Manchester City Council
Report for Resolution

Report to: Health Scrutiny Committee – 3 November 2020
Executive - 11 November 2020

Subject: Budget Options for 2021/22

Report of: Acting Chief Executive Manchester Local Care Organisation and Executive Director of Adult Social Services

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Summary

As a result of additional demand for services and impact on the Council income as set out in the report to Budget Executive on the 14th October 2020 the Council is facing a significant funding gap for 2021/22 which is estimated to be £105m for 2021/22, £159m for 2022/23 and c£122m thereafter. The report of the Deputy Chief Executive and City Treasurer, elsewhere on the agenda provides an update on the financial context for 2021/22.

This report details the service and financial planning and associated budget strategy work that is taking place for adult social care with partners across the health and care system.

It details the identified and proposed opportunities to make savings in 2021/22 aligned to the remit of the Health Scrutiny Committee, to support the City Council to achieve a balanced budget in 2021/22.

As adult social care is both within the MHCC health and care pooled budget, works in partnership and is increasingly focused on integrating with community health services through the Manchester Local Care Organisation (MLCO); this report is jointly presented to the Scrutiny Committee by the key partners of MHCC, MCC and MLCO, noting the areas that will be led by MLCO.

It is important to note that the health contribution to the pooled budget is currently unknown as the NHS has not published the financial regime for 2021/22 yet.

Recommendations

1. The Health Scrutiny Committee is asked to consider and make recommendations to Executive on the savings options put forward by officers and prioritise which options they believe should be taken forward to ensure the Council is able to deliver a balanced budget.

2. Executive are asked to consider the officer cuts and savings options, taking into account the feedback from the scrutiny committee.

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 how this report aligns to the OMS
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	

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Background documents (available for public inspection):

Not applicable.

1.0. Introduction

1.1. As a result of additional demand for services and impact on the Council income as set out in the report to Budget Executive on the 14th October 2020 the Council is facing a significant funding gap for 2021/22 which is estimated to be £105m for 2021/22, £159m for 2022/23 and c£122m thereafter. The report of the Deputy Chief Executive and City Treasurer, elsewhere on the agenda provides an update on the financial context for 2021/22.

1.2. 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.

1.3. The Population Health (PH) commissioning and strategic role is set out in the Manchester Population Health Plan, the City's overarching plan for reducing health inequalities and improving health outcomes for residents across the lifecourse.

1.4. The 2020/21 budget for ASC and PH, as approved at the start of the year, was £221m of which £217m is included in the health and social care pooled budget overseen by Manchester Health and Care Commissioning (MHCC). The vast majority of the ASC and PH budget is now delivered though the Manchester Local Care Organisation (MLCO). The ASC and PH budget for 2021/22 is planned to be increased for the key inflationary and demographics pressures, together with funding in relation to Covid-19, which is set out later in the report, and the MLCO has been asked to determine how a savings target of £20m will be met across a range of programmes of work and this report sets out how this will be delivered.

1.5. This report details the service and financial planning and associated budget strategy work that is taking place for ASC with partners across the health and care system and opportunities to make savings in 2021/22, whilst continuing to meet the statutory duties of the Care Act 2014 and maintaining standards for safety, effectiveness and reliability of services for adults with care and support needs and/or their carers in Manchester.

1.6. As ASC is both within the MHCC health and care pooled budget, works in partnership and is increasingly focused on integrating with community health services through the Manchester Local Care Organisation (MLCO); this report is jointly presented to the Scrutiny Committee by the key partners of MHCC, MCC and MLCO, noting the areas that will be led by MLCO.

1.7. The City Council is working as part of a work stream sponsored by the Transformation Accountability Board (TAB) of Manchester's Health and Social Care leaders. The work is focussed on actions to accelerate progress towards health and social care integration in the city. This is a critical area of development given the challenges faced by the response and recovery from Covid-19, the financial circumstances of all partners, widening of health

inequalities in the city, and potential national policy and legislative changes for the NHS and social care.

1.8. This work is currently in progress and looks to support stronger, integrated offers around health and social care delivery and commissioning and is likely to include changes for all organisations across the City. Further briefings will be provided as this work progresses.

2.0. ASC Statutory Responsibilities - Services, Eligibility, Care and Support

2.1. Manchester City Council has statutory responsibilities to meet the requirements of the Care Act 2014. The Act entitles all adults to a social care assessment, and, subject to meeting the threshold for eligibility, the care and support required to meet their needs and outcomes set out in the Act.

2.2. This support ranges from advice and information (minimal cost) to very intensive services (potentially costing several hundreds of thousands of pounds per person per annum). 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.

