



Manchester Local Care Organisation
Update on our Operational Plan for 2020/21

THE DEVELOPMENT OF THE MLCO OPERATING PLAN 2020/21 AND THE MLCO BUDGET STRATEGY AND FINANCIAL PLAN 2020/21.

1.0 Purpose

- 1.1. This paper is presented as an appendix to the MHCC Budget Report 2020/21, to update Scrutiny Committee on the development of the Operating Plan and accompanying finance plan for the Manchester Local Care Organisation (LCO) in 2020/21.
- 1.2. This update is presented in anticipation of the presentation of an MLCO Operating Plan and Financial Plan for 2020/21 to the February Scrutiny Committee, following a consideration through the MLCO Partnership Board.
- 1.3. It provides the context for the MLCO, describes the overarching priorities for the organisation in 2020/21, the process we have established to develop the Operating Plan and a proposed structure for the Operating Plan.
- 1.4. A summary financial plan for the MLCO is appended to this paper, which has been developed with partners and should be considered in conjunction with the Adult Social Care and Population Health Budget 2020/21 report and the MHCC Budget report 2020/21.

2.0 MLCO 2020/21: the priorities

The MLCO Prospectus

- 2.1 The MLCO Prospectus written in 2016 describes the agreed Manchester system leadership intent for the MLCO. It outlines a clear objective for the MLCO in terms of the 'neighbourhood model to bring together a range of community based health, care and prevention services organised around general practice within 12 neighbourhoods across the city, to focus on the needs of the local population and individuals more effectively.'
- 2.2 It was envisaged that this would mean 'empowering communities, framing issues at a neighbourhood level and building community confidence and capacity to reduce the gap in health inequalities.'
- 2.3 The MLCO was then established in April 2018 to improve the outcomes and lives of people living in Manchester by focusing on wellbeing and reducing health inequalities. The organisation brought together health and adult social care services from across the City and began working on new care models which helped people stay well at home and wrapped care around their needs.

- 2.4 We are a public sector partnership established by Manchester to deliver primary and community based health and care services. We deliver services to adults and children across the City in partnership with Manchester Primary Care Partnership, Manchester City Council, Manchester University NHS Foundation Trust and Greater Manchester Mental Health NHS Foundation Trust. We also work with many of the 3600 voluntary, community and social enterprise organisations working across Manchester.
- 2.5 Our vision and way of working was developed by our teams and people living locally. The four key ways we work in the MLCO continue to be at the heart of how we plan and deliver our services and partnerships. We are working to play our part in delivering the 10 outcomes described below.

Our vision, our way of working

Manchester Local Care Organisation is a pioneering public sector organisation, bringing together NHS community health and mental health services, primary care and social care services in the city. We have been set up to make a positive contribution to help people in Manchester live longer and enjoy better health than many do now.

Our mission sums up what we do
Leading local care, improving lives in Manchester, with you

Our vision is simple
We believe that, by working together, we can help the people of Manchester to:

- Have equal access to health and social care services
- Receive safe, effective and compassionate care, closer to their homes
- Live healthy, independent, fulfilling lives
- Be part of dynamic, thriving and supportive communities
- Have the same opportunities and life chances - no matter where they're born or live.

There are 4 key ways we will make this happen with our staff and the people of Manchester

- PROMOTING HEALTHY LIVING**
Helping people to stay well through prevention - supporting them to lead healthier lives and tackling health issues before they escalate.
- BUILDING ON VIBRANT COMMUNITIES**
Using all the resources available in the wider communities people live in and identify with in a true neighbourhood approach, improving population health and wellbeing.
- KEEPING PEOPLE WELL IN THE COMMUNITY**
Helping people who have existing health needs and complex health issues to stay as well as possible in their homes through 12 integrated neighbourhood-based teams and our citywide services.
- SUPPORTING PEOPLE IN AND OUT OF HOSPITAL**
Ensuring community-based care helps people to avoid unnecessary hospital admissions, or to discharge them from hospital care, quickly and safely, as soon as they are ready if they do need time in hospital.

10 years, 10 outcomes

How well we know we have made a difference in Manchester? By 2028 there's a number of things that we will have seen by working as one team across the city:

- ✓ We will have improved the number of people supported to stay well
- ✓ We will see fewer people dying early from preventable conditions
- ✓ Avoidable non-elective (unplanned) hospital activity will be reduced
- ✓ The overall costs of care packages will have reduced
- ✓ We will benefit from improved collaborative working in the city
- ✓ The outcomes that matter to local people will have improved
- ✓ We will have reduced variation in outcomes and access by place
- ✓ There will be reduced variation in outcomes and access by communities of identity
- ✓ The number of children who are school ready will have improved
- ✓ There will be more economically active households in Manchester.

How we work with our teams
Our community health and social care staff are part of a team that:

- Break new ground in the delivery of safe, person-centred health and care
- Focus on the wellbeing of everyone living and working in Manchester
- Listen to people and learn from each other by focusing on what's important.

How we work with local people
As an organisation we are committed to:

- Involving the people and communities of Manchester in designing services
- A neighbourhood approach to wellbeing, connecting people to groups and resources around them
- Starting by asking what matters to people, not what is the matter with them.

