

**Manchester Health and Wellbeing Board  
Report for Resolution**

**Report to:** Manchester Health and Wellbeing Board – 14 March 2018

**Subject:** Budget Overview

**Report of:** Dr Carolyn Kus, Executive Director for Strategic Commissioning and Director of Adult Social Services

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**Summary**

On Friday 2 March 2018 the budget and spending plans for the second and third years of the Council's three year budget were agreed. The detailed plans for adult social care and the joint financial plan with Manchester Health and Care Commissioning were presented to a meeting of the Manchester Health Scrutiny Committee on 6 February 2018. The Executive Summary for these plans is attached for information with a link to the individual reports.

**Recommendation**

The Board is asked to note the report.

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**Board Priority(s) Addressed:**

<b>Health and Wellbeing Strategy priority</b>	<b>Summary of contribution to the strategy</b>
Getting the youngest people in our communities off to the best start	All
Improving people's mental health and wellbeing	
Bringing people into employment and ensuring good work for all	
Enabling people to keep well and live independently as they grow older	
Turning round the lives of troubled families as part of the Confident and Achieving Manchester programme	
One health and care system – right care, right place, right time	
Self-care	

**Contact Officer:**

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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 The Health Scrutiny Committee considered the following four reports on 6 February 2018

1. Executive Summary (attached)
2. Adult Social Care Directorate Budget and Business Plan
3. Priorities and Budget for Homelessness Services
4. Manchester Health and Care Commissioning Joint Financial Plan (2018-2020)

The link to reports 2, 3 and 4 is

[http://www.manchester.gov.uk/meetings/meeting/3408/health\\_scrutiny\\_committee](http://www.manchester.gov.uk/meetings/meeting/3408/health_scrutiny_committee)

## **2. Recommendations**

The Board is asked to note the report.

**Manchester City Council  
Report for Resolution**

**Report to:** Health Scrutiny Committee - 6 February 2018  
**Subject:** Adult Social Care Budget Executive Summary  
**Report of:** Executive Director Strategic Commissioning

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**Summary**

This report is an additional report produced to provide an overview of the Budget Papers for Health Scrutiny.

The purpose of this report is to provide an update on the progress made with the three-year budget for 2017-2020, covering adult social care, public health and homelessness, jointly with health partners and voluntary and community sector partners. This includes:

- Part A – Health and Social Care, including the contribution that the Council is putting into the single pooled budget
- Part B – The priorities and budget for Homelessness services
- Part C – Manchester Health and Care Commissioning Joint Financial Plan 2018-2020

**Recommendations**

Health Scrutiny Committee to comment on the Executive Report that is recommended to approve the final proposals in this report and that these are included in the budget to Council

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**Wards Affected:** All

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**Alignment to the Our Manchester Strategy Outcomes (if applicable)**

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Supporting the City 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

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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.

2017-20 Budget agreed March 2017

## 1.0 Introduction

1.1 The Council's approach to setting its budget has been to focus on what is important and what matters to the people of Manchester, in line with the 'Our Manchester' approach. In 2017, the Council set a three-year budget after extensive engagement and consultation with Manchester residents about their priorities, which included looking after the most vulnerable. The Consultation can be viewed as part of the Budget Papers approved in 2017.

1.2 During Budget Consultations Manchester residents were clear 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.

1.3 The Locality Plan 'Our Healthier Manchester' sets out the first five years of transformational change needed to radically improve health outcomes and rebuild services around people. This means supporting more residents to be independent and resilient, and better connected to the assets and networks in places and communities. Services will be reformed so that they are built around citizens and communities rather than organisational silos.

1.4 In order to help put the health and social care system on a sustainable footing, savings were required from the pooled budget over the three year period. However it was recognised in 2017, and remains to be the case that implementing significant cuts in social care spend would not help if all that happened was people were at risk of staying in hospitals longer than necessary. Trends show that simply cutting budgets does not actually deliver savings for the council or the 'system'. Need is increasing faster than funding available and the acceleration of new care models accompanied by an increased level of social care investment is a key part of the strategy to remain within budget and impact on outcomes.

1.5 The Locality Plan sets the ambition to radically improve people's health in the city and close an estimated £135 million financial gap that there would otherwise be by 2020/21. It aims to do this by reducing demand for acute services, through better integrated care that keeps more people independent for longer.