2.3. Adults Eligibility: The Care and Support (Eligibility Criteria) Regulations 2014 sets out the eligibility criteria and determines an adult meets the eligibility criteria if:

(i) the adult's needs arise from or are related to a physical or mental impairment or illness;
(ii) as a result of the adult's needs the adult is unable to achieve two or more of the outcomes specified below; and
(iii) as a consequence there is, or is likely to be, a significant impact on the adult's well-being.

2.4. The outcomes that are specified for adults are: Managing and maintaining nutrition; Managing and maintaining hygiene; Managing and maintaining toileting needs; Being appropriately clothed; Being able to make use of the home safely; Maintaining a habitable home environment; Developing and maintaining family and personal relationships; Accessing and engaging in work, training, education or volunteering; Making use of necessary facilities or services in the local community including public transport, recreational facilities and services; Carrying out any caring responsibilities the adult has for a child.

2.5. For the purposes of this regulation an adult is to be regarded as being unable to achieve an outcome if the adult:

(i) is unable to achieve it without assistance;
(ii) is able to achieve it without assistance but doing so causes the adult significant pain, distress or anxiety;

(iii) is able to achieve it without assistance but doing so endangers or is likely to endanger the health or safety of the adult, or of others; or is able to achieve it without assistance but takes significantly longer than would normally be expected.

2.6. These eligibility criteria apply equally to Carers, where the carer's physical or mental health is, or is at risk of, deteriorating and is unable to achieve similar outcomes; unable to achieve care without assistance; without causing the carer significant pain, distress or anxiety; or is able to care without assistance but doing so endangers or is likely to endanger the health or safety of the carer, or of others.

3.0. 2020/21 Budget Context

3.1. The Adult Social Care and Population Health budget priorities relate 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:

- Support Mancunians to be healthy, well and safe
- Improve health and over time reduce demand by integrating neighbourhood teams, that are connected to other services and assets locally, delivering new models of care
- Reduce the number of people becoming homeless, and enable better housing and better outcomes for those who are homeless

3.2. Manchester's Adult Social Care Improvement Programme is driving change and longer term sustainability through investment in workforce, a shift of focus to 'our people in place' via the mobilisation of Integrated Neighbourhood Teams (INTs) and transformation to new ways of working underpinned by 'our culture' and the Our Manchester strategy. Significant investment has been made within the programme to deliver safe, effective and sustainable services that take a 'strengths based' approach to assessment and care and support planning. Mobilised INTs are beginning to realise tangible outcomes relating to joint visits with improved communication between health and social care (i.e. district nurses, social workers, GPs, care navigators, community mental health teams), streamlined referral processes and multi-agency meetings.

3.3. The Homecare market has been re-procured and is being mobilised to integrate at place level with INTs and to better collaborate in care and support to enable better outcomes. Investment has been made in new and existing care models for example, the expansion of the Reablement Service to reach more people and to better support timely hospital discharge pressures alongside the development of a new Complex Reablement Service to support people who require a specialised, longer term approach to enablement. Plans around housing support options continue to mature with new capacity of Extra Care accommodation from 2020/21. These housing options create longer term sustainable responses to care and support, reduce pressures and cost in the system and improve personal choice and independence.

3.4. The Care Market is a vital component of the ASC system supporting Manchester to meet statutory responsibilities and supporting Mancunians to live as independently as possible. During 2020/21 considerable work was prioritised to support our care market in response to Covid-19 and ensure services continued to be delivered to support vulnerable people. Focussed work during 2021/22 will evaluate our current and future needs and the capacity, quality and sustainability of our independent care market. There is potentially a need for capital investment to allow market intervention, enabling a response should market failure occur to ensure continuity of service. This may be short-term in nature, but could be of vital importance to limit the impact of such market issues on residents. Linked to collaboration work with partners, investment may also be needed to build capacity, and in particular creating capacity for specific care needs to ensure that there is appropriate provision for vulnerable residents. This may require new build facilities, or the acquisition of existing buildings which can be tailored to care models.

3.5. Progress is being made to implement integrated health and social care that improves outcomes for residents. The new ways of working in the INTs are starting to deliver changes and the new care models are starting to demonstrate improvements in outcomes.

