of staffing in work and skills	Service Reduction	Amber	Red	96	93	112	301	6.0	Economy	Cllr Priest
Total Service Reductions					150	160	0	310	3.0		
Total Growth and Neighbourhoods					1,490	1,220	4,510	7,220	3.0		

Strategic Development - 2017/18 - 2019/20 savings options											
Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)	Scrutiny Committee	Portfolio holder
					2017/18	2018/19	2019/20	Total			
					£,000	£,000	£,000	£,000			
Efficiencies and Improvements											
Operational Estate and Facilities Management	Refurbishment of Hulme Library and the disposal of Westwood St and Claremont Resource Centre. DWP would take out a lease for the whole of the ground floor plus service change. Repairs and Maintenance contract re-tenders	Income Generation	Amber	Green	250			250	-	Resources and Governance	Cllr Priest
Total Improvement and Efficiency					250	0	0	250	0.0		
Service Reductions											
Strategic Development	Staffing reductions	Service Reduction	Amber	Red	150			150	4.0	Economy/Resources and Governance	Cllr Leese
Strategic Development	Staffing reductions	Service Reduction	Amber	Red	100			100	1.0	Economy/Resources and Governance	Cllr Leese
Total Service Reductions					100	0	0	100	1.0		
Total Strategic Development					350	-	-	350	1.0		

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

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.

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
Total	205,877	157,692	1,440

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
Total	1,065	1,814	2,879

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.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
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.

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

- 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
Sub-total	10.719	3.995	2.654	2.654	20.022
Resources Identified:					
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
Sub-total	-9.129		-0.069	-0.069	-9.267
Total	1.590	3.995	2.585	2.585	10.755

- 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 1st April 2016 and 31st 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 31st 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 1st 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
Base Budget	157.69	156.63	154.81
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
Sub Total	174.73	182.56	189.64
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
Total	165.05	169.81	172.82
Net Increase	7.36	13.18	18.01
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
Total	205,877	157,692	1440	199,812	151,627	1440	194,998	146,813	1440	194,998	142,813	1440

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
Total	157,692	0	(6,065)	151,627	0	(4,814)	146,813	(4,000)	0	142,813

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	
Efficiency and Improvements									
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	
Total Efficiency and Improvements					5,000	3,000	4,000	12,000	0
Total Adults					5,000	3,000	4,000	12,000	0



Adults Services Delivery Plans 2017/18 – 2019/20

People. Pride. Place.

Adults Services Key Challenges from the Performance Framework 2017/18 – 19/20

Key Challenges

Performance

- Improving delayed transfers of care
- Continuing to manage the rate of new admissions to residential and nursing care
- Improving the flow of clients from Reablement
- Managing the market to ensure appropriate quantity and quality of support in the community
- Maintaining improvement of in-house services pre-integration with the new LCO
- Reducing the number of rough sleepers
- Evaluating and evidencing the effectiveness and cost/benefits of new delivery models funded via the GM Transformation Fund
- Ensuring oversight and delivery of the DASS' statutory performance reporting responsibilities post-integration
- Developing robust system-wide performance reporting mechanisms with increasing information governance complexities whilst simultaneously implementing a new care management IT system

Evidence Source

Annual statutory returns to DH 2015/16;
Monthly and Quarterly in-year Performance Reports to Adults' Performance Improvement Board – 2016/17
Monthly DTOC reports from Unify

Value for Money

- Manchester, whilst having a small proportion of over 65s, has a higher proportion using ASC services. The net expenditure per 65+ service user was £7,125 in 2014/15, lower than all comparator groups apart from the GM Average at £6,586.
- Manchester had the lowest net expenditure per head across GM for all adults 18+ with a physical disability, sensory or memory and cognition impairment. Short-term support to maximise independence and supported accommodation were exceptions where expenditure was higher than all other comparators.
- In-house residential costs for the LD population were higher than all comparators, except the national average, for both younger and older adults.
- Manchester spent 77% of mental health net expenditure on 18-64 year olds , 73% of overall mental health service users, which is higher than all comparators with the exception of GM.

Evidence Source

VFM Analyses

Budget Savings

- Delivery of the Locality Plan
- Single Commissioning Function
- Local Care Organisation development
- Savings from 2016 Homecare/Extracare
- Line management arrangements
- Quipp efficiencies
- Delivery of investment proposals from MCC and GM TF investment

Evidence Source

- Budget Monitoring Report,
- Investment agreement with GM monitoring
- LCO/SCF investment agreement

Governance

- Ensure compliance with the Council's constitution and financial regulations
- Improving performance on complaints, FOI and MP/Cllr response times.
- Compliance with Internal Audit Recommendations
- Embedding the Quality Assurance Framework
- Compliance with Investment Agreements with GM and SCF
- Implementation of new joint governance mechanisms with the NHS.

Evidence Source

Internal audit and risk mgt reports, Annual Governance Questionnaire, Complaints dashboard, Ads Perf Improvement Board reports

Workforce

- Development of 12 Integrated neighbourhood Teams
- Single line management with NHS in the 12 INTs
- Development of the SCF
- Equipping staff to work in new ways and deliver new models (LCO and SCF)
- New ways of working for integration eg Trusted Assessor
- Development of Adults MASH
- Development of Adults Early Help
- Enhanced contact officer role at a new integrated front door
- Use of ICT- mobile working. e rostering.

Evidence Source

- Sickness absence targets reached
- Feedback from bheard survey
- Performance Board Dashboard

Other challenges

- CQC Inspections
- Maintaining statutory services with changing budget and rising demand
- Increased demand for Homelessness, LD and MH Services
- Safeguarding for high risk service users

Evidence Source

- CQC Inspection reports
- ADASS monitoring
- Perf Board monitoring

Delivery Plan 1 – Financial Plan

Financial outturn will be monitored by the directorate management team, including variances against the objective summary included in the Directorate Budget and Business Planning Report.

Subjective Summary

Subjective Heading	2016-2017	2017-2018	2018-2019	2019-2020
	Budget	Indicative Budget	Indicative Budget	Indicative Budget
	£,000	£,000	£,000	£,000
Expenditure:				
Employees	47,747	46,912	46,912	46,912
Running Expenses	158,130	152,900	148,086	144,086
Capital Financing Costs	0	0		
Contribution to reserves	0	0		
Total Subjective Expenditure	205,877	199,812	194,998	190,998
Less:				
Other Internal sales				
Gross Expenditure	205,877	199,812	194,998	190,998
Income:				
Government Grants	(5,268)	(5,268)	(5,268)	(5,268)
Contributions from Reserves	0	0	0	0
Other Grants Reimbursements and Contributions	(15,951)	(15,951)	(15,951)	(15,951)
Customer and Client Receipts	(25,955)	(25,955)	(25,955)	(25,955)
Other Income	(1,011)	(1,011)	(1,011)	(1,011)
Total Net Budget	157,692	151,627	146,813	142,813

Delivery Plan 2 – Performance Plan

Adults’ performance reporting priorities will evolve over the period of this business plan. As implementation of the “three pillars” of the Manchester Locality Plan provides emerging clarity of priorities within each of these pillars so performance priorities will be refined, in collaboration with colleagues in Health, to ensure that metrics and reporting most appropriately reflect accountability within each of the new organisations, in particular those of the new LCO and Single Commissioning Function.

Statutory reporting on behalf of the DASS to the Department of Health will, at the current time, continue so future performance priorities and resultant reporting mechanisms will need to be able to provide assurance to MCC that this is in place. Performance priorities are those identified and agreed with the Adults’ Performance Improvement Board.

Adults’ Performance Management Framework: Higher priority measures resulting from the rationalisation exercise in January 2016																				
	Ref	Measure	Responsible AMT Manager	Reporting Frequency/ Data details	2015-16 target	2016-17 target	Desired Performance	Direction of Travel	2015/16				2016/17				2015/16			
									Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Mcr	AGMA average	North West average	England average
Shortlisted Measures	1	Delayed transfers of care per 100,000 population (2C part 1)	Mary Smith	YTD per 100.000 pop	10	10	Low	Worsening	11.4	11.1	11.6	13.6	17.98	19.04			13.3	10.7	12.2	12.1
	2	Delayed transfers of care attributable to Social care per 100,000 population (2C part 2)	Mary Smith	YTD per 100.000 pop	4.75	4.8	Low	Worsening	5.33	5.71	6.66	7.6	8.47	9.32			7.5	4	4.7	4.7
	3	Proportion of assessments completed within 28 days of contact (BC1b) - MiCare Only	Mary Smith	YTD	60%	60%	High	Improving	56%	58.9%	58.6%	56.3%	55.1%	60.8%			Local Measure	Local Measure	Local Measure	Local Measure
	4	Reassessment backlog for Adults receiving a Long term service	Mary Smith	Snapshot at end of period	TBC	TBC	Low	Improving	Not available			36.6%	37.8%	36.3%	34.3%		Local Measure	Local Measure	Local Measure	Local Measure
	5	Adults under 65 admitted to permanent residential / nursing care (year-to-date total) (L14)	Mary Smith	YTD	TBC	TBC	Low	Improving	22	35	47	69	13	29			Local Measure	Local Measure	Local Measure	Local Measure
	6	People aged 65 and over admitted to permanent residential / nursing care (year-to-date total) (L13)	Mary Smith	YTD	TBC	TBC	Low	Improving	115	209	298	370	105	200			Local Measure	Local Measure	Local Measure	Local Measure
	7	Social Care Customers requiring no further care following Reablement intervention - (LO2)	Karen Crier	YTD	54%	54%	High	Worsening	55.1%	54.3%	54.3%	54.7%	57.0%	54.9%			Local Measure	Local Measure	Local Measure	Local Measure
	8	Social Care Customers requiring reduced care following Reablement intervention - (LO3)	Karen Crier	YTD	25%	25%	High	Improving	18.9%	22.1%	22.3%	23.9%	21.2%	24.4%			Local Measure	Local Measure	Local Measure	Local Measure