1.6 The purpose of this report is to provide an update on the progress made with the three-year budget for 2017-2020, covering adult social care, public health and homelessness, jointly with health partners and voluntary and community sector partners. This includes:

- Part A – Health and Social Care, including the contribution that the Council is putting into the single pooled budget
- Part B – The priorities and budget for Homelessness services
- Part C – Manchester Health and Care Commissioning Joint Financial Plan 2018-2020

## **2.0 Part A: Health and Social Care**

2.1 The 2017-20 budget agreed last year set out the approach to delivering transformation of health and care services, and achieving efficiencies. In March 2017, significant additional investment was made into adult social care, partly funded by the Improved Better Care fund and the additional council tax precept. The Council worked with partners to implement a significant savings programme to meet demands through new approaches and not just cut services.

2.2 The total investment agreed last year into the pooled budget over the period 2017-20 was £35m. Total savings required by 2019/20 were £14.9m.

2.3 Pages 13-16 detail our savings proposals that were approved, and the progress that has been made to date. Savings of £10.6m have been identified towards this target, with the remainder funded by the Adult Social Care grant and non-recurrent funding in 2017/18.

2.4 There are areas where savings have not been achieved for various reasons. An example of this is extra care, where due to the changes in government thinking around housing benefits, the housing sector slowed down and in some cases stopped progress on initiatives, this has now changed back and work on extra developments has recommenced.

2.5 Significant progress has been made in the last year to reform how we work:

- Manchester Health and Care Commissioning (MHCC) has been established as the City's single commissioning function for health and social care
- Manchester University Hospital Trust (MFT) has been formed by merging two hospital trusts, CMFT and UHSM, as the first stage of forming the single hospital service for the city. The second stage of merging North Manchester District General Hospital with MFT will now follow
- The transformation of the city's mental health services has begun with the transfer of services to the GM Mental Health Trust (GMMHT)

2.6 The Local Care Organisation for Manchester will commence on 1 April 2018. This will bring together out of hospital services for community health, primary and social care services.

2.7 Key achievements during the last year for integrating services include:

- Integrated Neighbourhood Teams – nine of the twelve teams are now co-located, with plans in place for the remaining three teams
- High Impact Primary Care (HIPC) the team in North Manchester started to receive referrals in November and the services for the Central and South localities plan to be operational before the end of January 2018.
- New Extracare provision now operational through Village 135.

- Community Links for health prevention is operational in North Manchester with plans to mobilise in Central and South underway
- Expanding and transforming reablement through significant recruitment, which will total 66 roles
- There has been an overall reduction in admissions to residential and nursing homes during 2017/18
- Implementing all of the above should reduce demand for hospital attendances including A&E, non-elective and elective admissions

2.8 The Part A report sets out additional investment that has now been made available. This includes the Adult Social Care grant for 2017-20, which totals £12.9m in 2017/18, reducing to £3.7m in 2019/20.

In order to support growing demand for out-of-hospital care, the MHCC Board have agreed non-recurrent resources of £4m from the pooled budget in 2017/18 and 2018/19 through a risk-share agreement.

2.9 Pages 16-17 include a summary of the investment proposals in both narrative and with figures describing where investment to transform will release future savings and with a focus on out of hospital and community care. This links with our early intervention and prevention approach to support people in their local neighbourhoods to access good information and advice including support when people begin to experience difficulties, this includes carers.

2.10 You will see on pages 15-16 further proposals put forward to change and transform services while at the same time reducing costs by taking a different approach. An example of this is home care, moving away from time task to outcome focussed approach, this enables providers to work with the strengths people have, and allow for greater choice through the implementation of personal budgets at scale.

2.11 Page 18 of the report sets out how there has been a need to use various sources of income in order to protect adult social care through the need to meet current growing demands.

2.12 Page 19 reflects the proposed pooled budget arrangements and page 20 the financial governance that will be put in place. A risk and gain share agreement will ensure all partners not only meet the outcomes but financial sustainability and each organisation's constitutional arrangements are maintained under the new arrangements.

2.13 In order to deliver savings, a Financial Sustainability Plan will be developed during 2018/19, which will allocate resources in the pooled budget. This will include an evaluation of existing investment through the Better Care Fund, a review of current health and social care contracts and monitoring of the delivery of the transformation programme.



