



Health Scrutiny Committee

Date: Wednesday, 9 February 2022

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

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Membership of the Health Scrutiny Committee

Councillors - Nasrin Ali, Appleby, Curley, Douglas, Green (Chair), Hussain, Leech, Monaghan, Newman, Reeves, Riasat and Richards

Supplementary Agenda

1. **[10.20-10.50] Health and Social Care - Adult Social Care and Population Health Budget 2022/23** Pages
3 - 34
Report of the Executive Director Adult Social Services and Director of Public Health

Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council is forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25. This report sets out the high-level position.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday, 4 February 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Library Walk Extension, Manchester M60 2LA

Manchester City Council Report for Resolution

Report to: Health Scrutiny Committee – 9 February 2022

Subject: Health and Social Care - Adult Social Care and Population Health Budget 2022/23

Report of: Executive Director Adult Social Services
Director of Public Health

Summary

Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council is forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25. This report sets out the high-level position.

The finance settlement was towards the positive end of forecasts and no actions beyond those outlined in November are required to balance next year's budget. As reported to November Scrutiny meeting officers identified savings and mitigations totalling c£7.7m which are subject to approval.

The settlement was for one year only and considerable uncertainty remains from 2023/24. A longer-term strategy to close the budget gap is being prepared with an estimated requirement to find budget cuts and savings in the region of £30m per annum for 2023/24 and 2024/25. In addition, £30m of risk-based reserves have been identified as available to manage risk and timing differences in expenditure and funding.

This report also updates the Committee on the funding position of the Health system, which is still awaiting its financial planning guidance and funding envelop for 2022/23. As a result there are a number of unknowns in terms of spending plans for the Manchester Health and Social care system for 2022/23. The report highlights the latest known position along with key risks.

Appended are the priorities for the services in the remit of this committee, details on the initial revenue budget changes proposed by officers and the planned capital programme.

Recommendations

The committee is recommended to:

1. Note the forecast medium term revenue budget position
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

3. Note the aspiration for the Council to ensure that all care contracts pay their staff the Real Living Wage and to use the opportunity of the market sustainability review to help deliver on this.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

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	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
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 implications for:

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences Revenue

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2022/23 budget preparation.

Financial Consequences – Capital

None directly arising 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.

Adult Social Care and Population Health Budget Report 2021/22 –
Executive 17th February 2021

Health Scrutiny Committee 10 November 2021

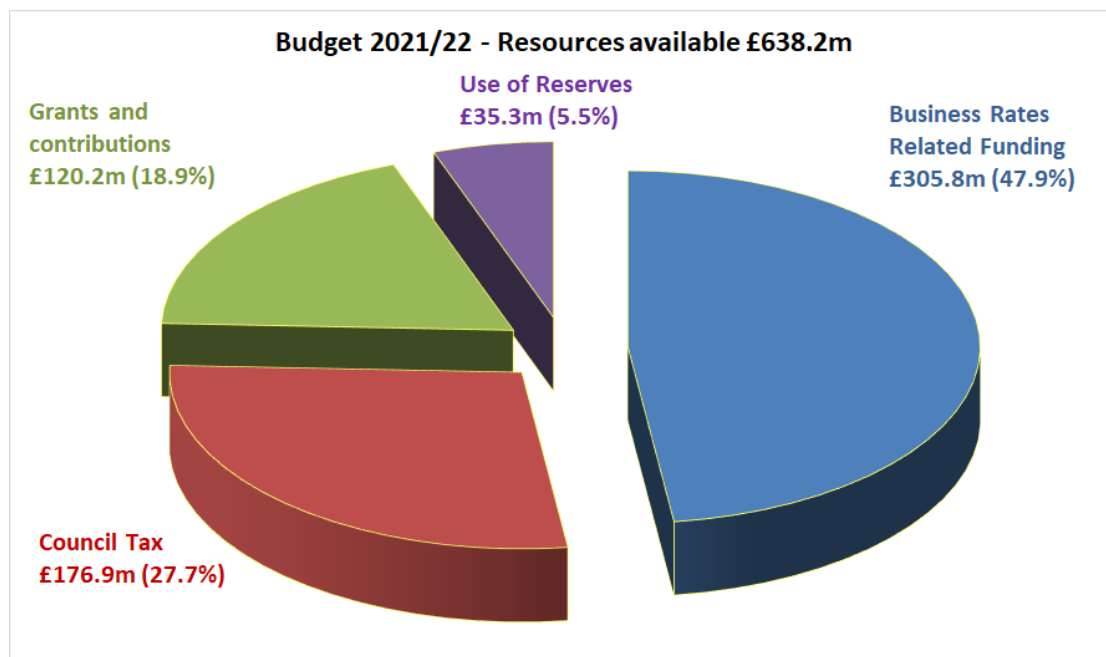
[Executive – 17 January 2022 Subject: Provisional local government finance settlement 2022/23 and budget assumptions](#)

1. Context and Background

- 1.1 Manchester Health and Social Care system financial plans are driven by both Local Authority funding announcements and National Health Service (NHS) financial planning guidance, as in previous years. The Health Planning guidance was received in December but only covered the operational aspects, the financial planning guidance is still being developed and has not yet been published.
- 1.2 The NHS reforms, which will see the replacement of the Greater Manchester CCGs with an Integrated Care System, have been delayed to 1 July 2022. This delay will result in a more fragmented budget process as funding will be allocated for the first quarter of the year via the current CCG system, and for the remaining three quarters via the new ICS. It is still anticipated that the Greater Manchester Integrated Care Board (MCIB) and Manchester Foundation Trust (MFT) will have approved budgets by 31st March 2022, however, the timing of final funding allocations is unknown. Whilst a move towards a more normal post covid NHS finance regime is anticipated, the details will not be confirmed until the guidance is published, and the implications will not be fully understood until work with system partners underway during February 2022.
- 1.3 There is a statutory requirement for Councils to set their budget by 11 March 2022 and for a consultation to have been carried out with local businesses. Whilst this will be challenging to fit with NHS timescales it is important that where possible the process allows for joint decisions between partners, particularly with regards to the Manchester Local Care Organisation (MLCO).
- 1.4 Whilst it will not be possible to have a fully integrated budget process for 2022/23 it is important to note the current arrangements. The MLCO is hosted by MFT. There is a Section 75 agreement between MFT and MCC allows for the delegation of ASC responsibilities to the MLCO Chief Executive and for some of the S151 Financial Responsibilities to the MLCO Finance Director. The S75 agreement includes an aligned budget for community health and Adult Social Care (ASC) and will continue for 2022/23. Ideally there would be a fully integrated budget process to support the MLCO position. With the uncertainty around the NHS reforms and the move to the Integrated Care System delayed until 1 July 2022, the impact for existing CCG funding and responsibilities, alongside the fundamental changes to the NHS planning round, mean that this is not going to be possible. It is also important to note the NHS funding regime is also going to look substantially different with a move away from the payments by results system.
- 1.5 For Population Health, the necessary focus on COVID-19 by the Director of Public Health (DPH) and the Population Health Team, means that 2022/23 will now be a transition year to ensure the appropriate delivery of population health services and associated budgets through the MLCO. The DPH has worked with