- 2.6 During 2019, we have used the four ways of working to support our services to come together to plan and change the offers they make to people in neighbourhoods and to build our networks and partnerships.
- 2.7 The 'Our Manchester' approach is embedded in the heart of the MLCO and is used to drive our neighbourhood and staff development programmes.

By the end of its second year (19/20) it was envisaged that the Local Care Organisation would:

Have embedded its organisational form and operating model	MLCO is a partnership organisation, responsible for the city's children's community and adult health and social care teams; ensuring they have the support they need to improve outcomes and supporting health and care colleagues to design services with local people.
Provide a comprehensive service at neighbourhood level for people across the city;	The key delivery model is the creation of 12 Integrated Neighbourhood Teams (INTs) working with partners and people in the community. Also provides citywide and locality based services – taking best practice and putting it in place across Manchester.
Ensure people receive better coordinated care and achieve improved outcomes;	Neighbourhood teams allow the MLCO to ensure that priorities are based on the needs of the people in that community; with staff working together to provide the best possible coordinated care.
Deliver benefits in line with the Manchester bid for Transformation Funding to the GM Health and Social Care Partnership.	A further key focus of the MLCO in its first year was the mobilisation and delivery of some of the transformation funded new models of care. The LCO has worked to mobilise the programmes in the context of the neighbourhood, locality and citywide approach.

MLCO: Our 2020/21 priorities

- 2.8 During 2019/20, the MLCO agreed 5 priority areas with the Partnership Board that the MLCO would focus on in 2019/20, in order to deliver the requirements set out in the MLCO Prospectus and deliver our vision and outcomes.
- 2.9 The 5 priority areas are:
1. **A population health driven approach** to service planning and delivery; supporting prevention programmes to improve the health of the people of Manchester.
 2. **Consolidating and strengthening our neighbourhood approach;** supporting our 12 Integrated Neighbourhood Teams (INTs) to make an impact on their communities and continuing to integrate the operations of our community health and social care teams.
 3. **Mobilising primary care leadership at the heart of the MLCO;** formalising the governance between primary care and MLCO to ensure joint working with the new Primary Care Networks.
 4. **Playing a lead role in system resilience;** helping people get the right care in the right place with a community first ethos.
 5. Deliver the agreed **phased approach to the increasing scope of the MLCO** as an integrated health and care organisation; delivering public service reform in the place.

- 2.10 In order to support a systematic focus for the MLCO during 2020/21, we are proposing to continue to utilise the 5 priority areas outlined above. We believe that continuing to use these and build on them over the next 3 years to drive our changes to systems and services across the City will enable us to make sustained and sustainable change across health and care.
- 2.11 Design and delivery of these priorities will inform development of the financial plan and also shape our approach to workforce, IT, estates and performance.

3.0 MLCO: The Financial plan

- 3.1 The MLCO has developed a budget strategy and financial plan for 2020/21 in partnership with MCC, MFT and MHCC.
- 3.2 This is appended to this paper.

4.0 The development of our Operating Plan 2020/21

- 4.1 The Manchester Local Care Organisation (MLCO) has worked with partners across the Manchester system to understand the planning approaches and requirements of our key partners to inform the development of our Operating Plan and accompanying Finance Plan for 2020/21.
- 4.2 The process ensures all timescales, assumptions and expectations will be met and to ensure our plan would be aligned to those of our partners.
- 4.3 The process assumes that:
- a final MLCO Operating Plan for 20/21 would be published by March 2020, following development and agreement of the MLCO Partnership Board during January and February 2020;
 - the Operating Plan scope included community health services for children and adults, adult social care services and the mobilisation of new care models, as well as how the MLCO is operating and developing services in collaboration with wider partners to bring services together for people in places;
 - the Operating Plan in draft and final form would also need to move through the relevant partner governance processes;
 - the Operating Plan for the MLCO would be informed by the national and local strategic context (NHS Long Term Plan, MCC corporate planning approach, the refresh of the Manchester locality plan), but would describe an approach to the delivery of the requirements as built from our service teams in the neighbourhoods and across our localities.
- 4.4 Following an agreement with our partners that the Adult Social Care business plan would be described as part of the MLCO Operating Plan and an

understanding across the partners of the process we would take; we initiated an approach across the MLCO services delivered through neighbourhoods, locality or citywide to develop service plans for 2020/21 to be documented in either the neighbourhood, locality or citywide plans.

4.5 The approach can be summarised as:

- Three locality planning events (November) attended by staff from across community health, adult social care, primary care and mental health to reflect on the achievements and challenges of 2019/20 and outline service plans for 2020/21.
- A template and suggested approach was shared with the leads to develop their plans, which included ensuring our neighbourhood plans were aligned to the emerging PCN delivery plans and the existing ward plans in each place.
- 12 first draft neighbourhood plans, 3 draft locality plans, 1 citywide specialist service plan (adults) and 1 children's community health service plan developed by 3rd December 2019.
- All the plans have been developed through the neighbourhood and locality partnerships and cover how the MLCO delivers services across our communities and with partners, such as primary care, housing, VCSE and discussions will continue into the final quarter of 2019/20 to further iterate the plans. The neighbourhood plans were built from the plans developed during 2019/20.
- The plans outline how they were developed and who was involved, as well as detailing achievements in the past 12 months, the work for the next 12 months and what corporate support our teams and services will need to deliver their plans.
- Detailed financial planning discussions took place at the same time with partners to develop the budget strategy for the MLCO.