Further investment is needed of £5.8m in 2018/19, rising to £15.1m in 2019/20, in order to put the pooled budget in a sustainable position.

### **3.0 Part B: Homelessness**

3.1 The Part B report relates to the Budget and Business Plan for the Homelessness service. Recent increases in homelessness have been driven by national welfare reforms, and this will increase further during 2018/19 through the impact of universal credit.

3.2 The Council is working with the Manchester Homelessness Partnership, consisting of charities, faith groups, businesses, institutions and the general public working with people who have experienced homelessness. The partnership has been using Our Manchester approaches to develop new ways of tackling homelessness.

3.3 Additional investment was made available in 2017/18 including £0.984m relating to rough sleeping, begging and homelessness, and a further £2.962m for an enhanced out-of-hours service. Evaluation of the impact of this investment has now started.

3.4 Progress over the year includes establishing the Longford Centre, reducing the number of care leavers in Bed and Breakfast accommodation, increasing access to settled accommodation, and increasing access to health and drug and alcohol services. Across the winter months the service have run emergency cold weather provision on 16 nights (to date) to provide over 300 places for people who are sleeping rough which includes a specialist 22 bed space night shelter for those with more complex needs.

3.5 The Council has committed to buying 15 four-bedroom properties to help people move more quickly through temporary accommodation and into settled homes, as these types of property are not otherwise available for larger families. A further 100 properties have been made available by Registered Providers for homeless singles and families. By the end of the financial year the equivalent of 750 homeless households will have been rehoused by social landlords over a 12 month period.

3.6 This business plan makes the increased funding from last year permanent and proposes an additional £2.6m, which includes £0.5m towards the costs of the Longford Centre and £2.1m to compensate for the loss of the national TAMF (Temporary Accommodation Management Fee) funding. This will be spent on more and better prevention; helping people move out of temporary accommodation; and increasing access to settled homes.

3.7 A new strategy will be developed by the partnership by Spring 2018 to set out the next stages of the city's determination to reduce and prevent homelessness.

### **4.0 Part C: Pooled budget with MHCC**

4.1 The Part C report is the 2018 – 2020 Joint Financial Plan for Manchester Health and Care Commissioning. MHCC will operate a single planning, delivery and

assurance process from April 2018 which will oversee all of MHCC's commissioning responsibilities and will include single budget arrangements.

4.2 Pages 6-7 set out how MHCC will have a single Operational Plan which will encompass all of its work programmes for each year and will include a Financial Sustainability Plan for achieving financial balance.

4.3 The single commissioning arrangements and budget will generate benefits from enabling more proactive and joined up care, co-ordinated transformation, oversight of quality and performance, more effective and efficient spending and clear commissioning voice within and for the Manchester health and care system.

4.4 Governance arrangements will sit within MHCC and be led through MHCC's Executive committee, reporting to the Board with City Council representation.

4.5 The seven priorities for the MHCC 2018/19 plan are:

1. Develop high quality, effective residential, nursing and home care
2. Deliver effective out of hospital care
3. Develop core primary care service
4. Tackle health inequalities to reduce the variation in health outcomes across Manchester
5. Deliver strategic programmes in line with Manchester's priorities
6. Deliver a transformed health and care system
7. Deliver national and statutory requirements and drive the transformation of health and care in Manchester

4.6 You will see on pages 10-12 a description of the both the investment and savings from the new care models which are also highlighted in the Part A report (pages 16-17).

4.7 The total single MHCC budget for 2018/19 is £1.117billion, made up of £930m (Health) and £186.5m (MCC). MHCC is projecting to deliver balanced budget in 2018/19, but this does require additional proposed investment of £5.8m (as set out in Part A report) from the Council and use of non-recurrent resource by both organisations.

In 2019/20, the CCG is projecting gap of £9.3m and for the Adult Social Care there is an investment requirement of £15.1m (as set out in Part A report).

4.8 The report seeks approval for the contribution to the pool of £186.5m in 2018/19 and £194.8m in 2019/20. The revised pooled budget now excludes the budget Adults Safeguarding and Voluntary and Community Sector grants and Homelessness budget and includes the new Adult Social Care grant and proposed new investment of £5.8m in 2018/19 and £15.1m in 2019/20.