3.6. The 2020/21 base budget, approved at the start of the year, is broken down as follows:

Service Area	**2020/21 Net Budget £'000**	**Narrative**
Localities	9,564	INT Social workers and primary assessors
Reablement	5,299	Core reablement
Learning Disability	60,611	Social workers, supported accommodation, short breaks, shared lives and external care
Mental Health	24,327	Emergency duty, social workers, external care, supported accommodation
Other Care	46,271	Day centres, equipment, community alarms, information and advice, cash PBs, carers, homecare, residential and nursing care, external supported accommodation, day care
Public Health	39,656	Wellbeing, sexual health, drugs and alcohol, childrens, health visitors, staffing
Commissioning	11,307	Extra care, sheltered housing, homelessness, staffing
Specialist and support services	3,753	Staffing
Inflation and National Living Wage	13,702	Allocation for annual uplifts
Demography	2,371	Allocation to reflect population changes
Pooled Budget	**216,864**	
Asylum	57	
Voluntary &	2,122	

Community Sector (Adults)		
Safeguarding	2,209	Staffing
Other ASC	**4,389**	
Total	**221,253**	

3.7. Whilst all of the ASC service budgets are considered to be statutory with regards to the responsibilities set out in the Care Act 2014, the scale of preventative services remains discretionary. The most significant areas of prevention are public health and ASC reablement services.

4.0. Covid-19 Pandemic and the ASC Improvement Programme - Context and Impact on Adult Social Care

4.1. The Covid-19 pandemic presents a unique challenge for the country and Manchester. It also presents a challenge to ASC to undertake it's functions of assessment, support planning, monitoring, review and safeguarding (the five core responsibilities of social work within the service) and the commissioning and delivery of care and support though internal services and the social care market within Manchester.

4.2. ASC has played a critical role in supporting vulnerable people across the city to remain safe and as independent as possible, continuing to live within the community and preventing crisis and the need for more intensive health and social care services. In addition, throughout the pandemic, work has continued with the hospitals on rapid discharge arrangements to discharge people as soon as people are medically fit, ensuring valuable capacity is available in the hospitals.

4.3. From the outset, ASC's response plan was structured around clear objectives:

(i) Continuity of care for vulnerable people assessed under the Care Act;
(ii) Minimising risk of harm/fatality; and
(iii) Protecting the credibility and reputation of health and social care and partners (it is important at times of national crisis that Manchester people see that our social care and health system has acted in the best interest of people and in a joined up way that has met their needs - this deepens the trust and future co-operation as public services and residents face future challenges together).

4.4. Focusing on these three objectives has meant that the service has responded well to the pandemic including ongoing support to care providers, ensuring supply and provision of PPE, testing of citizens and staff, recruiting additional support workers to meet capacity gaps and undertaking safe and well calls to support vulnerable citizens and those not accessing services. The service has been able to keep a close overview of issues and challenges within social work teams, in house provider services and the external care market throughout the response period, which has meant that support provided has been targeted and managed and there has been no need to enact Care Act Easements provisions at stage 3 and 4 introduced through emergency

legislation nationally. Only a very limited number of services were paused (within Provider Services) whilst other services have continued to operate throughout the pandemic, adapted to be delivered in a different way.

4.5. Central to making this possible was the support from the Council over the last 18 months to invest to re-build front line staffing levels, to improve leadership and support to the social work assessment function and the commitment to the Improvement Programme within ASC. The investment for 2019/20 and 2020/21 to stabilise and build strong foundations in the service provided significant resilience to be able to work through the challenges of the pandemic.

4.6. Limited work has continued on the Improvement Programme due to the need to respond to Covid-19 including the key need to reduce waiting lists across services and improved leadership and performance management. The investment has led to a significant reduction in the waiting list and other improvements in practice. Between November 2019 and August 2020 (latest data) There has been a 66% reduction in waiting lists for those entering the service prior to allocation (i.e. 66% fewer citizens waiting), a 40% reduction in waiting lists for work ongoing and 39% reduction in waiting lists for reviews. There is ongoing work to further reduce the waiting lists.

4.7. The rest of the year will present a particular challenge as ASC is likely to face increased contact from citizens for support and will need to make assessments and set up care and support within the best practice of social distancing and PPE to prevent / mitigate the risks of a local outbreak of the virus. The recent move to Tier 3 and Covid-19 Wave 2 adds significant additional risk into service and financial planning.

4.8. There are still a number of areas of focus for ASC going forward, which will need to be prioritised as part of wider recovery planning within our health and social care LCO, to ensure that the work to stabilise and strengthen the service can continue. This includes ensuring that the processes within LiquidLogic and the financial system (contrOCC) are working effectively and support practice and payments; continued roll out of strengths based working including strength-based practice framework; further strengthening management and supervision arrangements. Whilst some work on the Improvement Programme has been paused it is important that the programme as a whole continues to enable transformation and the benefits of integration to be delivered in the context of ASC and given new opportunities and challenges created by the pandemic.

5.0. Planning to Support Council Budget 2021/22 Onwards

5.1. Before moving to 2021/22, it is important to recognise the baseline position for transformation and integration for which Manchester has set up and developed the Manchester Local Care Organisation (MLCO), Manchester Health and Care Commissioning organisation and the joint working with health on developing a single hospital system.