4.6 The first version of the neighbourhood, locality and citywide plans as submitted on 3rd December 2019, will inform and support the development of the MLCO Operating Plan for 2020/21.

4.7 The Operating Plan and the neighbourhood, locality and citywide plans will continue to iterate during the final quarter of 2019/20 to support a final version of each plan by March 2020. This will enable the MLCO to develop the Plan to include the requirements of the NHS Long Term Plan.

4.8 The MLCO Partnership Board will receive drafts of the Operating Plan in January and February to inform the final plan. This will enable a more detailed version of the MLCO Operating Plan and Financial Plan for 2020/21 to be presented to Scrutiny in February 2020.

4.9 A final MLCO Operating Plan for 2020/21 will be published in March 2020.

5.0 MLCO Operating Plan 2020/21: proposed structure

- 5.1 The proposed structure for the MLCO Operating Plan is detailed below, but it is proposed that this overarching document is a navigation document with key supporting appendices.
- 5.2 It will support MLCO staff and the partners with whom they work, to understand the context for the MLCO, share in the achievements and understand the challenges of the previous 12 months and have clarity on our priorities for 2020/21.
- 5.3 The structure of the MLCO Operating Plan will be:
- 1. MLCO: In summary**
 - 2. CE foreword and introduction**
 - 3. The development of our Operating plan**
 - 4. Vision, goals and outcomes**
 - 5. Strategic context: national, GM and the Manchester Locality Plan**
 - 6. Our operating model and service strategy**
 - 6.1 Community services in Manchester
 - 7. MLCO: Our progress**
 - 7.1 2019/20 plan and achievements
 - 8. 2020/21 summary, extended scope and priorities**
 - 8.1 MLCO: Our 2020/21 plans
 - 8.2 Working across our communities – the community services strategy
 - 8.3 MLCO: next phase; how will scope of MLCO change in 20/21
 - 8.4 Quality Improvement
 - 8.5 How we will deliver our plans through our workforce, our service locations and our support infrastructure
 - 9. MLCO: Our impact - Financial plan**
 - 10. MLCO: Our impact – Performance and delivery**
- 5.4 The appendices to the plan are proposed to be:
- The MLCO budget strategy
 - All of the neighbourhood, locality and citywide plans
 - MLCO 20/21 planning context

Appendix: MLCO Budget Strategy and Finance

1.0 MLCO Budget Strategy 2020/21

Introduction

- 1.1. The MLCO Operating Plan and integral financial plan forms part of single health and social care partnership budget report. The Adult Social Care and Population Health Budget 2020/21 report of the Executive Director of Adult Social Care outlines the budget proposals made to determine the Council's contribution to the MHCC pooled budget for 2020/21 and budget priorities. The MHCC Budget Report 2020/21 then, together with Health financial planning, sets out the finance envelope for the MLCO. This MLCO Operating Plan, including this financial plan, responds by outlining the operating priorities for the forthcoming year, deployment of the funding being made available by partners and the overall impact of the MLCO on improving the outcomes and lives of people living in Manchester.
- 1.2. The budget papers covering Health and Social Care (H&SC) are based on assumptions, with operational guidance for health and local authorities due to be published in December / January. The formal contracting round will take place from January to March. The MLCO Operating Plan will be subject to approval from Partnership Board.

Background and Context

- 1.3. The Manchester Locality Plan 'Our Healthier Manchester', includes a key priority outcome of financial sustainability across H&SC. The ambition for integrated H&SC is that partners will achieve a position whereby more people are supported in their own homes, rather than hospital, and to enable this, to shift investment upstream to MLCO to enable proactive and co-ordinated care within neighbourhoods to reduce demand on high cost, acute or long term institutional care.
- 1.4. For 2020/21, there is a continued need to focus on ensuring the basics for delivering high standard H&SC community based services, predicated on a set of realistic budget assumptions for core and essential services. There is not the capacity to deliver the improvements required, bed in new ways of working, and deliver significant additional savings in 2020/21, however the key programmes of work to impact on future years are required to form and progress swiftly.
- 1.5. The MLCO are putting in place programmes of work to complete the mobilisation of new care models and Integrated Neighbourhood Teams (INTs) and advance the work in 2020 to realise opportunities that phase two of service transfer presents, including the integration of Learning Disability Services and more integrated commissioning programmes.

- 1.6. Whilst the core priorities for MLCO are clearly set out in this operating plan, the underpinning budget strategy is still limited by lack of clarity on Government policy for Adult Social Care (ASC), future funding arrangements for both health and social care, lack of clarity from NHSE on funds to support the delivery of the Long Term Plan and devolution funding arrangements with Greater Manchester.
- 1.7. The financial plan reflects the strategic intentions outlined by commissioners regarding phase 2 service transfer, as detailed in the MHCC Joint Budget Plan, as follows:
 - (i) Phases 1-3 from ASC; and
 - (ii) Phase 1 of Community Health.

The inclusion of Phases 1-3 from ASC will complete the deployment to the MLCO of the majority of the ASC budget that is included within the MHCC pooled budget. Any transfer of phase 2 Health budgets will be managed through MHCC's business case approval arrangements and will be an overlay to these plans in both MHCC and MLCO. Current timescales for this are October 2020.