the Chief Executive of the MLCO, Deputy Chief Executive and City Treasurer and MHCC Chief Finance Officer to develop the Transition Plan. During 2022/23 Population Health funding will continue to be managed by the City Council. In addition, it is important to note that a number of population health services have allocations from both MCC and MHCC and the Consultant in Public Health will work with MHCC Finance colleagues to support the budget setting process for 2022/23. Finally, the Director of Population Health will also maintain and manage resources for Health Protection and strategic public health functions and specific plans for sustainable health protection and support to the Manchester Partnership Board will also be developed.

- 1.6 For the above reasons, whilst this report will set out the latest draft position on the current aligned budget, it will focus on the MCC contribution to the aligned budget and the ASC and Population Health budgets.
- 1.7 On 27 October 2021, the Chancellor of the Exchequer, Rishi Sunak MP, delivered the Spending Review and Autumn budget 2021 to the House of Commons. The Spending Review sets the quantum of funding available for local government whilst the Finance Settlement, which followed on 16 December 2021, sets out the distribution to individual local authorities.
- 1.8 The finance settlement has been front loaded and includes a number of one-off distributions of funding. It is also a one-year settlement. Therefore, considerable uncertainty remains in relation to the position after 2022/23.
- 1.9 The Local government funding reform work will be restarted in the Spring. This means that the Fair Funding Review and baseline reset are both going to be under consideration again, for possible implementation in 2023-24. This will impact on how funding between different local authorities is distributed.
- 1.10 The final budget position for 2022/23 and beyond will be confirmed at February Executive. This will be after the key decisions confirming the Collection Fund position and Council Tax and Business Rates base have been made and the Final Finance Settlement is received. It is unlikely that there will be any significant changes to the Provisional Settlement.
- 1.11 The Council's 2021/22 net revenue budget is currently funded from four main sources which are Council Tax, Business Rates, government grants and contributions and use of reserves. In recent years as central government funding has reduced and business rates retention has been introduced the ability to grow and maintain the resources raised locally has become even more important for financial sustainability and is integral to the Council's financial planning.
- 1.12 The following chart shows the current breakdown of resources available.



2. Current Council budget position

2.1 The indicative medium term position is shown in the table below, full details are provided in the settlement and budget report to 17 January Executive meeting.

	Revised 2021 / 22 £'000	2022 / 23 £'000	2023 / 24 £'000	2024 / 25 £'000
Resources Available				
Business Rates Related Funding	156,416	338,092	322,337	340,330
Council Tax	176,857	208,965	206,620	217,197
Grants and other External Funding	120,243	104,533	87,374	85,374
Use of Reserves	184,667	36,781	30,592	15,573
Total Resources Available	638,183	688,371	646,923	658,474
Resources Required				
<i>Corporate Costs</i>	120,232	133,058	110,211	114,849
<i>Directorate Costs</i>	517,951	555,313	573,494	601,172
Total Resources Required	638,183	688,371	683,705	716,021
Shortfall / (surplus)	0	0	36,782	57,547

2.2 The budget assumptions that underpin 2022/23 to 2024/25 include the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23). Whilst this

contributes to the scale of the budget gap it is important that a realistic budget is budget set which reflects ongoing cost and demand pressures.

- 2.3 Officers have identified options to balance the budget in 2022/23 which are subject to approval. The detail relevant to this scrutiny remit is included at Appendix 2. If these proposals are supported a balanced budget will be achieved. In addition, £30m of risk-based reserves have been identified as available to manage risk and timing differences in funding flows.

3. Scrutiny of the draft budget proposals and budget reports

- 3.1 The reports have been tailored to the remit of each scrutiny as shown in the table below. This Committee is invited to consider the proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2022.

Date	Meeting	Services Included
8 February 2022	Resources and Governance Scrutiny Committee	Chief Executives Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
8 February 2022	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood teams
9 February 2022	Health Scrutiny Committee	Adult Social Care and Population Health
9 February 2022	Children and Young People Scrutiny Committee	Children and Education Services
10 February 2022	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance
10 February 2022	Economy Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways

4. Next Steps

4.1 The proposed next steps are as follows:

- February Scrutiny Committees (8-10 February) and Executive (16 February) receive proposed budget
- Resources and Governance Budget Scrutiny – 28 February
- March Council - approval of 2022/23 budget - 4 March
- New Municipal Year – early options around 2023/24 & 2024/25 discussed with members

5. Conclusion

5.1 Overall the settlement announcements were towards the positive end of expectations. It is expected that mitigations in the region of £7.7m, as previously identified, will be sufficient to balance the 2022/23 budget.

5.2 Officers have estimated the future resources available based on the information available. This results in forecast gap of £37m in 2023/24 increasing to £58m in 2024/25.

5.3 The focus will now be on identifying savings and mitigations to keep the council on a sustainable financial footing. It is proposed that budget cuts and savings of £60m over three years are developed for member consideration. £60m equates to just under 12% of 2022/23 directorate budgets. In addition, £30m of risk-based reserves have been identified as available to manage risk and timing differences.