5.2. It is also important to recognise the impact of the Covid-19 Virus and the strengths shown from the health and social care integration, to jointly plan and respond to the pandemic.

5.3. As a result of the national response to Covid-19, MLCO implemented national guidance relating to the provision of essential community health services from 26th March 2020. The response and the learning from that has reconfirmed the importance of the journey to integrate health and care services with wider public services to support residents to be well and live independently. It also confirms the need for an increasing focus on our Neighbourhoods as the places from which to do this and join up local community resources and responses to support people where they live.

5.4. The MLCO priorities for 2020/21 have been developed and are set out below:

(i) Review and restart community services based on national guidance and evidence / learning from recent months, supporting our staff to work safely;
(ii) Develop the Operating model for community services to build from our understanding of learning from recent months, ensuring coherence with the GM ADASS 'Living well at Home' programme and the Locality plan;
(iii) Continue to support the timely and effective flow through the Integrated Control Room from acute into community and ensure the requisite community offer is in place to enable that;
(iv) Lead system work on the development of an offer for people with Long-Term Conditions that enables a multi-disciplinary proactive offer built through the INTs and our wider service offer;
(v) Work with partners on the substantial programmes focused on financial resilience;
(vi) Develop an approach with system partners to improve the services we provide to those with Learning Disabilities and support through transition; and
(vii) Prioritise our transformation programmes to ensure our people can effectively connect and support their design, delivery and development.

<u>Adult Social Care – Scope for Change and Supporting the Budget Challenge</u>

5.5 As identified above the most critical aspect of ASC is that following an assessment of need and setting out a care and support plan, there is a legal obligation to continue to support that person until there is a change in their care needs. Therefore it is not possible to simply stop services, as the need remains and the legal obligation remains.

5.6. It is not possible to choose to scale back services as they are meeting each person's individual needs and can only be changed following an assessment and revision to the support plan.

5.7. It is possible to scale back prevention services, which are provided outside assessed and eligible needs, however, those services (such as reablement) often reduce, prevent or delay the need for statutory care and support requirements. Therefore, careful assessment and evaluation is needed before

a policy / strategy decision to reduce these areas, as a budget saving in this area may simply result in an increase in statutory long term care, leading to higher overall expenditure.

5.8. Having taken into account the statutory responsibility and accountability of the Council for ASC; the investment and improvement programme; the interconnectedness of statutory and prevention expenditure; the established Manchester transformation / integration journey and the scale of the financial challenge for the Council the programmes of work have been identified for consideration and development within the policy / strategy and financial framework for the Council and are set out further below.

6.0. Financial Planning Assumptions and Approach

6.1. The annual business and budget plan for Adult Social Care and Population Health is part of the MHCC Plan which reflects the refreshed Manchester Locality Plan and is supported by the Manchester Local Care Organisation (MLCO) Operational Plan. The Council determines the scale of its contribution into the pooled budget. The health and social care annual pooled budget for Manchester is £1.2bn.

6.2. The key planning assumptions for the contribution to the pooled budget for 2021/22 are being developed in the context of the financial challenges, outlined in the report elsewhere on the agenda. There is recognition this position is subject to significant change following the Comprehensive Spending Review (CSR) announcements and any specific announcements to meet the commitment to address the funding crisis across the country for ASC.

6.3. The City Council's current indicative Medium Term Financial Plan (MTFP) modelling includes the following significant further investment assumptions into ASC totalling £23m recognising normal uplift requirements and pressures. They do remain subject to change and update:

(i) Pay, Price and allowance for National Living Wage (£7.6m);
(ii) Demographics for population modelling (£2.8m); and
(iii) Covid-19 assumptions covering the full year effect of discharges this year on 2021/22 over and above the demographics increase (£9.3m), PPE (£2.5m) and social work capacity (£0.8m), a total of £12.6m.

6.4. In addition, the current City Council budget planning assumptions are that **without further financial support from government** there will be a minimum £20m reduction from the Council to the Health and Social Care Pooled Fund and therefore a consequential savings requirement. This is based on the current pooled budget plus the planned additional funding outlined above. It is important to note that the health contribution to the pooled budget is currently unknown as the NHS has not published the financial regime for 2021/22 yet.

6.5. The MLCO has been asked to determine how the overall reduction of £20m will be met across a range of programmes of work. It is fully expected a

proportion of this requirement will be addressed from targeted additional financial support from government in the forthcoming comprehensive spending review (CSR). The MLCO are progressing a number of work programmes aimed at maintaining or improving outcomes through improved service delivery arrangements and addressing the budget savings requirements. They include:

(i) Improving pathways and focusing support for independence for Manchester people;
(ii) Advancing integration across the system within the ten year plan for MLCO;
(iii) Working with partners to provide system financial support to maintain community based care, especially where there is an interim requirement until improved pathways are embedded;
(iv) Commissioning programmes and realising the expected benefits from integrated commissioning; and
(v) Working in a focused way over winter to mitigate the impact of Covid-19 on 2021/22.