- 1.8. The transfer of all ASC phases to MLCO brings the core commissioning responsibilities for care packages. The Plan provides a brief overview of MLCO intentions and the development of a full commissioning work programme. Care market stabilisation and planning are a key component.
- 1.9. There will be no change to the core financial system arrangements in 2020/21: ASC budgets will remain on the City Council's financial system and health budgets will remain on MFT's financial system. There will be no cross subsidisation within MLCO budgets across the two host organisations.
- 1.10. The NHS has introduced Primary Care Networks nationally and the change in funds flow associated with this newer infrastructure, e.g. 7 day access, care home support, requires an update to neighbourhood financial arrangements.
- 1.11. The priorities of MLCO align to the Corporate Plan priority theme of 'Healthy, Cared for People'. This is to work with partners to enable people to be healthy and well and support those who need it most, working with them to improve their lives. Maintaining safe and resilient service levels, that are Care Act compliant and delivering the improvements through the ASC Improvement plan and through Integrated Neighbourhood Teams and the New Care Models are integral to delivering this ambition.

2020/21 Budget Strategy

- 1.12. The 2020/21 budget strategy for the MLCO, which incorporates the significant additional funding from Partners, is therefore to provide:
- (i) A realistic budget framework for sustaining services at 2019/20 levels, within the available financial envelope, balancing the various pressures and challenges and cognisant of the requirements of partners;
 - (ii) Completion of recruitment to practice and the continued focus on stability and safe core services during the period of ASC improvement in order to manage demand more effectively and address backlogs;
 - (iii) Care Act compliance and meeting the needs of clients with an efficient and effective strength based assessment process and strong underpinning systems including Liquid Logic;
 - (iv) Supporting a fragile care market and through the National Living Wage investment protecting supply by ensuring providers can recruit and retain an effective workforce;
 - (v) Sustaining care models to enable significant activity levels to continue to be supported in the community and building on evaluation work to move to optimising scale. The maturing INT arrangements are a fundamental enabler to fully realising the benefits of care models. The financial assumptions re-phase benefits where necessary to provide the time to fully realise;
 - (vi) Safe, resilient services aimed at maintaining client independence and supporting the City's hospitals with effective discharge;
 - (vii) Strong financial controls, detailed financial reporting and an effective approach to cost improvement plans;
 - (viii) Working closely with partners on activity flows within the H&SC system and financial consequences;
 - (ix) Continued programmes of review to ensure services are optimally configured to operate safely and efficiently and with high quality care outcomes across the city; and
 - (x) Progressing the 2020 programmes aimed at longer term financial sustainability and in particular the integration of Learning Disability Services.
- 1.13. The Manchester Agreement is also a key component to this budget strategy as it details the fundamental intention for how partners will collaborate to better understand how the investments being made in new models of care will reduce demand for acute health services, and, through decommissioning, release cashable savings for reinvestment.

2. Key Financial Planning Assumptions 2020/21

2.1. Source of Funds

The MLCO resource envelope for 2020/21 is shown in the table below and totals £315.151m comprising £204.347m in respect of ASC and £110.804m Community Health. The sub-total reflects the revised Cash Limit for ASC of £200.368m. The core funding of new care models provided or to be commissioned by MLCO is included and separately analysed at Section 6.

Table 1: Source of Funds

	Adult Social Care £'000	Community Health £'000	Total £'000
2019/20 base budget	178,507	98,212	276,719
Inflation (Pay, Price and National Living Wage)	7,558		7,558
Demand forecasts and growth	2,015	4,443	6,458
ASC improvement plan	1,366	0	1,366
Additional social care grant (MLCO share)	6,300	0	6,300
Estimated additional Public Health Funding	1,363	0	1,363
2% Adult Social Care Precept (subject to consultation)	3,259	0	3,259
Sub-total	200,368	102,655	303,023
ASC Reserve: MLCO Corporate Costs	1,000	0	1,000
Recharged costs – MLCO Corporate	0	1,539	1,539
MCCG: Better Care Fund - ASC Contribution	1,696	0	1,696
MCCG: funding for New Care Models	794	6,610	7,404
MCCG: additional CHC Contribution	489	0	489
Total	204,347	110,804	315,151

2.2. The Community Health 2019/20 baseline has been determined as follows:

Table 2: Community Health baseline

	Community Health
	£'000
2019/20 CCG Schedule	90,157
Adjustments to align to MLCO contract income plan	1,151
Non-contract income	6,904
Total	98,212

2.3. The changes from the 2019/20 baseline reflect the funding transfers detailed in the MHCC Joint Budget Plan covering:

- (i) The movement in the ASC 2019/20 base budget to the revised cash limit sub-total of £200.368m reflects uplifts for pay inflation (£1.337m), price inflation (£2.371m), national living wage (£3.850m), demographic funding to meet modelled increased future demand (£2.015m), the approved balance of investment for the ASC Improvement Plan (£1.366m), additional social care grant (£6.3m), estimated funding for population health (£1.363m) and subject to consultation, the social care precept (£3.259m);
- (ii) On Community Health, demand forecasts and growth reflects 2019/20 growth (£1.160m), 2020/21 growth in line with CCG allocations (£2.873m) and recurrent investment for Community Health above the CCG allocation (£0.410m);
- (iii) City Council use of reserves to support MLCO corporate costs (£1m) and MLCO recharge of corporate costs (£1.539m);
- (iv) The Better Care Fund (£1.696m) - 2019/20 transfer to ASC (£0.896m) and an estimate of the expected additional transfer for 2020/21 (£0.800m). The Council have specified that the BCF 2019/20 funding should be set the MRI Integrated Discharge Team contribution and Extracare expansion and 2020/21 funding against the on-going costs of Core and Complex Reablement, which are detailed later in the report;
- (v) Additional MHCC health funding to support new care models within ASC - Discharge to Assess and Crisis (£0.794m); and on Community Health the full new care model cost for Discharge to Assess, Crisis and HIPC/Manchester Case Management (£6.610m); and
- (vi) Other income – an estimate of additional health funding to continuing healthcare (£0.489m).