Appendix 1

1. Adult Social Care Priorities

- 1.1 Manchester City Council's Adult Social Care (ASC) services support people who have been assessed and meet the eligibility for care and support under the Care Act 2014. Following an assessment, a support plan sets out how the needs of people will be met and services are arranged to meet that need and help people to continue to live as independently as possible.
- 1.2 This support ranges from advice and information (minimal cost) to very intensive services. Whilst the Care Act 2014 places a statutory duty on ASC to meet assessed needs and outcomes it does not prescribe how these should be met. In discharging its statutory duty ASC retains discretion to determine how an individual's needs and outcomes should be met within available resources. Adults Eligibility: The Care and Support (Eligibility Criteria) Regulations 2014 sets out the eligibility criteria and determines the circumstances in which an adult meets the eligibility criteria.
- 1.3 In Manchester, we support a large number of Manchester residents with adult social care needs. At 31st December 2021 (latest complete figures) we supported:
- 5,366 older people (long term support to 65+)
 - 2,960 younger adults (long term support to 18-64)

These figures include:

- 1,293 adults with learning disabilities (long term support)
- 775 adults with mental health needs (long term support)
- 6,422 of the people we support are living in the community
- 1,075 people in residential care
- 573 in nursing care

We provide:

- Homecare to 1,877 people
- Supported accommodation to 681 people
- Support via shared lives schemes to 183 people
- Support via an extra care scheme or neighbourhood apartment to 113 people
- Cash personal budget or Individual Service Fund to 654 people
- Day care to 337 people

Rolling 12 months (Jan-Dec 2021):

- 8,984 items of equipment and adaptations were installed/provided
- 7,270 blue badges were issued
- 1,612 people benefitted from our core reablement service
- 1,512 carers were assessed
- 6,203 safeguarding enquiries were opened for individuals

- 1.4 Adult Social Care in Manchester is deployed into the Manchester Local Care Organisation (MLCO) alongside delivery of community health services in the city which is governed via a section 75 agreement between MCC and Manchester University NHS Foundation Trust (MFT). This agreement was approved in August 2021 and deploys responsibility for all Adult Social Care services into MLCO including delivery of our assessment function, safeguarding, our in house provider services and the commissioning of the external market to meet assessed need. The responsibility for assessment and safeguarding in mental health lies with Greater Manchester Mental Health NHS Foundation Trust (GMMH) via a separate section 75 agreement.
- 1.5 The section 75 agreement between MCC and MFT includes a Financial Framework which sets out the approach to the management of an 'aligned' budget across MCC and MFT for the services in scope of the MLCO. The ASC budget referred to in this report constitute the MCC contribution to the aligned budget.
- 1.6 The fundamental priority for Adult Social Care in 2022/23 remains the safe, effective delivery of our statutory duties as outlined above in the Care Act as well as our duties in the Mental Capacity Act and the Mental Health Act.
- 1.7 In January 2021 we commenced delivery of a major transformation programme, building on the Adult Social Care Improvement Programme – Better Outcomes, Better Lives. Better Outcomes, Better Lives is long-term programme of practice-led change, which aims to enable the people of Manchester to achieve better outcomes with the result of less dependence on formal care.
- 1.8 The programme is central to delivery of savings in 2021/22, 2022/23 and 2023/24. As described earlier in the paper, the programme has delivered evidence based improvements and embedding of the strengths based approach, and together with other interventions ensured effective demand management in 2021/22 (with the number of citizens supported in residential and nursing staying fairly steady, and the number of citizens in receipt of homecare reducing). However, there have been staff recruitment challenges which has made the focus on strength based reviews challenging as well as ongoing focus on the pandemic throughout 2021 having an impact on some of the delivery of the programme.
- 1.9 Given the positive work so far, and the continued opportunities, our work on Better Outcomes, Better Lives will continue in 2022/23 with an accelerated focus on two additional workstreams in 'phase 2'. These have been identified in particular to work alongside the existing workstreams to ensure that demand coming into teams is managed. This will ensure the teams can focus on the work on further embedding our strengths-based approach:

Early Help/ASC Front Door - The number of new contacts that we receive through the Contact Centre is much higher than we would normally expect to see at this time of year, and are consistently above the three year average. This is likely driven by the Covid-19 pandemic and is putting considerable pressure on

our services. The purpose of the Early Help workstream is to ease some of these pressures. This work is well underway now and includes work together with Contact Centre staff and work with our Multi-Agency Safeguarding Hub (MASH)

See and Solve (Transforming Community Teams) – The purpose of see and solve will be to address entrenched system barriers that get in the way of practitioners taking decisions which empower residents and build on their strengths. This work will focus most intensively on our learning disability services initially given the complexity of demand and the high costs of support and will align to our commissioning plan. This will directly support the work to ensure we are supporting people with complex needs in the most appropriate way, starting from a strengths based approach

1.10 As part of phase 2 we are also developing a full Equalities Impact Assessment for the programme starting with understanding the equalities impacts for each workstream. This will give us insight into ensuring that our work supports our wider vision in health and social care to reduce health inequalities in the city. This work is well underway now. Health Scrutiny will be further updated at a future update on the BOBL programme.

1.11 Aligned to our work on Better Outcomes, Better Lives we will continuing to be focused on:

- Ensuring we have the **right internal capacity** to support all of our work including assessment capacity on a permanent basis (including qualified social workers) and project/programme management and change capacity. The support to recruitment described above is critical to this
- Supporting hospital demand through the **MLCO Control Room and our discharge to assess work**, ensuring that we continue to see positive outcomes from the model on the number of people accessing long-term care following hospital discharge
- Strengthening our work to **safeguard adults**, which we have now aligned to our BOBL programme
- Reviewing our **in-house provider services** (primarily supporting people with learning disabilities), aligned to our strengthened approach to commissioning and work with LD assessment services as described above, ensuring that these services are supporting our demand management strategy and delivering the very best outcomes, including consideration of capital requirements. A key immediate focus for these services is also recruitment alongside completion of critical fire safety works to ensure additional costs associated with waking nights are minimized into 2022/23
- Strengthening our **partnership arrangements with GMMH** through the new section 75 arrangements which will be concluded in 2022
- Working with colleagues in Housing and other partners to ensure the right supply of **housing and accommodation for vulnerable adults** in the city

- Continuing to **support the care market intensively** (including homecare and care homes), particularly given significant recruitment and retention challenges, aligned to our Commissioning Plan and performance and quality regime.

1.12 In July 2022 Manchester Health and Care Commissioning (MHCC) – the CCG in Manchester, will cease to exist with responsibility for health commissioning moving to the newly formed Greater Manchester Integrated Care System (ICS). ASC within the MLCO will be working with colleagues to ensure that this change is beneficial for Manchester residents and that we are continuing to work to strengthen the MLCO and maximising opportunities for integration including in our collective commissioning of the external market.