6.6. The financial challenges are however severe and to the extent the £20m cannot be found, more difficult service reductions across preventative areas, where there is some discretion, would need to be developed and in such circumstances, further detailed proposals will be developed for Health Scrutiny consideration in the New Year.

6.7. The City Council, MFT and MHCC will be working with the MLCO Executive to ensure governance arrangements are further developed to provide the key levers for change to realise the ambitions for advancing integration and realising the benefits of a genuinely pooled budget. This will include, for example, effective risk share arrangements between Manchester system partners.

6.8. The ASC budget can be considered in three parts:

- **the workforce** including social work practice,
- **prevention and reablement** – services provided to help reduce, prevent or delay the need for ongoing formal care or services to help people regain their independence and ability to meet their own needs
- **long term care provision** - ongoing formal care to meet the needs of people to help them to continue to live as independently as possible.

6.9. Significant progress has been made to invest in structures in recent years to ensure the workforce establishment infrastructure is fit for purpose through the improvement plan. Reductions in prevention can have a significant impact as those services often prevent, delay or reduce the need to statutory care and support requirements. The service and finance work programmes are therefore focused on long term care.

6.10. It is not currently expected that budget work in view in this report will have consultation implications for the existing City Council workforce. However,

work to accelerate progress towards health and social care integration in the city may lead to further organisational change in due course.

7.0. Improving Pathways and Focusing Support for Independence

7.1. Improving pathways and focusing support for independence is a key programme of work to support people to live as independently as possible and maintain control over their lives. The approach is one of service improvement, supporting people with strengths based assessments and better ways of delivering care and support services. Of key importance is prevention and intervening early, as this is the best way to ensure people get the services that are responsive to their needs and prevent, reduce or delay the need for longer term care. We will always meet the long term care needs of individuals where required.

7.2. A significant piece of work on improving pathways and focusing support for independence has been undertaken, starting with how to do this in adult social care. This involves:

(i) Working with individuals using strengths based assessments, empowering citizens to take control of their lives and be able to manage their own conditions where they have the ability to do so. This may be using their own strengths, family and friends or support within the community. This will involve changing expectations across the system, focusing more on independence and working with people through individual assessments

(ii) Acting earlier to prevent problems occurring or escalating;

(iii) Ensuring additional interventions are not being caused by the service failing to get something right first time or unintentionally reinforcing dependency;

(iv) It does not involve: tightening eligibility criteria, restricting access, or stopping non-statutory services.

7.3. The programme is being supported by a commissioned piece of work from IMPOWER, a specialist ASC support agency with experience and proven track record with a number of other local authorities to undertake diagnostic work to support the development of evidence-based, sustainable opportunities. Some of the key activities that have been included within this programme include:

(i) Staff survey with over 220 responses;
(ii) Case reviews;
(iii) Observations - contact centre, INTs and hospital site; and
(iv) Behaviour change workshops to apply behavioural science techniques to social care and embed these in frontline practice.

7.4. The emerging insights from the programme include:

(i) There is an opportunity to improve pathways and focusing support for independence in order to prevent, reduce or delay long term care, to

some degree, in almost half of the cases reviewed. In some cases this maybe a minor change whereas in others a more substantial opportunity. The challenge is how to release the opportunity consistently through the complexity of first contact / assessment / review and expectations or legal challenge of the population being supported;

(ii) There are opportunities emerging to build on the foundations developed in the last 2 years across ASC, to embed strength based practice consistently across all teams; awareness and use of community assets; broadening the Technology Enabled Care (TEC) offer, whilst building confidence in practitioners and people to use TEC; building on the positive impact of reablement by increasing access; implementing the positive changes in the carers offer and changing the front door to be a more co-ordinated preventative offer to prevent flow to community teams.

7.5. With a properly resourced change infrastructure and clearly set out conditions of success, this suggests a significant opportunity for savings **over three years.** The phasing of savings is currently being finalised. **The target for 2021/22 is £6m and this will increase to £18m by 2023/24 (net of investments).** Some of the key conditions of success include early and full engagement of staff; investment in prevention, clear and agile performance management and governance; securing early impact from change to build momentum and capacity and capability to deliver the change. In addition, significant system support is integral to successful delivery.

7.6. The key changes in metrics arising from the proposed programme on improving pathways and focusing support for independence, based on implementation in 2020 quarter 3, against the 'Do-Nothing' scenario projected to 2021/22 are detailed in the table below.