	9	Number of days delayed leaving Reablement (ICP12)	Karen Crier	YTD monthly average	300	300	Low	Improving	529.3	484.7	510.8	644.2	978.3	897.5			Local Measure	Local Measure	Local Measure	Local Measure
	10	Percentage of Concerns proceeding to Enquiry - MiCare Only	Yvonne Nolan	YTD	N/A	N/A	N/A	Decreasing	32.5%	31.4%	29.6%	27.7%	18.5%	16.4%			Local Measure	Local Measure	Local Measure	Local Measure
	11	Number of carers assessed - MiCare Only	Mary Smith	YTD	TBC	TBC	High	Improving	407	901	1458	1984	651	1190			Local Measure	Local Measure	Local Measure	Local Measure
	12	The proportion of people who use services who receive direct payments (1C(2A))	Mary Smith	Snapshot at the end of period	7%	TBC	High	Worsening	6.5%	7.6%	7.6%	10.1%	9.1%	8.7%			0.101	0.259	0.235	0.281
	13	Average number of working days lost as a result of staff sickness within the Directorate for Children and Families (L84)	Hazel Summers	Quarterly	TBC	TBC	Low	Worsening	13.46	14.84	14.32	11.67	13.4	14.34			Local Measure	Local Measure	Local Measure	Local Measure
	14	Homeless singles going in B&B accommodation	Karen Crier	Quarterly	50	50	Low	Worsening	166	207	197	261	215	228			Local Measure	Local Measure	Local Measure	Local Measure
	15	Homeless families going into B&B accommodation	Karen Crier	Quarterly	25	25	Low	Worsening	168	152	172	159	213	259			Local Measure	Local Measure	Local Measure	Local Measure
	16	Adults Stg1 Social Care complaints handled within 20 days	Karen Crier	Quarterly	96%	96%	High	Worsening	50%	80%	82%	90%	95%	85%			Local Measure	Local Measure	Local Measure	Local Measure

Delivery Plan 3 – Equality Overview and Action Plan

How does the Directorate’s activity and priorities for the year(s) ahead support the promotion of equality and diversity in the City in alignment to the 3 equality objectives?

1. Knowing Manchester Better

- Continue to embed assessment approaches that focus on strength based and asset based approaches to customer and carer assessments whilst monitoring the protected characteristics that people identify with
- Develop the skills of the workforce to be able to understand and respond to the aspirations and motivations of customers with protected characteristics
- For commissioning, continue to use the JSNA process to understand communities of Manchester as it relates to the health and care needs of the population
- Through our integration with health work, seek to better understand local neighbourhoods and communities drawing on equalities information from other sources e.g. health profiles

2. Improving Life Chances

- Work in partnership with SCF and LCO to implement the Locality Plan ; ensure that the commissioning approach is informed by the equality data available from sources such as the JSNA
- Continue to reduce inequalities in Manchester residents’ outcomes through developing new models of care with Health and tackling the wider determinants of health through effective partnership working arrangements, in particular those with health, schools, independent providers, other local authorities and the voluntary and community sector

3. Celebrating our Diversity

- In line with the Our Manchester Strategy, lead the promotion of a different relationship between public services, residents, communities and businesses, making sure that all are more involved in services
- Scale up activities on the All-Age Disability Strategy, Mental Health and Older People’s Strategy working with key local organisations and individuals to reform services, remove barriers and end discrimination

- Co-production with local groups, patients, staff and service users is planned and further engagement with groups across the City as the SCF and LCO are rolled out. This includes the new shift, incorporating Public Health priorities, towards self help/self care as communities – including those with protected characteristics – are supported to avoid unnecessary unplanned admissions to hospital and residential and nursing homes and to speed up safe transfer of people from these settings home.

Proposal	Proposed EIA Completion Date	Decision Date	Senior Management Lead	Comments on initial potential impacts
Single Commissioning Function	Summer 2017	Autumn 2017	James M Williams	The integration of health and care commissioning is a significant development for Manchester to align strategic priorities and ensure value for money of public resources. An EIA will ensure that there is no detrimental effect on protected characteristics
New delivery models for integrated health and social care within neighbourhoods.	Autumn 2017	Winter 2017	Nicky Parker	Once the Local Care Organisation goes live in shadow form, it will be necessary to ensure that any changes from the current health or social care pathways do not have a detrimental effect of protected characteristics

Where will the Directorate’s proposed changes and activities over this business planning period have an impact on equalities in general or specific protected characteristics in particular?

There will be a number of activities taking place over this business plan period that have an impact on equalities:

- The integration with health delivered through the LCO and SCF will benefit the whole population through improved joint working, a seamless experience and reduction in duplication.

Delivery Plan 4 – Workforce Plan

Workforce Strategy

A summary of the key drivers for workforce change and strategic workforce objectives within Adults for 2017/18 – 2019/20 are as follows:

- The integration of Health and Social Care through the Implementation of the Locality Plan for the organisation which includes:
 - The development of the Single Commissioning Function that will enable whole systems influence and leadership for a healthier Manchester
 - The development of the Local Care Organisation to deliver new models of integrated Community Services across the City to support independence and choice.
- The provision of high quality, efficient services
- The need to develop leaders and managers to have the right skills and attributes to operate the basics of good management practice so the foundations on which to build strong motivated teams for the future are laid.

All of the drivers for workforce change will support the Directorate to radically transform public services so that they are focused around people and communities rather than organisational silos and are truly integrated

The scale of transformational change within the Directorate is unparalleled in comparison to previous years. The reform of public services, the Devolution of power from Central Government and the development of the ‘Our Manchester’ Strategy, have created unprecedented opportunities for us to come together with our partners across the Health and Commissioning world, and reshape the future of Health and Social Care for the City.

In terms of workforce implications, our staff are our most important asset, how they think and feel about their work, how we engage with them and how we value them is extremely important to harness the commitment and support to take us forward into a new era of integrated working. Developing and supporting staff to embed the ‘Our Manchester’ principles and behaviours will be fundamental to achieving our objectives. We will continue to nurture an environment where they want to be part of developing and improving the future of the citizens of Manchester. Our responses and action plans to address key themes that arise from the Be Heard Survey, will also ensure that our staff feel listened to and their opinions are valued.

We will continue to engage with our staff directly through dedicated communication events and the development of new technologies that helps us keep in touch and connected with our workforce on the frontline. Our engagement and action strategy is monitored through our senior management team and provides a robust framework from which we will incorporate feedback from surveys, develop actions and monitor our performance to achieve the key changes.

Through our workforce and organisational development plans we will support the growth of our leaders and managers and continue to build capacity and create a positive culture to improve performance management. This will be supported through the new Leadership and Management programme that has recently been developed corporately, and managers at all levels will be encouraged to participate. There will be a strong focus on management induction and understanding the basics of practical management including relevant policies and procedures. This will also be supported via the frameworks already in place i.e. absence management clinics and management information to inform this, to enable managers to operate effectively.

We will continue to be an active partner in the Locality Transformation Workforce Group and Locality OD Group that has been developed with our Health partners to ensure that our joint plans reflect and incorporate new

ways of working and the generic and specialist skills and behaviours required to deliver the integrated models of the future. We will draw on specialist knowledge and expertise to test new evidence-based models of change and will build capacity within our collective workforce to implement such models for the future.

Key aspects of the workforce change programme will include:

- Mission, Values and Behaviours to underpin new ways of working and organisational arrangements
- Culture Change programme
- Leadership Development, Management of Change
- Robust engagement and involvement of staff in shaping new ways of working
- Resilience
- Organisational form and function
- Knowledge, Behaviours and Skills to deliver new models and ways of working
- Communication and Consultation

The shift to strengths/asset based ways of working has already begun and asset based training has been rolled out to the majority of the workforce in Adult Services. Joint work is being progressed with health colleagues to develop this to its next phase as well as to understand and plan for the implications of Our Manchester for health and social care.

The mandatory and statutory training programmes will be refreshed and updated to reflect the wider scope of skills that will be required for the future. Wherever possible these will be undertaken in conjunction with our partners in Health so that there is a cohesive learning process to support the change in culture. This will be taken forward through a joint training needs analysis.

The development of the Single Commissioning Function and the Local Care Organisation will have a huge impact upon the way our staff work in the future. New organisational forms, new ways of working to work in a strengths-based way, to work together in a truly integrated way and to deliver new models will require significant investment in behavioural and organisational development programmes. .

A workforce transition plan for the new Single Commissioning Function is underway to engage staff and support them to work differently. This plan will continue to be developed in line with the development of the SCF and integrated commissioning strategy. New methods are being tested and learning captured to inform future thinking about workforce change across the wider health and social care system.

Equality impact assessments will be carried out to fully understand the impact of changes on different staff cohorts and action taken to address any specific issues arising.

Workforce Priorities for the next 3 years:

The focus for the Directorate over the next 3 years will be on the Integration with Health and the transformation and development of services to focus around people and communities:

- The Strategic Commissioning function
- The Local Care Organisation.

This will mean equipping our staff with the skills, attributes and behaviours through training, development and interactive engagement activity to successfully deliver the new models of care.