2. Population Health

- 2.1 The position in 2021/22 regarding the public health contracts with local authorities and the associated pay costs with the NHS pay rises is that the NHS providers have been given advice not to pass on this cost for this financial year. As per the NHS guidance for H2 21/22 “Funding will also be provided to systems to support the pay pressures on those parts of providers’ cost base which would usually be covered by local authority (LA) and Health Education England (HEE) income.” Therefore, there won’t be any additional funding to local government this year. The guidance is awaited regarding the funding of NHS pay awards in 2022/23. The Council will passport any additional funding received for the pay award.
- 2.2 As per the Spending Review, the public health grant will remain the same in real terms which will significantly undermine the ability of local systems to reduce health inequalities without further investment in prevention by the NHS.

Population Health Budget and Priorities

- 2.3 The Population Health (PH) commissioning and strategic role is set out in the Manchester Population Health Plan (PHP), the City’s overarching plan for reducing health inequalities and improving health outcomes for residents across the lifecycle. The PHP is undergoing a re-refresh to take account of the social and economic impact which COVID-19 has had in further exacerbating the health inequalities in the city.
- 2.4 The Population Health Team’s priorities for 2022-23 are to:
- Develop a resilient health protection function, including clinical management of outbreaks, addressing environmental determinants of health, and addressing climate action priorities
 - Develop a population health recovery programme
 - Support commissioned public health services in their recovery programmes

- 2.5 The Manchester Population Health Team continues to lead the City's ongoing public health response to COVID-19, as set out in the 12 Point Action Plan, which is updated regularly. The Plan includes the detail of key actions to be undertaken in relation to the Manchester Test and Trace Service, managing outbreaks, community engagement and communications, work with schools, universities and businesses and specific sections on our most vulnerable residents and care homes.
- 2.6 The Population Health Team is also responsible for commissioning a range of preventative services (children's public health, wellbeing, drugs and alcohol, and sexual health services) totalling approximately £38m. These services address health impacts upstream to reduce demand on more expensive health and social care services. The majority of these services are mandated responsibilities, i.e. services that must be provided such as Health Visiting, Schools Nursing, Open Access Sexual Health Services and Health Protection Services.
- 2.7 The Population Health Team has provided recovery funding across all the commissioned services in 2021-22. This funding has been used to help address backlogs, such as childhood immunisations and weight management clinic waiting lists, and address and support health improvement measures such as increasing participation in physical activity across all age groups in the city.
- 2.8 Due to the ongoing impacts of COVID-19 on the city and its' residents the Population Health Team are managing major programmes of service delivery in both the continued response to COVID-19 and supporting recovery from the pandemic, this includes driving the work in response to the Marmot Building Back Fairer report. A Task Group has now been established, chaired by the Director of Public Health, that will lead the development of an action plan for the city to address the wider determinants of health.
- 2.9 Due to the capacity challenges of COVID-19 the work on the overarching Wellbeing Model for 2022, which will bring all health improvement services together in an integrated way, has been delayed. A new citywide service is planned to be commissioned to start delivery in January 2023. This model will deliver a significant return on investment over a longer-term timeframe and improve health outcomes for residents.
- 2.10 The key metrics for commissioned services include:
- Delivery of the National Healthy Child Programme- stages of development checks (Health Visiting) and the National Child Measurement Programme (NCMP)- years 1 and 6 (School Nursing)
 - The Be Well Service measures outcomes for service users in terms of physical and mental health and wellbeing, work-related health and connection to community networks working with a target population of individuals from the most deprived areas within the city, and individuals from diverse backgrounds. Other wellbeing services measure smoking

quitters, smoking in pregnancy, increase in physical activity and delivery of health checks in primary care.

- Rates of HIV, syphilis and gonorrhoea, and provision of long-acting reversible contraception (LARC) in primary care and sexual health service providers
- Successful drug and alcohol treatment completions, successful completed treatments in the latest 12-month period re-presenting within 6 months, and percentage of clients waiting over three weeks to start first intervention

2.11 The health of the people in Manchester has generally been worse than the England average across a range of outcome measures with a worsening of health outcomes in Manchester starting to become apparent in the years prior to the start of the Coronavirus (COVID-19) pandemic in 2020. The pandemic has had the effect of accelerating and strengthening that pre-existing trend. Recently published data on life expectancy at birth over time in Manchester compared with England shows that life expectancy has fallen (i.e., got worse) for both males and females in Manchester in the 3-year period 2018-20 compared with the previous period of 2017-19.

2.12 The priority for 2021-22 has been to support commissioned services in their recovery from the impact of the pandemic on their service delivery and their clients. In addition, we have begun to develop a Population Health Recovery Framework based on the following three pillars:

- Healthy People (recognises the impact of social disadvantage and socio-economic circumstances on health outcomes)
- Healthy Places (recognises the geographical inequalities within Manchester and between Manchester and other parts of the region and country)
- Health Equity (recognises the groups of people and communities that face additional multiple and compounding barriers, prejudice or discrimination owing to factors such as race, sexual orientation, disability, and migrant status)

A re-refresh of the Population Health Plan is also underway to reflect the impact of the pandemic on the city's health and wellbeing and the exacerbation of health inequalities for our residents.

2.13 The key actions in tackling diversity and inclusion will be led by the Manchester Population Health Recovery Framework which will support the delivery of the Population Health Plan with a focus on three pillars of work within the context of the COVID-19 pandemic. Each pillar has a "flagship" programme of activity to address the root causes and wider determinants of health inequalities alongside the broader partnership working to create the conditions for healthy lives.

2.14 The three "flagship" programmes are:

- Healthy People- Manchester's Wellbeing Model to improve the wellbeing of Manchester's residents based on the level of support people need to look after their own health and wellbeing
- Healthy Places- Winning Hearts and Minds to work in, and with, communities to improve heart and mental health across the city, with a particular focus on North Manchester
- Health Equity- COVID-19 Health Equity Manchester to address the disproportionate adverse impact of COVID-19 on specific communities in Manchester and ensure the legacy of COVID-19 is that lessons learned are implemented and improve the broader health outcomes of these communities

2.15 As the Committee is aware the Director of Public Health will build on this work and lead a Citywide Task Group to ensure the recommendations from the Marmot review: 'Build Back Fairer in Greater Manchester: Health Equity and Dignified Lives' are implemented and the agreed Marmot Beacon Indicators are monitored by the relevant Scrutiny Committee.

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Appendix 2

The MCC Adult Social Care (ASC) Budget and MLCO Aligned Budget

1. Introduction

- 1.1 The MLCO aligned budget brings together MCC Adult Social Care budgets and MFT Community Health Budgets and allows visibility of spend across both with integrated reporting. The objective is to facilitate the best use of joint financial resources for the benefit of Manchester residents. Budget pressures and underspends remain the responsibility of the host organisation.
- 1.2 Whilst the Council's provisional financial settlement has been received, the Community Health funding envelope has yet to be allocated, which may have an impact on the final budget allocations to some of the aligned budgets.
- 1.3 This report outlines the resources available for the Adult Social Care and Population Health budgets to be agreed as part of the wider Council budget by the Executive in February 2022. The report also updates the Committee on the latest planning assumptions for the Community Health budgets.