Metric	**2019/20 Baseline**	**Do-nothing by 2021/22**	**Potential Impact by 2021/22**
Nursing Care clients	672	688	-11
Residential Care clients	1,352	1,384	-40
Supported Accommodation clients	743	770	-28
Homecare clients	2,671	2,890	-57
Reablement clients	1,869	n/a	+518

7.7. Further work is under way to identify what the improvements in outcomes for individuals will be associated with these metrics, such as improved levels of wellbeing, self-care and greater independence.

7.8. This programme is being developed into an implementation plan and which addresses and secures the conditions of success. A key element of this is integration with existing MLCO transformation projects set out below into one refreshed programme of change for the next three years.

7.9. The option presented for improving pathways and focusing support for independence aims to deliver better outcomes, experience of services for the people of Manchester and better use of resources. This will require significant commitment from all health and social care partners, in order to provide the capacity and capability required to deliver this scale of complex change at speed. It needs to be recognised as the substantive piece of work which will underpin the system's approach to meeting care and support needs across Adult Social Care with many of the principles transferrable to health services.

8.0. MLCO Transformation Programmes Update

8.1. The MLCO has an established transformation portfolio that has driven its development since its establishment in 2018. The Portfolio is overseen by the Recovery and Portfolio Board and is a key responsibility of the Director of Strategy. It comprises a range of transformational and enabling programmes from Neighbourhood development to the work programme of the Care Homes Board, from Workforce to Estates.

8.2. The MLCO is working with colleagues in MCC to develop an agreed programme that will aim to contribute to the financial and budget strategy for the City Council, as well as further integrate community health and adult social care through the LCO as the key vehicle for integration. It will incorporate into this portfolio:

(i) The outstanding work in the ASC Improvement plan,
(ii) The agreed workplan as a result of the IMPOWER work; and
(iii) Any other transformation work already underway.

8.3. This will ensure that there is a single programme of change in place for adult social care that secures its further integration with community health services in the MLCO and supports the delivery of improved outcomes for Manchester residents alongside helping to address the financial budget challenge.

8.4. This programme is being brought together under the leadership of MLCO with support from MCC and MHCC and will start in November in order for the financial benefits to be realised as soon as possible, and in line with the IMPOWER modelling described above. Work is underway to finalise the structure, key milestones, phasing and delivery framework for the programme but it will include the following:

8.5. Maximising Independence

This is a critical piece of work and builds from work already delivered by the ASC improvement programme which implemented strengths based assessment and support planning into adult social care. This work will focus on further embedding strengths-based practice, applying behavioural change as well proportionate reviewing.

8.6. The work will target specific teams where there are the biggest opportunities to influence demand and increase independence/ensure the most appropriate packages of support in place – specifically the INTs, LD teams and

reablement. Four months of intensive support will take place with teams building on the trial intervention which took place with the LD south team. This work will commence immediately.

8.7. Early Help

This will build on work already underway to strengthen the front door to adult social care as part of the wider health and social care system. It will include strengthening 'initial contact' by ensuring that staff within the contact centre have the right skills and knowledge available to effectively triage contacts, and signpost to alternative support and equipment that could meet their needs.

8.8. It will also involve strengthening the information and advice offer online – increasing the number of people addressing their needs independently without intervention from adult social care. Further work, building on the covid-19 community response, will take place to expand the voluntary and community sector offer and engagement in prevention and early intervention. This work will all be prioritised in year 2 of the programme.

8.9. Short Term Offer to Support Independence

This work will build on the effectiveness of our reablement offer, building an approach that maximises the independence of citizens being discharged from hospital through 'discharge to assess' (D2A) aligned to 'home first' principles. It will look to increase capacity in the reablement service – including ensure that those who are currently not receiving reablement (but would benefit from it) are able to do so.

8.10. Alongside the reablement offer, further work to build awareness and confidence of frontline staff in using technology enabled care (TEC) and digital options as a 'default' will continue as well as a review of the TEC offer to ensure it reflects the support people need.

8.11. Reablement and TEC are priorities in delivering the desired financial trajectory and therefore will be early priorities for delivery.

8.12. Transforming Community and Specialist Teams

This work will continue the programmes already underway to integrate and transform community teams across health and social care both in LD services but also maximising the opportunities created by the Integrated Neighbourhood Teams. This will align to the work to embed strengths-based practice and ensure that a joined-up approach to assessment and 'care management' is in place across professional groups thus reducing demand in all parts of the system. This work is already a priority, is underway and being monitored as part of the wider MLCO transformation portfolio referred to above.