Delivery Plan 5 – Risk Register

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
1	Implementation of Locality Plan does not deliver the anticipated outcomes and consequent savings within required timescales	Reports to Health and Wellbeing Board Reports to Health Scrutiny Committee	4	4	16: High	Single contract and specification for LCO Single Commissioning Function Pooled Budget Revised Governance	Deputy Director of Adult Services
2	Services commissioned through Public Health Grant are insufficient in terms of capacity, volume and quality as a result of cuts to funding up to 2020. This impacts on the ability to achieve public health outcomes and KPIs in the Manchester Strategy and the Joint Health and Wellbeing Strategy.	Reports to Health and Wellbeing Board Reports to Health Scrutiny Committee	4	3	12: Medium	Joint commissioning and investment in prevention programme and public health services with Manchester Clinical Commissioning Groups and other GM Local Authorities.	Director of Public Health
3	Inability to deliver the Homelessness Charter results in poor outcomes for homeless persons, reputational damage, legal challenge and additional costs to the public purse.	Oversight by Scrutiny Committee Members and external stakeholders engaged in the Rough Sleepers Strategy development	3	4	12: Medium	Development of Single Point of Access Severe weather emergency provision Refresh of homelessness strategy Big Change Campaign	Director of Adult Services
4	Failure to implement outcomes of the peer review and the TASC Programme is viewed as being ineffective in delivering improvements in adult social care.	Reports to Health and Wellbeing Board Reports to Health Scrutiny Committee	4	3	12: Medium	Development and Monitoring of Action Plan for Peer Review through Transforming Adult Social Care Programme. Performance Framework	Director of Adult Services
5	Serious injury or death of a vulnerable adult, or other adult for whom the Council has a statutory responsibility, is deemed to be the result of systemic failure in governance, systems and processes so the Council is subject to reputational damage, sustained scrutiny by inspection agencies and legal challenge.	Adults Safeguarding Board Designated Lead Officer for safeguarding Reports to Health and Wellbeing Board Reports to Health Scrutiny Committee	4	2	8: Medium	Revised Safeguarding Processes Training QA Framework Guidance Adult Safeguarding into MASH High Risk Register CQC Improvement Journey	Director of Adult Services
6	Effective H&SC integration (SCF & LCO) is not delivered within expected timescales, leading to continued pressure across the system, including acute NHS services and inability to deliver outcomes through community based health services (CRR).	Delivery of Manchester Locality Plan Reports to Health and Wellbeing Board Reports to Health Scrutiny Committee	3	4	12: Medium	Single contract and specification for LCO Single Commissioning Function Pooled Budget Revised Governance	Deputy DASS DASS
7	Commissioned mental health services are not of sufficient rigour or quality to achieve City wide targets for safeguarding and health improvement.	Reports to Health and Wellbeing Board Reports to Health Scrutiny Committee	4	3	12: Medium	Mental Health Improvement programme Regular Contract Meetings TDA Process Underway Locality Plan	Director of Adult Services

Manchester City Council Report for Resolution

Report to: Health Scrutiny Committee – 5 January 2017
Executive – 11 January 2017

Central Clinical Commissioning Group Board – January 2017
North Clinical Commissioning Group Board – January 2017
South Clinical Commissioning Group Board – January 2017

Subject: Locality Plan – Financial Report – Closing the Funding Gap 2017/21
Update: Three Year Budget Strategy 2017-20

Report of: Joint Director Health and Social Care Integration, City Treasurer, Chief
Finance Officer, Manchester Clinical Commissioning Groups

Summary

This report proposes the approach to be taken across health and social care organisations in Manchester to improve health and social care outcomes for residents, by radically transforming the health and social care system, and in the process aim to close the 'do nothing' funding gap of £134m that will materialise by 2021. Whilst the strategy being developed was perceived to close the gap, the failure of the Local Government Finance Settlement to recognise the growing pressures on social care and the impact of the NHS settlement and tariff changes has meant that the level of progress to closing the gap will not be as envisaged and without additional funding for social care, will not be achieved. There is a responsibility to ensure that the position is affordable and work is underway to bridge the remaining gap in order that a final balanced budget for the Council and Clinical Commissioning Group's can be presented for approval to the Council and Clinical Commissioning Group Boards before April.

As a joint report, it will be presented to the City Council's Executive and each of the Clinical Commissioning Group's Boards.

Recommendations:

The Scrutiny Committee is requested to comment on the Locality Plan budget strategy 2017-20.

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 Council's overall budget setting process; and
2. Note that final budget proposals will be considered by the Executive on 8 February for recommendation to Council.

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	N/A

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences - Revenue

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

Financial Consequences - Capital

There are no capital consequences arising specifically from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

GM Strategic Plan – Taking Charge of Our Health and Social Care
Manchester Locality Plan
Locality Plan – Financial Report – Closing the Funding Gap 2017/21 Executive
October 2016

1.0. Introduction and Background

- 1.1. This report is the accompanying budget strategy to the Locality Plan: closing the funding gap 2017/21 report considered by the Executive and the Manchester Clinical Commissioning Group (MCCG) Boards between October – November 2016. It provides further information on the specific proposals to close the financial gap reported for the health and care system and should be read in the context of steps being taken to remodel the health and care system in Manchester through investment and reform which aims to secure improvements in health and care outcomes for residents and financial sustainability for the system by 2021.
- 1.2. Following six years of challenging austerity measures, social care is now being severely stress tested nationwide. Coupled with the level of demand and expectations on the health service and the requirement to deliver £22bn of health efficiencies there are significant financial and clinical challenges, which for Manchester is set down in the Locality Plan in terms of a 'do-nothing' £134m financial gap over the five years 2016-21.
- 1.3. The severe pressures across health and social care system and particular issues with pressures in social care are national issues and well documented. Alongside reduced social care budgets, across the country older people are living longer as well as younger people with disabilities and there are escalating levels of acuity and complexity of needs, including dementia. This is not just a Manchester problem, nationally, adult social care cannot realistically continue in the way it is organised now into the foreseeable future. 2016/17 was the last year the Council and MCCGs could undertake independent financial planning and 2017-20 is fundamentally a '**one system**' approach with the strategic direction described in the Locality Plan (three pillars), jointly agreed transformation investment priorities, a pooled fund and care models which have been developed in partnership.
- 1.4. This report is primarily focused on the commissioners' component of the financial challenge.

2.0. Financial Challenge

- 2.1. At a locality level and based upon 2016/17 opening budgets, Manchester spends a total of £1.137bn on health and social care services, excluding specialist services. This includes circa £907m on adults' health and care, £119m on children's health and care and £111m on the other services. Spending is projected to increase to £1.204bn by 2020/21. Of note, £57m of City Council services relating primarily to children's social care and safeguarding has been deemed out of scope from the Locality Plan reform pillars, leaving £1.080bn in scope.
- 2.2. Financial modelling has been undertaken to calculate a five year health and care financial plan for Manchester for the years 2016/17 to 2020/21 which is detailed in the Locality Plan. Taking account of pressures and demographic changes over the period, together with the estimated changes in resources for

health and social care, the whole economy ‘do nothing’ gap rises from £47m 2017/18 to £134m 2020/21. This position also assumes full delivery of 2016/17 efficiency requirements (which if undelivered, will increase future savings requirements). The financial gap across 2016/17 to 2020/21, by partner, is shown in the table below. The £66m pressure shown for acute providers reflects a share for Manchester.

- 2.3. The acute providers’ total gap over the same period is estimated to be £211m, i.e. £145m greater than the value assumed in the Manchester Locality Plan. This reflects the non-Manchester element of acute provider business. The City Council element is further analysed between in and out of scope for the Locality Plan.

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Manchester City Council						
- In Scope		17,980	6,534	2,550	4,635	31,699
- Out of Scope		4,279	3,515	3,575	3,368	14,737
CCG's	-11,104	13,381	11,146	12,863	-5,101	21,185
Acute Providers	11,618	11,613	14,134	16,634	11,912	65,911
	514	47,253	35,329	35,622	14,814	133,532

- 2.4. This report is focused on the commissioners’ efficiency plans against the above target. Further work is required to establish the system wide implications of the plans in terms of ‘cashability’, particularly in relation to the targeted activity reductions, enabled through the development of new models of care supported by the Greater Manchester Transformation Fund. Clearly if deflections away from the acute sector are successful at scale, the flexibility for acute providers to exit from their existing cost base will become a key consideration requiring significant work.
- 2.5. The element of the above table which represents the three year commissioner savings target in scope for this report is as follow:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Manchester City Council				
- In Scope	17,980	6,534	2,550	27,064
CCG's	13,381	11,146	12,863	37,390
	31,361	17,680	15,413	64,454

Note the financial information contained in the above tables reflects the financial model in the Locality Plan.

- 2.6. The critical assumptions in the financial strategy include:

City Council

The above incorporated the following additional financial resources and budget pressures:

- (i) A share of the overall funding reductions faced by the Council (GM local authorities are facing an average reduction of 29% in their funding available over the current Spending Review period) alongside the additional resources which have been identified for social care as follows:
 - Improved Better Care Fund (IBCF) of £3.3m for 2017/18, £14.8m for 2018/19 and £24.4m for 2019/20. Whilst announced as additional funding, £800m of the national £1.5bn IBCF total is met from reductions to other grants received by local authorities, namely the New Homes Bonus (NHB); and
 - The 2% additional social care precept per annum. 2% is worth £2.67m in 2017/18.

The profile of the Council reductions reflects the front loading of the reductions to Revenue Support Grant and back loading of the additional funding for social care via the Improved Better Care Fund.

- (ii) Provision for the Council's estimated costs of inflation, the costs of implementing the National Living Wage and provision for the additional costs of demographic growth as set out in the table below.