2. Background to 2021/22 MLCO Adults Social Care (ASC) Budget

- 2.1 As part of the 2021/22 budget process a three year savings programme was agreed and additional funding was added to support the ongoing impact of covid-19.
- 2.2 The three-year Better Outcomes Better Lives (BOBL) programme supported a total savings target of £18.4m. Due to the timing differences between achieving the full year effect of planned BOBL savings and the budget savings required, £5.5m of non-recurrent health and social care system support was included in the 2021/22 budget, highlighted in Table 1.

Table 1 – Better Outcomes Better Lives – Savings Programme 2021/22 to 2023/24

Delivery of savings target	2021/22 £'000	2022/23 £'000	2023/24 £000
Better Outcomes Better Lives	6,097	13,100	18,400
Health and Social Care System Support	5,500	0	0
To be identified	0	1,823	0
Total	11,597	14,923	18,400

- 2.3 Significant additional investment was also agreed for the MLCO ASC budget. This included £13.464m additional ongoing funding to support ongoing impact of covid-19 and a £3.047m increase in budget made available for the costs of the national

living wage and demographic demand changes. Funding was also provided to meet the costs of inflation.

- 2.4 During 2021/22 the £13.464m Covid funding was reviewed and £2.5m was removed from the budget in relation to PPE costs which were being covered by additional NHS funding. This budget was removed recurrently in year.
- 2.5 The report presented to the Health Scrutiny Committee and the Executive in November 2021, outlined that a further £2m of this funding could be removed in light of lower numbers of residential and nursing places than budgeted for. This proposal formed part of the £7.8m of options to close the budget gap for 2022/23.
- 2.6 These adjustments have been taken into account in arriving at the start budget for 2022/23.

3. Forecast Outturn 2021/22

- 3.1 The current financial year has proved to be a complex one, with the continuation of the pandemic through the emergence of the Delta variant in late 2020, extended restrictions through to the summer and the new omicron variant taking over in late 2021.
- 3.2 In terms of the impact on the budget, there has been a combination of:
 - Delivery of the Better Outcomes, Better Lives transformation programme and the planned savings for 2021/22.
 - The new care models that support the transformation and better management of demand are now in place, but a high proportion of the costs have been funded by one-off funding.
 - High level of vacancies with difficulties filling posts in social work and in internal provider services (including reablement and supported accommodation).
 - Significant impact of the pandemic - diverting capacity, distorted demand for services with at points in the year delays in assessments /reviews and urgent need to get people out of hospital. This has been supported by one-off funding to facilitate discharge as well as one-off funding to support care provider costs associated with responding to the pandemic.
- 3.3 Despite a number of challenges, significant progress has been made on implementing the required transformation and there has been very strong working across system partners. Whilst we have effectively managed demand in 21/22 (with continued lower than expected numbers in residential settings and for home care services), it will take some time to understand the longer term impacts on demand and cost.
- 3.4 These factors have combined to mean that the system support funding of £5.5m, outlined in Table 1, has not been needed in 2021/22, and will not be drawn down from reserves as planned.

- 3.5 The MLCO's forecast outturn position, as at month 9, without the system support funding, is summarised in the table below, highlighting a forecast underspend of £0.578m by the year end.

Table 2 – MLCO Aligned Budgets – Forecast Outturn 2021/22

	2021/22	2021/22	2021/22
	Annual Budget	Forecast Outturn	Forecast Variance
	£000's	£000's	£000's
MLCO Aligned Budget:			
MLCO ASC - Provider Services	28,972	29,243	271
MLCO ASC - Commissioned Services	121,737	123,709	1,972
MCC ASC - Other	29,303	26,600	-2,703
Total ASC	180,012	179,552	-460
MLCO Community Health	104,167	104,049	-118
Total Community Health	104,167	104,049	-118
Total Aligned Budget	284,179	283,601	-578

- 3.6 Although the Community Health budget is forecast to break even for 2021/22, the control total for 2021/22 contains £4.6m of non-recurrent funding.
- 3.7 The Council funded budgets are managed by the Adults and Population Health Directorates and include services that are out of scope of the MLCO aligned budgets. For completeness Table 3 shows the Council budget position including the out of scope budgets and is showing a £0.543m underspend for 2021/22.

Table 3 – Adult Social Care and Population Health Forecast Outturn 2021/22

	2021/22 Annual Budget £000's	2021/22 Forecast Outturn £000's	2021/22 Forecast Variance £000's
Total ASC aligned budget	180,012	179,552	-460
Out of scope budgets:			
MCC - Population Health	42,704	42,704	0
MCC - Other	2,127	2,044	-83
Total Out of scope of the aligned budget	44,831	44,748	-83
Total ASC and Population Health	224,843	224,300	-543

3.8 The 2021/22 ASC budget was increased by £5.8m for one off Covid grants received in 2021/22 including the Infection Control Fund and the Workforce Recruitment and Retention Fund. Both the costs and funding for this will cease and the starting base budget to be rolled forward into 2022/23 is therefore £219m.

4. Progress on the Better Outcomes Better Lives (BOBL) Savings Programme

4.1 As outlined above the interplay of the continuation of the pandemic on demand levels and additional support through the health funded hospital discharge programme has meant the £5.5m of system support funding has not been required during 2021/22.

4.2 Overall, during 2021/22 the BOBL programme has delivered the planned £6.2m of savings. The system support was in place to support the phasing of when cashable savings were likely to be realised with the full years saving only realisable in 2022/23. Rather than using system support, the anticipated shortfall has been met through in year underspends. In 2022/23 the savings were planned to increase by £8.8m to £14.9m. Work carried out indicates that £9.4m of this will be achievable and the carried forward system support funding of £5.5m will be used to meet the gap.

4.3 A full review of the whole ASC budget and the BOBL programme is underway and will be fully evaluated in 2022/23 to establish what will be achievable for 2023/24 and what alternative measures may be required.