2.4. Application of Funds

The MLCO net expenditure budget is summarised in the table below and totals £310.119m comprising £204.347m in respect of ASC and £105.772m Community Health, prior to the final confirmation of MFT overheads that will conclude shortly. The deployment of additional resources into the 2020/21 budget is summarised in the table below.

Table 3: Application of Funds

	Adult Social Care £'000	Community Health £'000	Total £'000
2019/20 Base Budget	178,507	88,353	266,860
2020/21 cost uplift to services, demographic modelling and the ASC improvement plan	10,939	3,501	14,440
System resilience to support transfers of care	500	500	1,000
New care models	4,682	6,610	11,292
Population Health	2,004	0	2,004
Learning disabilities	5,034	0	5,034
Other budget requirements	1,681	2,748	4,429
Contribution to MFT Overheads	0	TBC	TBC
MLCO corporate costs	1,000	4,060	5,060
Sub-total	25,840	17,419	43,259
Total	204,347	105,772	310,119
Gap	0	TBC	TBC

The deployment of funding covers:

- (i) Cost uplift to services for 2020/21 (£14.440m) – inflationary increases (£7.558m), demographic increases (£2.015m) and year 2 of the ASC Improvement Plan (£1.366m). The ASC assumptions reflect those set out in the ASC and Population Health Budget 2020/21 report and the Community Health assumptions reflect agreed financial planning pay and price uplifts (£2.615m) and the full year cost of the IV service (£0.886m);
- (ii) System resilience to support transfers of care (£1.000m) - Investment in the MRI IDT as a key component to supporting the hospital with effective discharge arrangements;
- (iii) New Care models (£11.292m) – reflective of the cost basis, including the expansion of Extracare and the phasing of benefits;
- (iv) Population Health (£2.004m) - demand pressures and contract priorities:
 - Sexual Health services increased capacity for tests, screening and appointments;

- Drug and Alcohol services relating to homelessness outreach, Youth Justice service engagement, dispensing costs and detox capacity;
 - Children's Population Health increased capacity for school nursing and child weight management programme to reflect increase in number of schools. The funding for a further ten funding trainee Health Visitor places in addition to the places provided by Health Education England;
 - Continuation of the Population Health partial contribution towards the Adverse Childhood Experience programme; and
 - Inflationary uplift on NHS and non-NHS contracts.
- (v) Learning Disabilities (£5.034m) - Adults with Learning Disabilities (LD) are now more likely to enjoy longer, better quality lives. This is positive progress but the pressure on local authority and health services has increased in terms of support based on a combination of increasing demand, a growing and ageing population with greater complexity of conditions and the cost implications of national living wage. In order to meet increased need and complexity of citizens with LD, additional budget of £5.034m is needed in the following areas of ASC LD services. Of this £4.545m from Council and estimated £0.489m from CCG for additional Continuing Healthcare needs:
- The most significant area of increased need is for the in-house Learning Disability Supported Accommodation (LDSA) budget in relation to the workforce requirements to meet the needs of people being supported by the service. Whilst the c140 people supported by the service is relatively static, their needs are increasing with age and it has been determined that there is an additional resource requirement of £3,450m. The service has taken action to put in place a dedicated team of social workers to assess needs and develop improved rota management practice. The CCG has committed to assess the impact of people meeting the continuing health care eligibility, where it is estimated that £0.5m of the rising costs are care relate to this which would reduce the additional resource requirement to £2.950m;
 - Care for people with Learning Disabilities which is externally commissioned has increased by 41 people (3.5%) during this year for which 2019/20 demographic growth funding has been applied of £1.416m. Further increases in the cost of care have also arisen from greater complexity of need of £0.685m;
 - The Shared Lives service has expanded in 2019/20 following recruitment of additional adult carers. This service delivers better outcomes and is more cost effective than external placements. Whilst it was expected that the cost of this could be met from a reduction in demand for other LD services, this has not been possible due to rising numbers of people requiring support and £0.360m of funding is required for the Shared Lives service; and

- The in-house service which provides short breaks support for people with LD and their families is also experiencing increased need with additional resource requirements of £0.550m.
- (vi) Other budget requirements (£4.429m) – there are other budget proposals to provide a sustainable budget - ASC service totalling (£1.681m):
- The number of people requiring mental health services remains fairly consistent but it has not been possible to achieve expected reductions following a recent focus on reviews of care packages. This is due to new demand for care and the need for available suitable provision for changes in care. As such there is a requirement for additional budget of £0.330m;
 - Homecare savings of £0.377m (50%) are not yet delivered due to the revised timescales to implement the move to the new homecare contracts, including recommissioning of some contracts which means savings for 2020/21 are at risk;
 - Strengths based support planning for other Adult Social Care savings of £0.198m (40%) are not yet delivered. The changes to practice and training are now being rolled out but there is likely delay in full implementation in 2020/21;
 - The cost of the community alarms service is £0.950m. When people are unable to contribute towards the cost of the monitoring and response service, the cost to the Council cannot be reduced to reflect this. There is a shortfall of income to cover the cost of the service by £0.150m;
 - To provide an uplift for NLW for external providers to reflect a move to £10.50 by 2024/25 would be a further cost of £0.275m in 2020/21; and
 - MLCO transformation capacity £0.351m.
- and Community Health totalling (£2.748m).