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

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Apportionment of pay and non pay inflation	2,522	1,977	1,990	6,489
National Living Wage costs for commissioned services	4,258	4,258	4,258	12,774
Demographic pressures	5,585	2,585	2,585	10,755
Total	12,365	8,820	8,833	30,018

Manchester Clinical Commissioning Groups

- i) CCG allocations remain in line with sums (notified and indicative) outlined in NHS England's planning guidance of December 2015.
- ii) Expenditure growth remains in line with agreed locality plan assumptions, inclusive of demographic and non-demographic pressures. Whilst assumptions will be reviewed and re-confirmed for the January 2017 locality plan update, the most material anticipated change relates to the introduction of the new 'National Tariff' (known as 'HRG4+') from 2017/18 (i.e. the payment and pricing structure for remunerating acute care providers for hospital activity), which was not foreseen, nor included, in the original financial model to 2020/21. This

impact could be in the region of £4.3m. Material additional efficiencies will be required if no further recurrent allocations are provided by NHSE.

- iii) Delivery of all 'business rules' in each year to 2020/21 (including surpluses and contingencies), as required by NHS planning guidance.
- iv) NHS providers are facing unprecedented financial pressures. Planning for contractual agreements in this context inevitably leads to challenges as providers seek to safeguard services to deliver quality patient care, whilst commissioners strive to agree affordable quanta, inclusive of the impact of strategic change programmes over time. The NHS contracting and planning round for 2017-2019 has concluded, three months earlier than ever required. Final agreements and financial decisions will be reflected in the updated locality plan – for both providers and commissioners – in January 2017, and are expected to have an impact on the values included in paragraph 2.2.

2.7. Updated City Council Position

The City Council's in-year budget position on Adult Social Care is increasingly challenging. This alongside future demographic projections and the financial settlement information received 15th December, have necessitated a significant reconsideration of expectations on the potential of the integrated health and social care system to deliver savings in line with the profile in table 2.5 above.

The Local Government Finance Settlement

In the lead up to the Finance Settlement there was considerable speculation that there would be additional funding for social care. However the announcement contained no additional funding for social care for Manchester and over the three year period the Council is £1.2m worse off. The main changes are as follows:

- The core principle of an additional social care council tax precept of 2% a year will continue to apply but with the added flexibility that the social care precept can be increased by up to 3% in 2017/18 and 2019/20 although the 6% over three years can not be exceeded. If the Council decides to do this the Council tax increase will be 4.99% in 2017/18 and 2018/19. Whilst the extra 1% will generate additional income in 2017/18 and 2018/19 this is only bringing forward, rather than adding to, the level of resources available;

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Additional 2% for Social Care	2,659	2,773	2,891
Additional 3% for Social Care	3,988	4,292	0
Variation	1,329	1,519	-2,891

- There is an additional one off adult social care grant of £240m nationally of which Manchester will receive £2.7m. The New Homes Bonus Grant will be reduced nationally by £240m to fund the Social Care Grant. The Council will lose more funding in NHB than it gains for social care with a net impact of a reduction of £0.907m in 2017/18; and
- It is also worth noting that the Public Health Grant reduces in line with the figures published last year, which reflect a cash reduction of 9.6% in addition to the £200 million of savings that were announced in 2015/16. The savings are phased in at 2.2% in 2016/17, 2.5% in 2017/18 and 2.6% in each of the following two years. As part of 100% business rates pilot the grant will be excluded from the grant conditions.

Increasing Demographic Pressures

There are significant pressures on social care budgets. The full detail is set out in the Adult Social Care report elsewhere on the agenda. In summary they relate to:

- The full year effect costs of placements for people with Learning Disabilities alongside an increased allowance for new demand for people transitioning from Children's Services as well as adults whose parents are no longer able to cope with their care. 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;
- The rising demand for home care, with the number of commissioned hours rising by almost 23% between April 2015 and October 2016 with a rising underlying level of demand that needs to be recognised to avoid putting unsustainable pressure on the whole health and social care system; and
- The continued demand for placements for people with mental health needs, including for older people with dementia and supporting people who are homeless. These costs are in line with those previously allowed for.

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

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Apportionment of pay and non pay inflation	2,522	1,977	1,990	6,489
National Living Wage costs for commissioned services	4,258	4,258	4,258	12,774
Demographic pressures	5,585	2,585	2,585	10,755
Total	12,365	8,820	8,833	30,018
Additional Demographic Pressures	4,676	69	69	4,814
Total	17,041	8,889	8,902	34,832

The above will bring an increase in the total demographic pressures in 2017/18 from £5.585m to £10.261m and a total of £15.569m by 2019/20

rather than the £10.755m originally allowed for. These additional pressures alongside the lack of any additional funding in the settlement threaten to put the locality plan into an unsustainable position and pose serious questions as to whether it is realistic for the £17.980m social care financial gap to be closed in 2017/18.

Unless there is a change to the funding of social care nationally, this level of savings will ultimately 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 staying in hospitals longer than necessary. Research demonstrates that every £ cut in social care creates a 35p pressure for the NHS. Unless the development of new care models is accelerated there will continue to be an over spend and the system impacts will worsen. This places increasing importance on delivering the service change and transformation set out in this report.

- 2.8. In the light of the above, the Council is proposing to establish a realistic level of funding to contribute to the pooled budget and is proposing to close part of the locality plan gap through the additional input of Council resources. This will include using the whole of the 4.99% council tax increase to support adult social care in the first two years alongside other measures such as the decision to utilise the 2016/17 increase in airport dividend to support the revenue budget.
- 2.9. The table below sets out the additional resources that the Council is contributing to support the closure of the locality plan gap. The table highlights a net reduction from the £27.064m gap /savings target across the three years reduced by £8.304m in 2017/18 rising to £10.250m 2019/20. In order to achieve this will cost the Council an additional £12.980m in 2017/18 rising to £15.064m in 2019/20 as the additional pressures included were not originally budgeted for.

	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000
Locality Plan Target /Council Savings Target	17,980	6,534	2,550	27,064
Proposed City Council Target	5,000	3,000	4,000	12,000
Reduction In Target	-12,980	-3,534	1,450	-15,064
Add Additional ASC Pressures	4,676	69	69	4,814
Net Reduction	-8,304	-3,465	1,519	-10,250
Revised Social Care Locality Plan Gap /Savings Target	9,676	3,069	4,069	16,814

- 2.10. The core level of funding, or 'social care expenditure limit' which the Council would look to contribute to the health and social care pooled budget is set out in the table below (excludes Public Health). The aim is to transparently set out the funding for pressures being addressed and the additional funding allocated to reduce the overall Locality Plan financial gap.

	2017/18 £m	2018/19 £m	2019/20 £m
Base Budget	157.69	156.63	154.81
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
Sub Total Contribution	174.73	182.56	189.64
Savings Target met from Local	-5.00	-8.00	-12.00
Add Additional Social Care Pressures	-4.68	-4.75	-4.82
Total Savings Requirement	-9.68	-12.75	-16.82
Total Pooled Budget Contribution	165.05	169.81	172.82
Net Increase to Contribution	7.36	13.18	18.01
Year on Year change		5.82	4.83

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 gross £34.8m additional investment into adult social care and a net addition of £18m once the savings target has been taken into account.

2.11. Updated MCCGs Position

The financial information contained in the above tables reflects the financial model in the Locality Plan, which was created at a point in time. As plans have developed / NHS planning guidance issued, these numbers have been refined. The changes for 2017/18 in relation to the CCGs are summarised below:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
MCCG's	13,381	11,146	12,863	37,390
Revisions arising from NHS Planning Guidance	1,708	0	0	1,708
	15,089	11,146	12,863	39,098

2.12. The update to the three year commissioner savings target in scope for this report, following the above updated is as follows:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Locality Plan Target	31,361	17,680	15,413	64,454
City Council Revisions	-8,304	-3,465	1,519	-10,250
MCCG's Revisions	1,708	0	0	1,708
Revised Target	24,765	14,215	16,932	55,912

3.0. Key Enablers

3.1. One Finance System

Since 2015/16, the City Council and Manchester Clinical Commissioning Groups have operated a pooled fund, under a Section 75 agreement, to hold minimum mandated Better Care Fund (BCF) resources (2015/16: £38.586m revenue). From 2016/17, the pooled fund was expanded to include budgets covering the deemed scope of 'One Team' (Neighbourhood teams, Intermediate care and Re-ablement), increasing the recurrent revenue resources to £80.047m. The intention to expand the pooled fund substantially from 2017/18 is considered a key enabler to fully integrating health and social care. This is because a joint pool is more likely to encourage system-wide financial decisions, with a joint focus upon closing the funding gap and provides the mechanism for funding to flow around the whole health and social care system.

The work on developing the pooled fund agreement is underway and critically will include the development of risk and benefits share agreements on overspends and in relation to savings, respectively. Fundamentally, commissioners' strategy, derived from national integration policy, is to facilitate a change in funding flows from more acute based care into lower cost community provision, reshaping the cost base of the proposed Local Care Organisation and to sustain the investment in new care models. This will be managed across the system, recognising the need for sustainable acute service post-community reform.

3.2. Transformation Fund Investment

Securing investment in new service models and the delivery of a reformed health and care system is currently underway with the evaluation of Manchester's submission for substantial transformation funding being undertaken throughout December and into the New Year. Investment is required to enable the whole health and care system to act more effectively and efficiently and will be key to leveraging the remodelling of the system that is required to improve health and care outcomes and close the funding gap.

Within the context of integrated health and care services within the community, investment is sought to support a strengthened approach to prevention, wellbeing and self-care; to secure a strengthened and a standardised offer of care support for all communities across the City through integrated neighbourhood teams; supporting people to be independent and live in their own homes and communities for longer; and improving access to appropriate services, to prevent recourse to costly acute sector support ahead of when it is needed.