Table 4 – BOBL Progress

Original Plan - Savings Delivery	2021/22 £'000	2022/23 £'000	2023/24 £'000
Better Outcomes Better Lives	6,097	13,100	18,400
System Support	5,500	0	0
To be identified	0	1,823	0
Total	11,597	14,923	18,400

Progress - Savings Delivery	2021/22 Actual £000's	2022/23 Plan £000's	2023/24 Plan £000's
Savings Target	11,597	14,923	18,400
Savings Delivered/Plan	-6,197	-9,423	-18,400
System Support		-5,500	
HDP & Staffing Underspends	-5,400		
Total	0	0	0

- 4.4 A further efficiency has been applied to the 2022/23 budget of £0.56m. This is the ASC share of the £2m council saving and relates to a 1% increase to the vacancy factor to more accurately reflect the fact that many employees are not at the top of the grade and the current levels of turnover. Staffing budgets are forecast to underspend by £1.994m in 2021/22.

5 Planned Changes to the MLCO Aligned Budget for 2022/23

- 5.1 In 2021/22 as well as funding for demography, inflation and costs of the National Living Wage, £13.75m was added to the ASC budget to meet the estimated costs of ongoing demand from COVID-19. This has been adjusted in year to remove £2.5m costs of PPE that were separately funded, and as part of this budget process reduced by £2m for the overestimated impact of the pandemic on care home places.
- 5.2 A total of £8.25m will now be provided on an ongoing basis funded from council resources. This is already included in the opening budget figure.
- 5.3 In 2021/22 £2.690m was also provided on a one-off basis to:
- Create a reserve for public health to meet additional pressures in the year. This was not required in 2021/22 and remains available for 2022/23.
 - £1.690m to meet additional costs for increased capacity within the in-house supported accommodation for people with Learning Disabilities (£1.1m) and one-off funding for additional capacity, including external support, of £0.600m to support the implementation of the Better Outcomes, Better Lives programme.

This £2.690m has been removed from the 2022/23 budget as planned.

6 Additional Funding for Adult Social Care and Budget Growth for 2022/23

- 6.1 The finance settlement included the following changes and increased the funding available for adults social care by £11.306m :
- The Council's spending power included the assumption that the 1% social care precept would be raised. A 1% increase generates c£1.9m. This combined with, improvements to Council Tax collection rates and an increase in the tax base due to new house building growth, has meant that this increases the amount attributable to the ASC precept to a total increase of £3.259m.
 - The additional £1.6bn of national funding included £8.047m for social care and the costs for the 1.25% national insurance increase.
- 6.2 In addition direct funding of £2.7m was received and will be passed on directly to the Adults Social Care budget:
- £0.9m for inflation on the Better Care fund
 - £1.8m via the 'social care levy' to fund the fair cost of care and associated preparatory work
- 6.3 Once the one off capacity funding of £2.690m from 2021/22 is removed, there is a net increase in external funding of £11.438m.
- 6.4 Table 5 illustrates the funding flows which support the ASC and Population Health budgets showing the fragmented funding streams that support Adult Social Care and Population Health.
- 6.5 There is a small increase in the overall core funding allocated to the Adults and Social Care budget to mainly cover the cost of the National Insurance increase. This brings the overall growth in investment into the Adults budget of £11.709m, of which £5.156m is being held corporately for the pending pay award (£1.636m) and the costs of inflation (£3.520m) yet to be allocated to the base budget.

Table 5 – ASC and Population Health Funding Flows

Adults and Population Health Funding Flows	2021/22	2022/23	Change
	£'000	£'000	£'000
Social Care Grant (Adults share)	15,316	23,363	8,047
Council Tax Adult Social Care precept	20,252	23,511	3,259
Improved Better Care Fund	30,815	31,747	932
Market Sustainability & Fair Cost of Care Fund	0	1,800	1,800
Government Grants	2,343	2,343	0
Client Contributions	21,505	21,505	0
Population Health External Contracts	2,279	2,279	0
One off capacity funding	2,690	0	-2,690
Sub Total	95,200	106,548	11,348
<u>Funding via Manchester Clinical Commissioning Group (MCCG)</u>			
Contribution from MHCC	4,000	4,000	0
Better Care Fund	17,103	17,103	0
Population Health	1,596	1,596	0
Resilience Related (incl IDT)	1,627	1,627	0
Mental Health Related	606	606	0
Continuing Health Care	2,083	2,083	0
MEAP	1,038	1,038	0
Other Income	257	257	0
Total MCCG Related	28,310	28,310	0
Core Funding	96,475	96,836	361
Total Net Funding	219,986	231,695	11,709
<i>Adjustment for amounts held corporately / in reserve</i>			
Indicative share of pay award funding	-955	-2,591	-1,636
Indicative share of price inflation		-3,520	-3,520
Total Net Funding within Pooled Budget	219,031	225,584	6,553

- 6.6 Table 6 summarises how the additional funding has been invested to support the service, alongside the corporately held budgets, the BOBL savings previously agreed alongside the unutilized system support funding carried forward from 2021/22.
- 6.7 The additional funding outlined above in addition to council budgets has funded the following specific areas and totals £13.129m:
- The costs for the National Living Wage (NLW) increase (£5.7m 22/23, £5.6m 23/24, £6.0m 24/25). An uplift to National Living Wage of 6.6% to £9.50 per hour was announced as part of the Spending Review.
 - Increased demand associated with population growth (£2.2m 2022/23, £2.2m 2023/24, £2.6m 2024/25).

- £2.150m increase in recurrent budget through the mainstreaming of adults' investment to support the ongoing delivery of the ASC Improvement Plan. This was previously funded from reserves.
- National Insurance increase of 1.25% (£0.3m).
- The additional funding via the 'social care levy' or Market Sustainability and Fair Cost of Care Fund of £1.8m to fund the work required to implement the Fair Cost of Care and to contribute to an increase paid to providers
- The uplifting of the Improved Better Care Fund for inflation by £0.9m which will be used to fund some costs currently met by one-off funding as detailed later in the report.
- Whilst it is anticipated the Public Health Grant will receive a real-term uplift; the level of grant funding for 2022/23 has not been announced.

6.8 There is £10.656m of investment to cover the inflation and pay award costs of £5.516m and £5.5m of system support towards the BOBL programme, which is partially offset by the removal of the one off capacity funding highlighted in paragraph 5.3 of £2.690m, which has been removed from the 2022/23 budget.

6.9 This brings the total additional investment into the aligned budget to £21.095m, before the BOBL and vacancy factor savings of £9.386m are removed, giving a net increase to the Adults and Social Care budgets of £11.709m.