8.13. Responsive Commissioning

Again, building on work already in train this work will seek to ensure that a commissioning plan and approach are in place that supports the change priorities. This will be integral in developing care market supply of the right

quality and price , and support the changing demand trajectories set out within the IMPOWER modelling and the work going forward.

8.14. Dedicated commissioning capacity working alongside social work teams will be key during the work described above ('maximising independence') which will align with work to review the contracts register and procurement plans going forward as well as work inherited from the improvement programme around the efficiency of the interactions between the case management system (LiquidLogic) and payments system (contrOCC) which will need to continue to be prioritised. This work will also include further strengthening the commissioned offer to carers building on the positive work delivered over the last 12 months.

8.15. This work is already a priority and will align to work already underway to review high cost packages of care as well as work to create an integrated commissioning approach within the MLCO across health and adult social care.

8.16. Strengthened Performance Framework

The programme will be supported by a strengthened performance framework which will need to be designed as part of the programme plan, in order to understand progress, delivery and the impact (outcomes and financial) of the objectives described.

8.17. This will need to align to the existing arrangements within the MLCO and these will be clarified as part of the transformation programme. The delivery of such an ambitious, wide ranging and comprehensive programme will not come without significant challenges.

8.18. The service is still responding to the covid-19 pandemic and as such will need to ensure that this transformation work is prioritised alongside continued, immediate and changing demand into the service.

8.19. The right capacity to support the programme will therefore be critical; both programme management support as well as 'change' resources to work alongside teams and individual professionals. They will embed the new ways of working, ensure continued focus on the desired outcomes and ongoing management as well as understanding of performance and delivery to planned financial trajectories. These resources are being confirmed – and include consolidating existing capacity and capability within MLCO, with partners and investing in additional capacity as required.

8.20. It will also be critical that partners and senior stakeholders are collectively and continually supporting the delivery of the programme as a key priority for the city's health and social care system. There will not be capacity for MLCO and the service to take on additional and competing priorities. The opportunities are however significant, and will be realised if the right attention, focus and priority is given to work going forward.

9.0. Health and Social Care System

9.1. The information contained in this report should be considered as a key component of the health and social system. Two key updates are provided below covering discharge arrangements and the approach to mitigate the pressures arising from Covid-19 and in relation to new care models and the approach to mitigate the loss of GMTF from 2021/22 and sustain the investment in these priority services that are integral to the MLCO operating model.

Discharge Arrangements

9.2. New national hospital discharge guidance has been in place since March 2020 and the current updated guidance will run to the end of the financial year. Substantial costs in 2020/21 are being met from NHS Covid-19 funding. Following completion of care assessments for the clients discharged from hospitals, the City Council will again become responsible for funding care arrangements. The current financial planning assumptions provide for £9.3m additional cost into 2021/22 as the full year effect from discharges from hospitals since March 2020 and modelling of forecast discharge numbers to the end of March 2021. MLCO is working with partners on discharge arrangements, with an effective system based control room and placement function to mitigate the risk of additional placements over the rest of 2020/21. Winter planning arrangements are integral within this. This is very challenging in the context of 2nd wave predictions. Government funding through the extension of the Infection Control Fund also allows further financial support to be passed to providers for manage risks around infection, prevention and control. Through the following key actions the MLCO are aiming to be able to minimise the £9m requirement which would allow any excess funding to be released, in effect a saving.

(i) The 'Control Room' will work with the acute hospitals to identify people as soon as they no longer need to be an acute hospital bed and will facilitate next steps in care. The Discharge to Assess service will support people to move out of hospital and will assess ongoing needs and appropriate next steps in a non-acute setting – preferably in a person's own home, but otherwise in a non-acute Discharge to Assess bed;

(ii) Strength based assessments will facilitate maximising each person's independence; and

(iii) Access to reablement, where appropriate, will improve each person's baseline and maximise independence.

New Care Models

9.3. The 2020/21 budget included non-recurrent investment from GMTF and from MCCG on the care models detailed in the table below. The programme of time limited investment into new care models from GMTF is now winding down. In order to sustain current levels of activity, the following cost requires funding in 2021/22 and is currently factored into MHCC Health financial planning assumptions for 2021/22 on a non-recurrent basis. This is key support in

ensuring arrangements continue to be sustained. Longer term financial planning is however dependent on the Government also setting out multi-year financial settlements. These care models are now an integrated part of the Health and Social care system and savings are substantially incorporated into baseline budgets, albeit work is on-going on the evaluation to ensure scale and capacity continue to be reviewed in a dynamic changing operating environment and the additional challenges under the Covid-19 pandemic.