The Transformation Fund provides the opportunity to enhance the developing neighbourhood teams. This will strengthen our community based infrastructure, through standardisation, and consistency in service provision. It equally enables our system to connect people, services and local assets through non traditional services delivered by non statutory organisations

3.3. Workforce and Organisational Development

The level of reform required to deliver the savings needed is dependent upon a significant cultural shift for staff right across the health and social care system which will drive new ways of working. Staff will come together to work in integrated teams which focus first and foremost on the person in the context of their family, community and neighbourhood rather than presenting issues or conditions. The ability of staff to work in an agile way within neighbourhoods which connect people to a diverse range of community based support and which enables people to take more responsibility for their own health and well-being, to self-care more and for longer and to access care when they need it closer to home are key. Equipping staff with evidence of what works will promote evidence-driven ways of working, connecting front-line practice to commissioning decisions will drive intelligence-lead commissioning and equipping staff to work in strength-based ways which start from the point of “what matters to you” rather than “what is the matter with you” will transform the relationship between professionals and service users and patients.

Alongside this, as new organisational models are formed, staff will be brought together to work in integrated teams that cross professional and organisational boundaries. There will be significant opportunities to learn new skills, benefit from new career pathways and to move around the system in a much more agile way to access new jobs and new opportunities.

The scale of change for staff should not be underestimated. It will be essential to ensure that there is strong engagement with staff so they understand the changes that are happening and just as importantly, bring their experiences and expertise to help to shape the design of new ways of working. Investment in change programmes and organisational development will be critical to achieving and embedding these changes which will not happen through organisational redesign alone. This work has now begun for staff whom are impacted by the development of the single commissioning function. A comprehensive programme of staff engagement is in place and the outputs from this are being utilised to help shape the vision, values and behaviours for the new commissioning function and to inform the design of the change management programme. The next phase of engagement will connect staff to the co-design of new commissioning function arrangements and the design of new care models. Important learning is already emerging from this work which will be applicable across the broader locality workforce plan.

3.4. ICT

ICT is a key enabler to delivering joined up health and social care.

Work is on going to implement an integrated ICT solution for the day to day operation of the 12 Integrated Neighbourhood Teams to ensure staff can plug back into the system when they have been working in the community using mobile technology. This includes things like access to their own systems to record and update case files and shared printing. Health and Social care systems are being updated and mobile working is being rolled out to staff who will be working in the community.

A new online portal for service users will be available in Spring which will enable people to complete online self assessments and signpost them to local community assets

There is a wider strategic options appraisal underway to agree the way forward for sharing records across the partners. This includes the use of the Manchester Care Record and its connectivity to Manchester providers and the wider GM systems.

3.5. Estates

Facilities that provide an appropriate and well maintained environment in which co-located teams can work together and hold multi-disciplinary team meetings enable the full benefits of integration to be realised.

Across health and social care, there are currently a significant number of community facilities. The majority of them are older, shared buildings which are often cramped, however, there are a fewer number of relatively new builds and larger buildings that can be used to create an environment for health and care integrated teams to work in. This has been recognised within the Manchester Strategic Estates Plan that has recently been agreed, and as a result an implementation plan is in place which maximises the available facilities in preparation for the integrated teams.

Twelve existing health and social care buildings have been identified as locality bases for the teams and planning is underway to prepare them. The preparation of the first building which is in the central locality is complete and staff are fully co-located there, and in a further building in the north there is a team that is partially co-located.

In addition, there are strategic estates plans in development for larger and more wide ranging accommodation for integration that would include housing partners and other public sector partners. Examples of these include developing plans for a new build in Gorton, in addition to developments of existing sites in North Manchester General and Withington Community Hospital.

3.6. Investment in Early Help Underpinned by the ‘Our Manchester’ Approach

The vision for Early Help extends to families and working age adults as well as older adults. It is critical that there is investment into services which provide more upstream intervention to prevent the need for more reactive expensive care either in residential, nursing or acute hospital beds and deflect the need for more expensive interventions at several touch points in some ones life. The focus needs to be on self and personalised care maximising the strengths of citizens and their community assets, to enable citizens to do more for themselves, intervene earlier, particularly with those cohorts that do not meet statutory thresholds but have complex lives and are at risk of requiring high cost packages of care e.g. to prevent unnecessary hospital admissions or delay admission into residential or nursing care. Through a key worker

approach Early Help for Adults enables citizens to navigate and access the right services at the right time avoiding higher cost interventions.

The current model of adult social work is based on a traditional model of care assessment, purchasing and delivery of services. The financial challenges faced are compounded by this over dependence on a system of state service provision. To implement change, radical review and innovation is required. The new model, underpinned by the 'Our Manchester' approach, will integrate a strengthened front door and triage function with clear pathways to integrated Early Help hubs and Integrated Neighbourhood Teams. This will be for more complex cases and provide opportunities to deflect demand at each level of interaction. The population group is those of 'rising risk' and work with adults with health and social care needs at an earlier stage, working with families to identify needs whilst taking a strength based approach to encourage self care and tailoring support around citizens, their family and community.

This ability to build relationships and engage with all citizen groups enables social workers to use their specialist skills in supporting families to support themselves. This is crucial in reducing demand for services across adults and children's services.

4.0. Approach to Securing Financial Sustainability

- 4.1. Developing the savings plan to deliver a financially sustainable health and social care system has needed recognition of emerging components from the transformational programme, i.e. the creation and expectations of the Single Commissioning Function and Local Care Organisation; the work on GM models of care for home care and residential and nursing care and the fundamental importance of the GM transformation fund bid; and a new joint approach to business as usual arrangements used to delivering savings options through efficiencies, redesign and joint commissioning arrangements.
- 4.2. The scale of the challenge is unprecedented and as such, making progress has been difficult. Whilst acknowledging that the overall strategy and one system is the right way, it is complicated and constrained by organisational history and culture, differing financial rules and regulations, an understandable hesitance to accept additional financial risk and in particular, the substantial pressures on Adult Social Care.
- 4.3. This report is a staging post, work on finalising the three year savings programme will continue into 2017 and this recognises there may be further consultation requirements and implementation of some areas mid-year with the consequent part year affect. Critically, at this stage there are no proposals which reduce the service offer.
- 4.4. The Adult Social Care Directorate Budget report, elsewhere on the agenda, includes substantial proposals to address the budget pressures experienced in 2016/17 following it becoming clear that the 2016/17 budget insufficiently recognised demographic pressures and to include more sophisticated forecasting for the three year budget 2017-20. These proposals bring the Adult

Social Care budget onto a more stable footing prior to inclusion in the pooled fund from 2017/18.

5.0. Change Programme

5.1. 2% Efficiency Targets on Providers

The submission to GM for Transformation Funding included a commitment to a core budget assumption of a requirement for providers to achieve a 2% business as usual efficiency target over the three year plan, as summarised in the table below.

Area	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Acute Providers	10,724	10,724	10,724	32,172
Other Providers	5,694	5,886	6,000	17,580
Total	16,418	16,610	16,724	49,752

The Acute Provider target above will contribute towards the Acute Providers element of the financial gap, out of scope from this report as detailed at section 2.3. The Other Provider target has been incorporated but only from 2018/19 predicated on the timetable for development and full implementation of new delivery models across GM.

Transformation

5.2. Local Care Organisation

Commissioners and Providers worked together in summer 2016, with support from PWC, to develop an overall architecture for the emerging models of care required to be delivered through a Local Care Organisation (LCO). During a series of workshops a model was agreed that shows how the various services and providers come together to deliver the new models of care in a coordinated way across Manchester. This organisational architecture is at **Appendix 1**.

At the same time, a number of proposals were produced to indicate how, with investment, various parts of the model could be developed and rolled out across the City to standardise the provision of care.

The bids, totalling circa £60m, formed the basis of Manchester's GM Transformation Fund submission for out of hospital care. It was recognised that review, further detailed business planning and prioritisation would be required to assess the feasibility of each potential proposal and alignment with the care models, Cost Benefit Analysis (CBA) and overall affordability levels.

An initial review of the bids was conducted with involvement from a range of partners, against a set of criteria, agreed by the Executive finance group of the Manchester Transformation Fund Accountability Board on 11 November 2016. Work has been done more recently to cluster key investment bids around the two primary cohorts – Adults with long term conditions and Frail elderly – and

to consider the delivery of associated financial benefits. Consideration was given to:

- Which proposals might make the biggest efficiency impact year 2017/18. (e.g. based upon previous pilots or other evidence)
- Which are evidence based
- Which could it be scaled up at pace
- Which could be implemented and delivered promptly for 2017/18 or 2018/19

This approach serves to provide assurance that the system is ready to transform and innovate ‘as one’ and to draw down the investment from the GM Transformation Fund in line with an agreed strategy to support investment in community services to improve outcomes for people and contribute to the wider financial sustainability of the system. The proposed prioritisation of the investment bids from a commissioner perspective is set out in Table 1.

Table 1 Proposed prioritisation of investment requests.