Table 6 – Changes to Budget 2022/23

	2022/23
	£,000
Funding to meet the costs of NLW increase to £9.50 hour	5,731
Increased demand linked to population growth	2,222
Mainstreaming funds from reserves to support the ASC Improvement Plan	2,150
Costs of the 1.2% national insurance increase	294
Sub Total	10,397
BCF Interest (used to fund mainstreaming of new care models)	932
Funding for Fair Cost of Care	1,800
Sub Total	2,732
Total Increase in Directorate Budgets	13,129
Funding to meet costs of pay award	1,636
Indicative Inflation Allocation	3,520
System Support	5,500
Increase in Adults Budget held Corporately	10,656
Less Removal of one-off investment	(2,690)
Total Investment	21,095
Less Savings*	(9,386)
Net increase in funding available	11,709

** Includes BOBL savings of £8.826m reduced by £5.5m of system support*

7 Mainstreaming the costs of the New Care Models

- 7.1 Part of the work to transform how adult social care is delivered and improve integration with community services included the establishment of a number of new interventions called the ‘new care models’ These contained a mix of additional social care provision that was proven to deliver better outcomes for residents and better value for money such as extra care schemes and reablement, commitment to fund multi disciplinary integrated neighbourhood teams, improved support to carers and improvements such as discharge to assess to more effectively support hospital discharge. Many of these were established using non-recurrent GM Transformation Funding, however, it was agreed as a partnership that costs could be incurred recurrently, for example by appointing permanent staff rather than fixed-term. It was expected that these costs would be covered in future years by “mainstreaming” the activities by reshaping services and resources to the new models of working, using the cashable benefits achieved and applying growth funding and system savings in other areas.
- 7.2 However, due to the financial regime within the NHS being focused on addressing the pandemic, the anticipated growth funding has not yet arrived and whilst there are some savings in other areas, this is only covering a very small proportion of the costs.
- 7.3 Progress has already been made in mainstreaming the new care models. The schemes which have had recurrent funding identified are:
- extra care expansion will continue to be part funded within existing ASC budget (£1.6m) and the Better Care Fund (£1.2m).
 - Reablement expansion (£2.4m) and complex reablement (£0.4m) will continue to be funded from existing ASC budget provision
- 7.4 The 2022/23 budget includes proposals to mainstream the following from the additional BCF funding of £900k:
- Integrated Neighbourhood Team Leads (£0.447m)
 - Integrated Neighbourhood Team Social Worker Team Managers (£0.511m), there are 12 INT Leads and it is proposed each partner will contribute 50% towards the total cost. The proposal is to use the uplift in the Improved Better Care Fund.
- 7.5 The two year funding for the original business case of £800k to provide additional support to carers is coming to an end. The revised pathway has been co-produced with the Carers Manchester VCS Network. It has been tested, refined and positively evaluated over a 2-year development programme period. The requirement for 22/23, pending ongoing discussions with the OM VCS Fund, is to use existing ASC budget released from no longer requiring consultancy fees, of £500k plus the unused 2020/21 funding allocation of £300k held in reserves.

- 7.6 The Discharge to Assess pilot is being expanded to 80 beds with a mix of nursing and residential provision; a strengthened community D2A team to co-ordinate flow and undertake assessments and an Enhanced Support Team providing training, tech support and expertise to D2A contracted care homes. The additional social care costs are estimated to be £1.535m. It is anticipated that these costs will be self funding from the reduction in demand by returning people home and avoiding costly care home placements
- 7.7 However the Costs associated with Health funding for Discharge to Access (£1.481m), the Crisis Response Team which provides in home emergency support to enable residents to stay in their own homes with wrap around support (£0.186m) and Manchester Case Management which manages complex medical cases for our most vulnerable residents (£0.285m) are subject to funding decisions once the Health financial planning guidance has been issued, and at this stage is not guaranteed. It is proposed that the costs are underwritten from the Integration Reserve. If the funding is not available then the services during the year to assess their ongoing value and will either need to cease or be met from a re-prioritisation of resources from other areas following the planned review of all the MLCO transformation programmes.

8 Client Contributions

- 8.1 The budget position reported throughout this report refers to the net cost of care and shows the budget net of client contributions towards the cost of their care package. Client contributions to the cost of care have remained relatively stable and it has been assumed that they will remain in line with existing client numbers and contributions rates. Typically, the total client contributions amount to £21m per annum and on average represent only 13.55% of the total fees paid to providers. These figures are monitored throughout the year.
- 8.2 The client contribution assumptions are updated annually each year in line with the benefit increases.

9 Social Care Reforms

- 9.1 At the Budget and Spending Review, the government has acknowledged its commitments to reform social care for the long term and announced £5.4 billion of additional funding to support the payment of a fair price to care providers for the cost of care and to introduce a cap on what people will need to pay for their care. This will be funded by the new £13bn a year Health and Social Care Levy. In England this will introduce a cap of £86,000 for the cost that someone will pay towards their personal care, and expand the means tested support to people with less than £100,000 in relevant assets. At least £500 million from this package will fund investment in the skills, qualifications and wellbeing of the care workforce.
- 9.2 The 2022/23 Market Sustainability and Fair Cost of Care Fund is designed to ensure local authorities can prepare their care market for reform and move towards

paying providers a fair cost of care, as appropriate to local circumstances. The Government expects local authorities will carry out activities including:

- conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it;
- engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market;
- strengthen capacity to plan for, and execute, greater market oversight and improved market management to ensure markets are well positioned to deliver on our reform ambitions; and
- use this additional funding to genuinely increase fee rates, as appropriate to local circumstances.

9.3 A further £600m is available for distribution in 2023/24 and another £600m in 2024/25. This is conditional upon the conclusion of the cost of care exercise, a publication of a provisional 3-year market sustainability plan on how councils intend to move to a sustainable rate fee and a grant spending report. The distribution of the funding will be decided upon the completion of this work with the funding targeted to those areas with the biggest funding differentials. It is unclear at this stage whether the level of funding will be sufficient.

9.4 The Market Sustainability and Fair Cost of Care funding is only a small proportion of that which will be raised via the £13bn per year 'social care levy'. The table below shows the latest information available on how the £5.4bn allocated to Adults Social Care over the next 3 years will be utilised, of which £3.6bn will be directed through Local Government and £1.7bn for wider reform.