- (vii) MLCO Corporate Costs (£5.060m). The Council contribution is £1m.

3.0. Modelled Increased Future Demand 2020-23

- 3.1. The modelling of increased future demand assumptions continues to be a challenging element of budget setting. The ASC demand model gives projected activity and financial projections based on annual activity volumes, population change and changes to cost rates such as inflation or one off unit cost changes. The outcome of this work has been used to set the MHCC financial planning assumptions 2020-23 and is also incorporated into the MLCO financial plan on the same basis.

3.2. The financial assumptions are detailed in the following table.

Table 4: Demand Modelling Financial Impact

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Homecare	235	286	147
Nursing Care	182	199	82
Residential Care	611	698	427
Supported Accommodation	572	771	520
Day Care	38	48	35
Personal Budgets for Care	184	226	161
Other services	193	237	147
	2,015	2,465	1,519

3.3. The key activity projections are detailed below

Table 5 – Demand Projections

Service	Unit	2018/19	2019/20	2020/21	2021/22	2022/23
		Actual	Projections			
Homecare	Hours	1,177,472	1,190,084	1,204,466	1,221,816	1,231,007
Nursing Care	Weeks	25,956	26,246	26,532	26,853	27,001
Residential Care	Weeks	62,802	63,670	64,588	65,627	66,218
Supported Accommodation	Weeks	29,068	29,314	29,619	29,889	29,991

* Supported accommodation includes the budget lines for supported accommodation and in-house Learning Disability services.

4.0. Corporate Costs

- 4.1. The MLCO corporate budget for 2020/21 is £5.060m. A provisional cost allocation model has been developed and is subject to the agreement of Partnership Board.
- 4.2. The 2020/21 budget has been developed by uplifting the 2019/20 budget by 2.9% pay and 3.5 % non-pay. The budget requirement may still be influenced by final agreements on service transfer phasing and the deployment of staff from partners, especially to support transformation and commissioning programmes and back office functions.
- 4.3. The 2019-21 costs associated with Neighbourhood leads (£0.755m), GP Leads (£0.175m) and Organisational Development Neighbourhood Budget (£0.112m), a total of £1.042m together with the cost of Social Work Team Managers £0.490m, are now included within GMTF.

5.0. Adult Social Care Improvement Plan

5.1. Further detail on the improvement plan and the future key milestones is provided within the overall MLCO Operating Plan. The accompanying financial plan, approved in 2019/20, is detailed in the table below and is fully incorporated into the MLCO 2020/21 budget baseline.

Table 6: ASC Improvement Plan

Priority	2020/21	2021/22
	£'000	£'000
Additional capacity (c50 FTE) in Social Work, Safeguarding, the Citywide Care Homes Team, the Learning Disability service and other specialist services. Greater internal capacity for Best Interest Assessors supporting Deprivation of Liberty Safeguards	1,400	1,400
35.5 fte posts included in the structure on a permanent basis to enable successful recruitment and retention of staff	1,456	1,456
System resilience to support transfers of care (Note i)	1,211	1,211
Other costs - including the career pathway and capacity for the in-house Learning Disability Accommodation Service	750	750
Make permanent 18 fte social workers posts historically funded by the CCG for social work capacity in hospitals	713	713
9 social worker managers for the Integrated Neighbourhood Teams managers (Note ii)	490	490
	6,020	6,020
ASC reserve/social care grant	2,150	2,150
ASC seasonal resilience grant	2,667	2,667
Health funding	713	713
GMTF/ MLCO INT funding	490	490
	6,020	6,020

- (i) The 2020/21 budget reflects continuation of the £2.667m ASC Winter Pressures grant. For 2019/20 the City Council Executive approved £1.456m of funding from the grant on a permanent basis. The budget proposals for 2020/21 includes permanent commitment to balance of £1.210m which will be used to:
- Continue with the expansion of Complex Reablement (14 fte);
 - Provide additional capacity for assessments of people leaving the Reablement service (6 fte);
 - Provide more capacity in Manchester Supported Independent Living service for supporting people with complex needs (5 ftes); and
 - Provide winter planning and urgent care capacity for mental health (8.6 fte).

- (ii) Social Worker (SW) Team Managers – have been approved for GMTF funding 2019-21 and funding for 2021/22 remains to be identified.

6.0. New Care Models

Investment

- 6.1. The investment in new care models is supported through a number of recurrent and non-recurrent sources, including Greater Manchester Transformation Funding (GMTF). A locality programme is in place for the distribution of funding, monitoring and evaluation of performance. The investment in new care models is anticipated to be as follows.