Front Door			
Start	2017/18	2018/19	2019/20
Q1	<ul style="list-style-type: none"> • Primary care referral pathways (GPSIs) 		
Q2	<ul style="list-style-type: none"> • Enhanced Contact Officer Roles • Assistive Technology 		
Neighbourhood Teams			
Start	2017/18	2018/19	2019/20
Q1	<ul style="list-style-type: none"> • Carers' support 	<ul style="list-style-type: none"> • Palliative Care 	
Q2	<ul style="list-style-type: none"> • Reablement • Community Urgent Care 		
Q4	<ul style="list-style-type: none"> • Extra Care 		
Acute Discharge			
Start	2017/18	2018/19	2019/20
Q1	<ul style="list-style-type: none"> • Home from Hospital 		
High Impact Primary Care			
Start	2017/18	2018/19	2019/20
Q1	<ul style="list-style-type: none"> • Enhanced GP appointments 		
Q3	<ul style="list-style-type: none"> • Specialist clinical input 		
Locality Delivery			
Start	2017/18	2018/19	2019/20
Q1	<ul style="list-style-type: none"> • 7 Day GP Access • Housing Options for Older People 	<ul style="list-style-type: none"> • Community connectors 	
Q2	<ul style="list-style-type: none"> • Early Help Hubs • Homecare Residential and Nursing Care 		

The model is based on the following key elements:

- An Enhanced Front Door. (EFD)
- A High Impact Primary Care Offer (HIPC)

- 12 Integrated Neighbourhood Teams (INTs)
- Locality and citywide services
- Acute Discharge

Underpinned with a number of key enablers such as shared ICT systems, a significant focus on workforce and a shared estate (see section 3 above).

Enhanced Front Door

Social care referrals and referrals from Primary Care to Social Care are managed through a recently improved and streamlined contact centre. In line with requirements of the new Care Act, further development work is underway to develop a Citizen's Portal to enable online self assessment, purchase of services through an e-marketplace and the development of e-financial accounts. The intention is to develop this into a wider Virtual Front Door across health and social care.

The evidence base from Calderdale shows that by adding some enhanced contact officer roles at the front door, up to 70% of requests and referrals can be dealt with, triaged and managed away from the High Impact primary Care Teams (HIPC) and Integrated neighbourhood Teams (INTs). When equipment and assistive technology is added to the mix, the potential to manage and reduce demand through an enhanced front door is increased further.

High Impact Primary Care offer

Recent data analysis of the registered population in Manchester shows that there are approximately 11,000 people who are living with frailty and other long term conditions who are considered to be at relatively high risk of an unplanned hospital admission. Currently the quality and access to health and care services is too reactive, variable and too many people end up in hospital based services for episodic care.

Evidence from around the world shows pro-active intensive primary care led support for older people with frailty and other long term conditions shows a significant reduction in admissions to hospital, out patient attendances and better patient satisfaction.

The High Impact Primary Care (HIPC) offer will establish dedicated and co-located multi-disciplinary teams, led by general practice. The team will work with neighbourhood health and care colleagues to case find those people in the local area who are recognised as frail and / or living with complex long term conditions and who are at risk of hospital admissions and delayed transfers of care. The HIPC team will proactively support people identified through assignment of key workers, establishment and implementation of patient and carer led care plans. Each HIPC team will support c1000 patients with pro-active care meetings on a monthly basis with each person being supported through this service. Local delivery of clinical, mental and social care services will be supported by rapid access to specialist advice, diagnostics and opinion from the wider health and care system.

Integrated Neighbourhood Teams

The Integrated Neighbourhood Team development to date has focussed primarily on the integration of Social Care staff including, Social Work and Primary Assessors, District Nursing, ACMs, Reablement and Intermediate Care. The teams will be using the multidisciplinary case management method piloted successfully in the city over the last two years.

Some examples of the core offer are include, but are not limited to:

- Single Trusted Assessment;
- Person-Centred care using the strength based approach focusing on what each individual wants to achieve;
- Personalised and Collaborative Care Planning; and
- Multi-specialty decision making to reduce unnecessary duplication and patient hand-offs.

All 12 Integrated Neighbourhood Teams will have gone live by April 2017 and be focussed on reducing acute readmissions, reducing reliance on emergency social care services and reducing duplication and hand-offs. Work has already begun with Primary Care colleagues to integrate with the Integrated Neighbourhood Teams to help manage demand on higher acuity services.

Locality and Community Services

The model also recognises the importance of locality based deflection teams such as intermediate care, urgent community response services and reablement and proposes some enhanced new services such as reablement for people with complex needs and a citywide discharge to assess model. There is evidence of excellent practice that has been tested in pockets of the City and this now needs standardising across the City and rolling out City-wide. Examples include the work with Care Homes in the South, the new integrated Community Assessment and Support Service (CASS) in the North and the potential to create a single citywide community intravenous therapy team.

The role of the primary care, voluntary and community sector, the use of local community networks and assets and the wider Our Manchester approach are vital components of the new whole system approach, e.g. a Home from Hospital Service and a new model for Homecare.

Acute Discharge

The three Manchester CCGs already commission a post discharge support service where patients are contacted by telephone to ensure they are safe and well. In North Manchester, this offer has been increased to include an enhanced offer to patients to take them home, ensure the house is warm, prepare a meal and take medication. The service links closely with health and social care services. It is proposed to extend this across the City. The service, available 7 days a week would take home approx 4-5 patients per day, per site and the impact is expected to increase the number of patients whose

discharge is safe and effective and reduce the no of patients being readmitted to hospital.

Financial Sustainability

The LCO is expected to contribute £49m to the savings required in Manchester's health and social care system over the period to 2020/21, including £37.6m by 2019/20.

In the October 2016 LCO Prospectus, this was estimated to include, by 2020/21:

- £19.7m from 2% per annum of efficiency savings from the health and care services in scope of the LCO.
- £11.4m from Cost Benefit Analysis work undertaken as part of Manchester's bid to the GM Transformation Fund. This bid to GM requests £49m to fund one-off and double-running costs from implementing new models of care. The CBA shows how this investment should lead to reductions in demand for acute activity (A&E attendances, Outpatient appointments, Elective and Non-Elective admissions, Acute length of stay), Prescribing and Social Care.

The CBA was initially based on five key population cohorts that place a disproportionately high demand on acute activity. These cohorts will be the initial focus for the new models of care involved in implementing the LCO. There are also prevention cohorts for adults and children with significant medium-term risks.

The CBA has recently been updated to include the High Impact Primary Care model for the 2% of patients creating the greatest demand, and how this will make a more positive impact on reducing their levels of acute activity. Also, revised phasing of the implementation, with 2017/18 to start with the two cohorts of frail older people and adults with multiple long term conditions, and the remaining five cohorts in 2018/19.

The CBA considers how the LCO activity will improve a set of outcome metrics that will lead to activity reductions in the areas outlined above. These have been tested by clinicians and system leaders for being both achievable and ambitious. The assumptions are compared to a 'do nothing' scenario and reduced for 'optimism bias' to account for the general tendency of modelling assumptions to be overly optimistic.

The CBA has then been further adjusted to show:

- Commissioner tariff savings – the numbers below represent the savings that Commissioners can make from reduced tariff payments to providers as activity reduces.
- Cashability - It is recognised that Providers will not be able to immediately reduce fixed cost elements. Further work is needed to refine and

understand the cashable savings that providers can make and the resulting implications for the system. These numbers are not shown below.

The CBA also shows the proportion of savings that would be needed to be retained for reinvestment, rather than cashed. The reinvestment element would be used to sustain the new models of care beyond the period for which Manchester is bidding to GM for funding. This was originally set to 50% in each year but has now been adjusted to ramp up more gradually, with no savings now set aside for reinvestment in 2017/18.

The CBA has also been updated to review the costs of each proposal to:

- eliminate duplication;
- manage overall spending within affordable sums;
- apply assumptions about likely start dates based upon experience of implementation plans (e.g. recruitment / procurement timescales, to show that some projects will realistically take longer to start); and
- de-prioritise some projects with lower impact in the earlier years.

The LCO CBA is being developed alongside the Single Hospital System CBA to show how these pillars of the plan are mutually dependent and to give assurance that the benefits will not be double-counted

The updated CBA benefits are shown below. The contribution this is estimated to make to closing the gap is now £15.9m by 2019/20.

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
CBA benefits	8,128	13,578	13,594	35,300
Commissioner tariff savings	3,648	9,430	10,327	23,405
Amount required for reinvestment	0	2,357	5,164	7,521
Contribution to the gap	3,648	7,073	5,163	15,884

5.3. Single Hospital Service

The Single Hospital Service (SHS) pillar of the Locality Plan will involve creating a new single acute provider organisation. This will require a complex transaction to merge two Foundation Trusts (UHSM and CMFT) and then transfer a major service (NMGH) from a third Trust (Pennine Acute). A key milestone was the submission of a firm draft bid to the Competition and Markets Authority on 8 December for approval.

Detailed Benefits Analysis is now under way to show specifically how the savings will be generated, from a series of 14 clinical pathways such as cardiac, urology and women's health. Benefits are expected include improved efficiency, quality of care, patient experience, workforce development and research and innovation. This analysis will align with the CBA of the Local Care Organisation to show how the reductions in demand from transformation of out-of-hospital care will fit with a new model of in-hospital care for the patients that still require in-hospital care. The analysis will be completed by the end of January 2017. Of critical consideration, is the need to align cost and

income reductions associated with hospital activity redirected to alternative community provision, as well as ensuring no double counting of benefits (e.g. through business as usual 2% per annum efficiencies and length of stay savings).

5.4. Single Commissioning Function Set up

As the first step to developing the Single Commissioning Function a joint application by the three CCGs has been submitted seeking approval from NHS England to merge to form a new Manchester CCG from April 2017. The NHSE assessment panel has considered the tests for merger in NHS England's guidance and the CCG Regulations. It has been determined that the requirements for authorisation as a new single CCG have been met, subject to the formal agreement of the GP memberships and Governing Bodies of the CCGs, and the submission of additional information such as the proposed constitution of the new CCG.