Table 8 – Adult Social Care Reform Funding

Adult Social Care Reform Funding													
£5.4bn over 3 years on adult social care reform													
£3.6bn over 3 years directly to local government for the cap, means test, and fair cost of care		£1.7bn over 3 years to improve wider social care system											
£2.2bn over 3 years for the cap and means test		Funding commitments made in the <i>People at the Heart of Care</i> adult social care reform white paper:*											
22/23: £0m	23/24: £800m	24/25: £1.4bn	£1.4bn over 3 years for fair cost of care:	22/23: £162m	23/24: £600m	24/25: £600m	At least £300m to integrate housing	At least £150m for technology and digitisation	At least £500m for workforce training and qualifications	Up to £25m to support unpaid carers	£30m for innovation of support and care	At least £5m to help people understand care and support available	More than £70m to improve the delivery of care and support services

10 Commitment to Paying the Real Living Wage

- 10.1 MCC are a Real Living Wage (RLW) employer and have signed the Unison Adult Social Care charter. MCC are a significant provider of care, with a £28.6m budget for directly provided care. Additional investment has previously been provided to ensure that the home care and extra care providers can pay their workforce the RLW.
- 10.2 MCC are moving towards ensuring all care home providers can pay the full RLW and to understand the position across all of the care contracts.
- 10.3 The work to establish the fair cost of care, funded by the £1.8m grant will enable us to determine what a reasonable rate will be across social care providers and provide some additional funding for fee increases in 2022/23. The Council has already committed £5.7m for the uplift to the National Living Wage and the majority of the funding from DHSC of £1.8m will be used to fund the fee uplift this year.
- 10.4 By September the full position of the care market will be understood and the cost of moving to fully supporting payment of the RLW contracts across all social care markets will be known. Work will then start, including with social care providers to provide a costed implementation plan. It will then be delivered as soon as possible and form part of the 2023/24 budget process with a view to its full introduction by 1 April 2023 at the latest.

11 MFT Community Health Aligned Budgets 2022/23

11.1 Planning in the NHS is not yet complete, and final funding levels are not yet known, meaning the planning assumptions are subject to change. Table 9 below illustrates the latest draft version of the Community Health planning assumptions for the 2022/23 control total.

Table 9 - Changes to the MFT Budget Contribution to the Aligned Budget

	£'000
2021/22 Control Total	104,167
2021/22 Non Recurrent Income	-4,630
Decommissioning Intentions	-766
Long Covid Funding	690
Integrated (Stroke and Neuro) Specialist Community Rehabilitation Service	1,030
D2A Assessment Team	517
2022/23 Control Total – Draft	101,008

11.2 Additional funding has been confirmed to support Long Covid (2 years) and a new Integrated Stroke and Neuro Specialist Community Rehabilitation Service (recurrent). Manchester Foundation Trust is funding a Discharge to Assess (D2A) community assessment team (non-recurrently) in order to test the full benefits potential from the extended Discharge to Assess community bed pilot. Included in the control total is also £3m of Ageing Well at Home funding which was new in 2021/22 and assumed to be recurrent. This is supporting the delivery of a Crisis service across the city and a contribution to pro-active care, in line with the requirements associated with the funding.

11.3 The overall allocation of these resources will be reassessed with health partners once the NHS Finance Settlement has been received and NHS funding allocations are known, however it is expected that a significant savings programme of at least 3% will be required. A further update will be provided after the funding has been announced.

12 MLCO Transformation and Sustainability Programme

12.1 The MLCO is currently reviewing all of the programmes in the Transformation and Sustainability Programme. The scope of the current transformation portfolio is broad in that it includes short term change programmes focused on recovery of services following the pandemic (such as urgent care, end of life care pathways, district nursing and Allied Health Professional (AHP)), as well as longer term or multi-year programmes, such as Long Term Conditions, Neighbourhood working through the Integrated Neighbourhood Teams (INTs), IM&T and Better Outcomes Better Lives (BOBL).

- 12.2 The aim of the review is to ensure that all of the transformation programmes are delivering towards the strategic objectives of the MLCO and our partners, the Manchester locality plan and Our Manchester strategy, that they are properly resourced to deliver and most importantly that there are clear and agreed benefits that will be realised as a result of the work for residents, services and staff. The review is currently underway and expected to conclude by March 2022.
- 12.3 MLCO is undertaking a stock take of all of its community health services, originally planned to take place during 2021/22, but the rationale has been strengthened as a result of the pandemic. The aim is to build on the learning from the response of community services to the pandemic to ensure services are sustainable for the future within available financial resources and provide effective, efficient and consistent services to residents.
- 12.4 The outputs of the transformation portfolio review and the service stock take will inform the MLCO Transformation and Sustainability Plan that is planned to commence from April 2022. It should be noted that the Transformation and Sustainability Plan will build from the learning of the BOBL programme and will ensure the identification of interdependencies and opportunities for alignment with community health services across the work in ASC through BOBL and the wider priorities.

13 Conclusion

- 13.1 Overall, the proposals outlined above allow a balanced budget for Adult Social Care to be set. There remain a number of challenges in relation to the delivery of savings from the BOBL programme and the mainstreaming of the New Care Models that have been developed through the joint working through the MLCO. The proposed reforms to Adult Social Care in the context of significant challenges over a number of years nationally, also present a significant set of considerations for the service as it works with the market to create a sustainable care system.
- 13.2 Further work will take place throughout 2022/23 to work with the MLCO, MFT and the new ICS to further develop the integration of Health and Social Care, with the hope that the NHS reforms and recovery from the pandemic will support longer term financial planning across the system.

Appendix 3 – Capital budget and pipeline priorities

The current approved capital programme, as at period 9 in 2021/22, is shown below alongside the funding to be used. Details on potential future investment opportunities are also shown, but these remain subject to approval.

Approved Capital Programme

Service Area	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000
Gorton Health Hub	9,300	10,724			20,024
Locality Offices and Stepping Stones	206	255	66		527
Total	9,506	10,979	66	0	20,551

Funding of Approved Capital Programme

Service Area	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000
Grant	150	190			340
External contributions					
Revenue Contribution to Capital	56	65	66		187
Capital Receipts					
Borrowing	9,300	10,724			20,024
Total	9,506	10,979	66	0	20,551

Future Investment Priorities

There is a potential need for Adult Social Care to intervene in the social care market to shape the market to meet health and social care needs including new build facilities, or the acquisition of existing buildings which can be tailored to care models. There are no specific schemes in the pipeline, and these would be developed with health service partners. There may also be a need to address areas of market failure to ensure continuity of service. The intervention may be short-term but could be vital in limiting the impact on residents. By its nature this may need to be actioned quickly and appropriate budgets and approval routes are being considered.

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