Table 7: New Care Models Investment

New Care Model	2020/21 Forecast Investment £'000		
	ASC	Health	Total
Crisis	177	2,004	2,181
Extracare	1,947	0	1,947
Home from Hospital	0	0	0
Reablement	2,394	0	2,394
Reablement Complex	409	0	409
Discharge to Assess	1,538	1,847	3,385
Prevention City Wide	0	4,149	4,149
HIPC/MCMS	233	3,381	3,614
Technology Enabled Care	299	0	299
Total	6,997	11,381	18,378
MLCO	6,997	6,610	13,607
MHCC Direct to Other Providers	0	4,771	4,771

6.2. The corresponding funding arrangements are detailed below.

Table 8: New Care Models Funding

New Care Model	2020/21 Funding of Investment £'000		
	ASC	Health	Total
MCC baseline – funded through contra savings applied to Homecare	2,676	0	2,676
Reablement and Extracare expansion	1,841	0	1,841
CCG Baseline	822	2,163	2,985
CCG North Investment	513	2,162	2,675
GMTF	785	5,982	6,767
Public Health	0	690	690
ATT budget for decommissioned service	0	260	260
Integration Reserve	360	124	484
Total	6,997	11,381	18,378

Benefits

- 6.3. The expectation of the new care models is that they will support transformation in the city of Manchester and deliver benefits to both the population in terms of improved health outcomes but also financial benefits as a result of reduced reliance on expensive bed based care and the delivery of efficiency savings. The anticipated financial savings fall mainly outside of the budgets MLCO will be financially responsible for – in particular reductions in activity from secondary care, with the exception of ASC homecare and residential care, for which cashable benefits have been reflected in the base budget. This demonstrates a truly system based approach, with partners working together to deliver transformational change which is not to the benefit of their own organisation but the wider system. This requires activities in community based care to reduce demand for acute care, to make cashable savings or avoid additional fixed costs, which in turn free up resources for reinvestment in community based care.
- 6.4. Benefits are deemed cashable to commissioners where they have been pre-agreed in block contracts or where contractual/budgets are on a cost and volume basis. Non-cashable benefits may be realisable in future years but have yet to be contractually agreed. It is recognised that providers may not be able to reduce their cost base by equivalent values. The total potential locality saving opportunity as a result of the delivery of the new care models is as follows:

Table 9: New Care Models Benefits by Type

Savings Type	2020/21 Total Benefits £'000	2020/21 Cashable Benefits £'000
Reducing A&E Activity	385	385
Reducing avoidable prescribing	194	194
Reducing Acute Non-Elective Length of Stay	3,018	0
Reducing avoidance contacts and referrals	12	0
Reducing Elective Admissions	207	207
Reducing Non-Elective Admissions	5,908	5,908
Reducing NWAS Journeys	299	270
Reducing Outpatient Attendances	96	96
Reducing the cost of care packages	2,306	2,181
Reducing the cost of care packages Res.Nursing	2,080	1,950
	14,505	11,191
Benefits Arising in LCO	4,397	4,131
Benefits Arising Outside of LCO	10,108	7,060
Total	14,505	11,191

- 6.5. Overall the tables outline that cumulative cashable benefits for care models will increase to £11.191m in 2020/21 whilst investment reaches £18.378m. It is important to note:
- (i) Investment in prevention at £4.149m is focused on medium to long term benefits with a positive return on investment (ROI) not expected until 2023/24;
 - (ii) Discharge to Assess benefits are based on the business case assumptions of 4 excess bed days per patient and equate to a total of £2.8m in 2020/21. Work is underway to review benefits in order to determine the full health impact and understand the benefits arising in ASC. As excess bed days are not cashable to the commissioner and relate to system benefits only, the total benefits of £2.8m have been excluded showing a net cost in 2020/21 of £3.4m;
 - (iii) Additional benefits have not been applied linked to the expansion of Extracare provision. At this stage it is assumed the additional capacity will support the resilience of the overall H&SC system rather than assuming direct further targets against the ASC residential and nursing budget; and
 - (iv) Manchester Case Management (MCM) is due to be expanded to a citywide service in 2020/21 and benefits calculated reflect the expected ramp up and impact following lessons learnt from the pilot. The service is expected to make a positive ROI with effect from November 2021 and has a net cost in 2020/21, funded from GMTF of £2m.

7.0. Quality and Cost Improvement Plans

- 7.1. Community health services will continue with the development and implementation of a Quality and Cost Improvement Plan which will maximise the opportunities of bringing services from North, Central and South localities together to delivery safe, effective, efficient services. It will also identify any equality of access issues across the city in line with MLCO's stated corporate objective.
- 7.2. The MLCO health budgets contain a budget challenge of £TBC. This will be delivered through a combination of the Quality and Cost Improvement plan and vacancies.
- 7.3. The Quality and Cost Improvement Plan will benchmark services both internally within the MLCO, and externally across other Community Health Services in order to identify opportunities and areas of focus.
- 7.4. The Quality and Cost Improvement plan has identified key first areas of focus including:
 - (i) Podiatry services;
 - (ii) Looking at delivering a consistent offer efficiently across the City from the current 3 separate services; and
 - (iii) District Nursing - capacity and demand analysis is required to ensure that services are most effectively resourced and managed across the city and workforce plans can be developed.
- 7.5. Plans are also being developed in each locality, managed by Locality Associate Directors, around Quality and Cost Improvement projects linked to specific service opportunities. This will be overseen through the MLCO Finance, Performance and Contracting Group.
- 7.6. It is acknowledged that 2020/21 is a one-year budget. Whilst the 2020/21 budget assumptions are focused on stability and completing the mobilisation of care models and INTs, work programmes are developing focused on 2021-23 and unlocking the potential of the MLCO to drive integration in community based services and a strong tactical commissioning approach. Significant progress on driving integration programmes is dependent on reaching agreement on the full Phase 2 transfer of services into MLCO and the supporting establishment infrastructure.
- 7.7. The key work programmes are described in the overarching MLCO narrative and in summary:
 - Learning Disability Services integration
 - Integrated Commissioning
 - Continuing Healthcare (CHC)