The new organisation will then form a partnership agreement with the City Council to create the Single Commissioning Function. Significant efficiencies will follow the creation of one CCG Board structure and through the development of a new joint commissioning establishment structure. The current 'As Is' cost is detailed in the table below. The CCG costs are inclusive of back office functions. The timetable to develop a new integrated establishment structure and Board arrangements is March 2017. In the interim, a £1m saving target is included for 2017/18. Developing single commissioning arrangements between the City Council and CCGs will create the opportunity for joint posts at a senior level, the opportunity to release budgets for currently vacant posts and create efficiencies relating to costs such as office accommodation.

Area	Current Cost £'000	FTE
CCG's	10,041	177.27
City Council:	2,496	
Commissioning	2,169	56.76
Public Health		36.36
	14,706	270.39

5.5. GM Model: Residential and Nursing Care and Homecare

Adult Social Care – Radical Reform at Scale and Pace represents a fundamental review across GM commissioned by Wider Leadership Team in April 2016. Developing a new model for residential and nursing care in GM is being hosted by the Strategic Director (ASC) City Council. Existing arrangements are no longer fit for purpose and typified by poor quality, poor outcomes, providers leaving the market and a lack of integration. There is considerable scope to improve consistency and quality in provision, creating opportunities for innovation and more collaborative working. Significant attention is being placed on the national 'Enhanced Care in Care Homes' framework, including learning from the six vanguard sites. This model is focused on:

- (i) Providing joined up primary, community and secondary, social care to residents of care/ nursing homes and Extra Care Living Schemes (ECLS) via a range of in-reach services; and
- (ii) To deliver person-centred integrated preventative care that promotes independence and supports individuals in an appropriate housing option of their choosing. Following a number of workshops, the intention is to develop a cost benefit analysis to invest in enhanced care model. It is expected this will take 3 months to develop and realistically any impact on the budget cannot be estimated at this stage but would be expected to impact from 2018/19.

Similarly, in respect of homecare, Trafford are leading on behalf of GM. In addition, the North West Directors of ASC have commissioned New Economy to develop a cost benefit analysis and full evidence review on new care models. Manchester has experienced some level of turbulence in the homecare market over the last 12 months. The strategy for 2017/18 is stabilisation ahead of future transformation. There is the specific opportunity to integrate health and social care commissioning of homecare as part of the contract renewal for 2017/18.

5.6. New Mental Health Provider

Greater Manchester West Foundation Trust is the preferred provider to take over mental health services currently provided by Manchester Mental Health and Social Care Trust. The plan is that this transaction will take place in 2016/17. The envisaged reforms to mental health services are expected to contribute a total of £4.9m savings by 2019/20 after netting off reinvestment requirements. In 2017/18, the expected realisation of savings is £0.155m.

Business As Usual

5.7. Joint Commissioning

A key savings workstream now operational is the development of an integrated approach to commissioning high cost packages of care or specific provision types, eg. Home Care and to strengthen future joint planning of provision requirements. The City Council and CCG's currently separately commission from the same providers and through the integrated approach, expect to safely reduce placement/contract costs, determine and secure value for money and achieve a better matching of provision to needs to deliver improved outcomes. In the medium term, the work should inform the development of business cases to develop future care provision, intelligence led market development will increase sufficiency across the city, manage demand and ensure quality for all placements and reduce the number of placements outside the City. The approach should also ensure better contract management.

This is a significant undertaking with approximately £123m of contracts in scope. There are substantial data collection requirements to fully record

existing placement information in a consistent database that allows analysis on numbers, levels of need/complexity into bandings, length of placements, use of spot or block payment arrangements etc.

The intent is a programme of contract reviews will emerge that will be undertaken over a period of time using the latest and best approach to contract negotiations from all existing Commissioner skills and experience. The structure of the programme will be completed by the end of January for onward implementation.

This programme will also critically link to work to improve the sophistication of demographics modelling and how this is used to set a strategy for a minimum 5 year commissioning strategy. In the interim, an indicative £1m saving target per annum 2017-20 has been included.

5.8. Operational Plan shared ‘Commissioning Plan’ for the single health and care system

Partners have developed an operational plan of schemes which reflect efficiencies, redesign and organising services differently, without impact on eligibility or the health and social care offer. The vast majority of proposals are health related schemes, responding to new pressures to manage demand within agreed resources whilst delivering the required ‘business rules’.

The programme also reflects the scale of efficiencies that has already been released from adult social care since the implementation of austerity measures in 2010.

NHS ‘Right Care’ information (a benchmarking methodology which identifies areas of unwarranted variation) is underpinning this work by highlighting areas of opportunity to reduce variation, improve efficiency and quality and experience for patients.

The shared Operational Plan can be broadly summarised against delivering:

- Financial sustainability across the health and care system;
- Quality and performance requirements and improvements across the City; and
- Transformation – i.e. Years 2 and 3 of the Locality Plan.

Ultimately through the delivery of these elements, the Manchester Health and Care system should reduce health inequalities, improve health and wellbeing for the Manchester population and Manchester should become a more progressive and equitable city.

At this stage, proposals for 2017/18 are indicative, business case and implementation proposals are still to be developed. The 2017/18 proposals are:

- (i) Medicines Optimisation (£3.780m)

The Medicines Optimisation programme focuses on two main themes:

- The optimisation of medicines, at the point of prescription issue (using script switch) and the targeting of specific medications to switch to more cost effective alternatives, in addition to targeting medicines waste.
- Developing effective joint working with other citywide leads to identify additional opportunities, targeting Long Term Condition, specifically Respiratory, Diabetes and Mental Health.

(ii) Reduction of Out of Area Placements for patients experiencing Mental Health Issues (£0.345m)

In 2016/17 there has been a programme of work which has resulted in patients who were receiving care out of area purchased through the spot placements being moved to Braeburn House on a block contract. The continuation of this scheme will realise savings for 2017/18.

(iii) Public Health (2017/18 £0.600m, 2018/19 £0.545m)

Wellbeing Service - The new Wellbeing Service, “buzz”, provided by the Manchester Mental Health and Social Care Trust (MMHSCT), has been re-modelled following the Council approved reductions in public health funding. The new service has been operational since 1 April 2016 following close working between public health commissioners and the provider to agree the detailed service model, specification and outcomes. The initial operation of the service has gone well with a successful official launch on 22nd November 2016, involving a wide range of representatives from stakeholder and partner organisations.

A key element of the new service is capacity building within communities via a network of neighbourhood health workers who will support the development of local capacity and infrastructure, linking with community groups. This function incorporates the staff of the former MCC Zest Healthy Living Service which have been aligned with and managed by the new buzz service during 2016/17. This process has identified £0.140m efficiencies that will not impact on the frontline delivery of this service, vacant posts have not been filled as buzz staff will cover the responsibilities in the new citywide model. Furthermore North Manchester Clinical Commissioning Group has agreed to invest in extra capacity in the north of the city, pending final approval of the outline business case.

Sexual Health - Specialist sexual and reproductive health services were tendered during the autumn/winter of 2015/16 with new services mobilised on the 1st July 2016. The commissioning process included setting aside a contingency budget of £0.460m to offset any shortfall in the achieving the planned re-charges to other Greater Manchester local authorities. The re-charge process has been fully implemented

successfully so this contingency is identified as an efficiency for 2017/18.

2018/19 (£0.545m)

Proposals cover efficiencies from primary care public health contracts (£0.345m) which will be achieved through a joint review with the Clinical Commissioning Groups as part of the Single Commissioning Function. £0.200m will be saved from public health staff costs and overheads from the integration of functions at a Manchester and Greater Manchester level. These will be achieved through natural turnover and staff moving on to other roles within the Single Commissioning Function and the Greater Manchester Unified Population Health System.

(iv) Primary Care Productivity - other re-procurement (£0.658m)

Other contracts subject to a re-procurement exercise.

(v) Review of Out of Area High Cost Care Packages (£0.150m)

Savings in relation to out of area placements will be realised to the value of £0.150m in 2017/18.

(vi) Review of line management arrangements in Adult Social Care following the development of the Local Care Organisation (£0.510m)

A review of line management is expected to realise savings.

(vii) Planned Care (£0.273m)

The Planned Care schemes are predominantly focused on working with the clinicians and providers, using benchmarking and audit data to ensure that planned / elective care is appropriate and cost effective, and further reduce spend on ineffective or lower priority care by stricter application of effective use of resources policies.

(viii) Urgent Care (£0.320m)

There are two main areas of focus for the savings schemes; Ambulatory Care and Complex Community Response. Within Ambulatory care analysis has identified four areas with scope for improvement against national benchmarks, which may provide an initial focus for improvement in zero day Length of Stay offer, which are Gastroenteritis, Congestive cardiac failure, Hypoglycaemia and Falls. For each of these areas there will be a review of existing models. Complex Community Response is the city wide roll out of the North Manchester Crisis response model which is based on a short term crisis intervention, which keeps people who would otherwise have been admitted to hospital being cared for predominantly in their own homes.

(ix) Long Term Conditions (£2.250m)

Right Care identified significant unwarranted variation across Manchester CCGs in Respiratory Disease. A deep dive to understand the data and look for opportunities to improve outcomes and realise the savings. An initial scheme to reduce non-elective admissions for patients with COPD, Pneumonia, and Asthma was identified. However, it was also acknowledged that the opportunities spanned children's and adults, and a system wide approach - for example, spanning primary care (linking in to the primary care standards in 2017/18), planned care, medicines optimisation, and urgent care is required. A Task force has therefore been established to take a city view approach on respiratory that will identify short, medium and long term savings opportunities. Other Long Term Condition opportunities are also being identified, although for 2017/18, the priority is proposed to be a focus on respiratory.

(x) Primary Care Standards (£1.847m)

A specific scheme is being developed to address the variation in Primary care activity, which again is in line with Right Care methodology. This scheme will focus on reducing variation in elective hospital activity, both outpatient referrals and inpatient episodes, through improved management in the community. The approach will reflect and support the transition to integrated community based care through the LCO, and for Practices working in federated models in neighbourhoods. For example, there is potential to also set target reductions at the level of the neighbourhood. It should also be noted however, that low spend on elective activity is not always the most appropriate position clinically, as it may well represent either late presentation of conditions, or lack of optimal clinical care. Therefore, a standards based approach will be adopted.

5.9 Prioritisation of Investment

As the models of care delivered through the LCO with single pathways into the Single Hospital Service develop, we will scale up investment in effective models of care and scale back models which add little value. Decisions will be required, based upon evidence, of which interventions are having a positive impact, and which interventions and pathways are being less effective and we will prioritise our resources accordingly. This will form part of our work during 2017/18 in preparation for subsequent years.

6.0. The Total Programme

- 6.1. The 3 year target detailed in 2.12. above is £55.912m with £24.765m in 2017/18. This report is a staging post in the development of the savings strategy. The options identified to date are summarised below and detailed at Appendix 2.

	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000

Revised Commissioner Target	24,765	14,215	16,932	55,912
2% Provider Efficiencies		5,886	6,000	11,886
Transformation Fund Benefits	3,648	7,072	5,163	15,883
Single Commissioning Function	1,000	0	0	1,000
GM Models: Homecare, Residential and Nursing Care	0	TBC	TBC	TBC
New Mental Health Provider	155	2,355	2,355	4,865
Joint Commissioning Review: High Cost Packages	1,000	1,000	1,000	3,000
Other Efficiencies: Operational Plan	10,733	545		11,278
	16,536	16,858	14,518	47,912
Shortfall (-)	-8,229	2,643	-2,414	-8,000

- 6.2 The programme savings have been risk assessed based on the current information available for their deliverability to realise savings in 2017/18. The table below RAG rates the schemes and also shows the potential savings that could be realised.

2017/18 Summary Programme Savings	£'000
Target	24,765
Green	
Medicines Optimisation	3,780
Primary Care Productivity	658
Mental Health Out of Area Placements	345
Public Health	600
Sub total	5,383
Amber	
Joint Commissioning Review: High Cost Packages	1,000
Single Commissioning Function Set Up	1,000
CHC - Out of Area Placements	150
New Mental Health Provider	155
Review of line management arrangements in Adult Social Care following the development of the Local Care Organisation	510
Sub total	2,815
Sub total - Amber and Green	8,198
Red	
Transformation Fund Benefits (LCO)	3,648
Planned Care	273
Urgent Care	320
Long Term Conditions - Respiratory	2,250
Primary Care Standards	1,847
Sub total	8,338
Total of Red, Amber, Green	16,536
2017/18 Shortfall	8,229

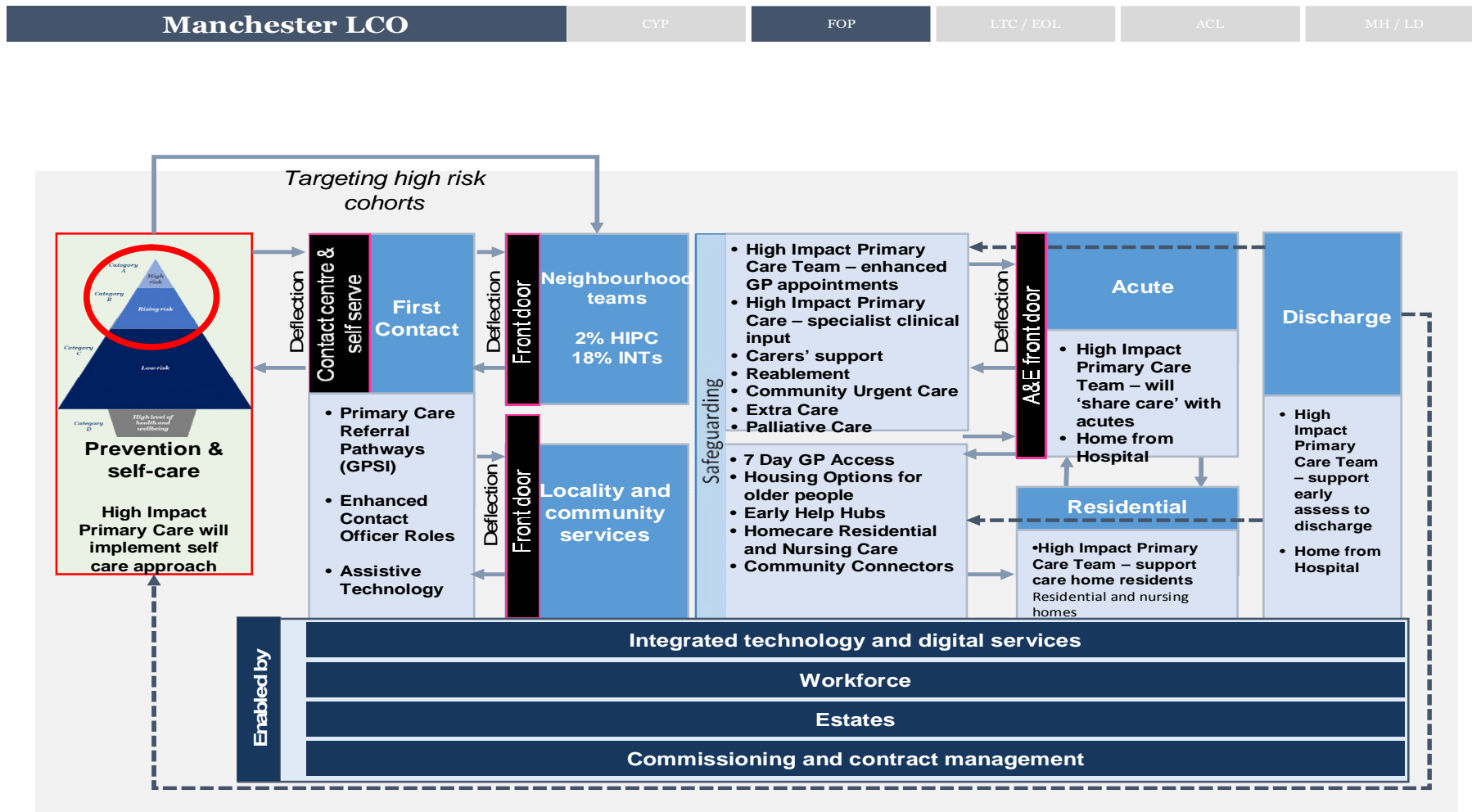
- 6.3. Although significant progress has been made, the failure of the Finance Settlement to recognise the growing pressures on Adult Social Care and the changes in the NHS settlement mean that this has not been achieved. Whilst funding continues to lag behind the growth in demand and unavoidable cost pressures, such as the implementation of the National Living Wage, it is unlikely that the gap will be closed.

7.0. Budget Consultation

- 7.1. The Council's Budget consultation process started in July 2016 with an eight week budget conversation, listening to what people valued most and what the Council needs to consider while developing the options for required savings or efficiencies. The second stage of consultation, for the budget options, was an opportunity for people to comment on the options and outline the impact they would have on them, their family and their community. One of the things that most matters to the Manchester people is protecting vulnerable people and the responses to these consultations have informed the development of the Council's proposed budget. This includes a proposal to raise Council Tax by 3% to support Adult Social Care. A third and final phase of consultation for the proposed budget starts on 3 January until 10 February 2017.

The high level direction detailed in the Locality Plan Financial Report – Closing the Funding Gap 2017-21 will be part of this consultation process as work on finalising the three year savings programme continues into 2017. There may be further consultation requirements that emerge as new care models are developed and from the specific areas detailed in this report. This will be determined early in 2017. Critically, at this stage there are no proposals which reduce the service offer and therefore, it is understood that there is not a requirement for statutory consultation activity.

Appendix 1



Appendix 2

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	2017/18 Deliverability RAG
Commissioner Target	31,361	17,680	15,413	64,454	
Less: City Council Reduction	-12,980	-3,534	1,450	-15,064	
Add: Support to ASC budget	4,676	69	69	4,814	
Add: MCCG Revisions	1,708			1,708	
Revised Commissioner Target	24,765	14,215	16,932	55,912	
2% Provider Efficiencies:					
Other Providers		5,886	6,000	11,886	R
Sub-Total		5,886	6,000	11,886	
Transformation:					
Local Care Organisation CBA	3,648	7,072	5,163	15,883	R
Single Commissioning Function – set up	1,000			1,000	A
GM Models Homecare, Residential and Nursing Care		TBC	TBC	TBC	
New Mental Health Provider	155	2,355	2,355	4,865	A
Sub-total	4,803	9,427	7,518	21,748	
Joint Commissioning Review of High Cost Packages	1,000	1,000	1,000	3,000	A
Other Efficiencies:					
Medicines Management	3,780			3,780	G
Mental Health	345			345	G
Public Health	600	545		1,145	G
Primary Care Productivity	658			658	G
CHC – Out of City	150			150	A
Review of line management arrangements in ASC following the development of the SCF and the LCO	510			510	A
Planned Care	273			273	R
Urgent Care	320			320	R
Long Term Conditions	2,250			2,250	R
Primary Care	1,847			1,847	R
Sub-total	10,733	545		11,278	
Total	16,536	16,858	14,518	47,912	
Shortfall (-)	-8,229	2,643	-2,414	-8,000	