- Primary Care
- Prevention Wellbeing and Support

8.0. Capital Investment

- 8.1. MLCO has submitted a capital bid into the MFT capital allocation process for £0.350m for period 2020-23, with the immediate priorities for 2020/21 being:
- Bucchleuch Lodge – reception area and staffing areas;
 - Dermot Murphy – significant infection, prevention and control / pharmacy improvement;
 - Sickle Cell – new clinic room to address infection, prevention and control concerns and repurpose old office space; and
 - Northernden Health Centre – creation of audiology suite to address waiting lists for children under 4 years and improve provision to the south of the city.
- 8.2. MFT also operate an equipment replacement programme for replacements up to £5,000. MLCO hold an equipment risk register for each locality and engage in the annual process submitting appropriate bids.
- 8.3. Outside of MFT process potential capital options are through NHS Property Services. There are two on-going funding streams, Landlord Capital which specifically addresses health and safety compliance and CQC adherence, and an Optimisation Pot which is a national fund available for bids but which has significant constraints and criteria to meet, including new Lease adoption. Bid priorities are developed and submitted on notification of arrangements. MLCO maintains a rolling risk log of priorities for when funding opportunities arise.
- 8.4. MLCO submitted a bid in 2019 to the GM Digital Fund for EMIS community Electronic Patient Record System Phase 4 £0.959m which has been approved.
- 8.5. The capital programme for Adult Social Care totals £21.9m over the period 2019/20 -2021/22, this includes the creation of a health hub in Gorton. A summary of the current capital budget is shown in the table below.

Table 10: ASC Capital

	2019/20 £m's	2020/21 £m's	2021/22 £m's	Total £m's
Gorton Health Hub	3.5	16.3	2.1	21.9
Total	3.5	16.3	2.1	21.9

- 8.6. In addition, the Better Care Fund (BCF) arrangement contains the allocation for Disabled Facilities Grant (DFG) and the DFG must be spent in accordance with

an approved joint BCF plan. DFG is a grant towards capital expenditure. The 2019/20 allocation totals £7.8m. The 2020/21 allocation is expected as part of the 2020/21 settlement announcements. The grant determination states funding must only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme. The ASC Improvement Plan includes funding for additional capacity to undertake complex equipment assessments and therefore support the effective deployment of DFG. Up to 5,000 complex assessments are completed per year.

8.7. Maximising the impact of DFG spending is a key contributor to MLCO outcomes. The BCF Planning Guidance 2019/20 outlines that Areas should think strategically about the use of home adaptations, the use of technologies to support people to live independently in their own homes for longer, and to take a joined-up approach to improving outcomes across health, social care and housing. Creating a home environment that supports people to live safely and independently can make a significant contribution to health and wellbeing, and should be an integral part of integration plans. DFG is deployed to:

- (i) Make life easier, e.g. simple pieces of equipment like special beds;
- (ii) Minor adaptations, e.g. hand rails and half steps; and
- (iii) Major adaptations, e.g. ramps, walk-in showers and stair lifts.

8.8. The City Council has also highlighted as a priority the potential need for market intervention, specifically on areas such as health and social care including residential and intermediate care, working with partners such as the Health Service to secure capacity. This may be short term in nature, responding to market failure, or long term through increasing capacity via new build or refurbished facilities.

8.9. Similarly, the City Council will also continue to review the potential to invest in primary/community care hubs, similar to the one being developed in Gorton although perhaps on a smaller scale, again working closely with Health partners.

9.0. Conclusion

9.1. The MLCO financial plan sets out the planned deployment of additional funding set out by MHCC in the 2020/21 budget proposals. It is recognised that 2020/21 is a one-year budget and significant work is required on longer term financial sustainability and that the programmes of work led by MLCO are integral to addressing the financial challenges within the H&SC system.

9.2. The additional investment will enable ASC services to be maintained at the same levels as 2019/20 to support the statutory functions of the Council, deliver the Corporate priorities and to continue to support the integration of health and social to improve outcomes for citizens.

- 9.3. Of key importance, at a time of significant demands within the H&SC system, the 2020/21 budget proposals provide the required additional time for new care models to fully mobilise, Integrated Neighbourhood working to mature further, enable the MLCO to support the City's hospitals with effective discharge and for MLCO integration programmes to develop. Overall, the MLCO will commence 2020/21 with optimism on progress to date, despite a challenging landscape, and ability to work within the H&SC system to enable people to be healthy and well and support those who need it most, working with them to improve their lives.

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