Care Model	Funding	2021/22 £'000
Crisis	Health	182
D2A	GMTF	1,584
Extra care expansion programme	GMTF	233
INT – Leads and social work team managers	GMTF	1,044
Total		**3,043**

9.4. The recommendations included in the substantial programme aimed at improving pathways and focusing support for independence includes further investment in areas such as reablement and technology enabled care and the savings are incorporated into this programme.

Working with Partners in the Health and Care System

9.5. It is important to note that the health contribution to the pooled budget is currently unknown as the NHS has not published the financial regime for 2021/22 yet. However financial planning assumptions with health partners are including additional non-recurrent financial support for 2021/22, aimed at smoothing the transition until the work on improving pathways and focusing support for independence realises the savings trajectory ambition. £4m of additional support is the current planning assumption for 2021/22.

10.0. Population Health

10.1 The Population Health (PH) commissioning and strategic role is set out in the Manchester Population Health Plan, the City's overarching plan for reducing health inequalities and improving health outcomes for residents across the lifecourse. The social and economic impact of Covid-19 has further exacerbated health inequalities in the city.

10.2. The Manchester Population Health Team is currently leading the City's public health response to Covid-19 as set out in the 12 Point Action Plan which is updated on a monthly basis. 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.

10.3. 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 £34m. These services

address health impacts upstream to reduce demand on more expensive health and social care services.

10.4. 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.

10.5. The Public Health Grant was reduced by 6.2% (£3.3m) in 2015/16, with further reductions of 2.2% in 2016/17, 2.5% in 2017/18, 2.6% in 2018/19 and 2.6% in 2019/20. The impact on Manchester's public health funding was a £8.652m reduction by 2019/20. There was a major redesign and recommissioning of all public health services from 2015 and significant savings were delivered across all key programme areas including 25% savings for drugs and alcohol, 33% savings for sexual health, 50% savings across wellbeing services and 15% savings across children's public health.

10.6. Despite the capacity challenges of Covid-19 the Manchester Population Health Team continue to work on the overarching Wellbeing Model for 2022, which will bring all services together in an integrated way under the MLCO arrangements. This model will deliver a significant return on investment over a longer term timeframe and improve health outcomes for residents.

10.7. Clearly if the overall savings requirement for the Council is more challenging then all public health services will be impacted including children's public health, sexual health, drugs and alcohol and wellbeing services. Further discussions will be progressed through the MLCO with providers as necessary.

10.8. Finally, the Chief Finance Officer at Manchester Health and Care Commissioning and the Director of Public Health are also exploring all options for non-recurrent savings to offset pressures in 2021/22 and will also take account of any delegated responsibilities and resources from the disestablishment of Public Health England.

11.0. Summary

11.1. The financial parameters for the 2021/22 pooled budget are a £23m investment and £20m savings target, which represents a net increase of £3m. This is a substantial commitment when other Council Directorates are working to substantial reductions in resources, recognises that expenditure is incurred on support to people with eligible care needs and meets the inflationary pressures within services for care.

11.2. The planning arrangements for the delivery of the £20m target are:

(i) There is an expectation that government will recognise the pressures facing ASC and the incredible work that has taken place within the sector to support the national response to Covid-19 within the forthcoming CSR;

(ii) Improving pathways and focusing support for independence £6m 2021/22 (rising to £18m 2023/24 and subject to significant system wide support to delivery arrangements and to specifically address the conditions of success and IMPOWER preventative investment recommendations);

(iii) Working with partners to identify short term financial support until the above programme matures £4m 2021/22;

It is further expected a proportion of the balance will be met from:

(iv) MLCO commissioning and transformation programmes;
(v) Fully realising the benefits from integration; and
(vi) MLCO discharge planning to mitigate the financial impact of Covid-19 on 2021/22.

11.3. The financial challenges are however severe and to the extent the £20m cannot be found, more difficult service reductions across preventative areas, where there is some discretion, would need to be developed and in such circumstances, further detailed proposals will be developed for Health Scrutiny consideration in the New Year. Based on the requirements of the Care Act 2014, this would have to be delivered from important priority areas such as Population Health, including mandated responsibilities and Reablement. The approach set out in this report is to avoid this if at all possible.

12.0. Consultation / Co-production

12.1. At this stage no specific consultation requirements have been identified.

12.2. We recognise that co-production is integral to working with Manchester People and a programme of co-production is illustrated below as an example of working with people with learning disabilities:

(i) Set out earlier in the report are a range of priorities that impact on support arrangements for People with Learning Disabilities. The Learning Disability Transformation Programme is seeking to ensure that co-design principles are an integral part of the design and transformation process. As part of this we want to provide a meaningful voice for people with learning disabilities to influence strategic decision making and also to get involved in the design of future service delivery. The first stage of this approach is to co-design a refreshed approach to strategic engagement for the city.

(ii) In order to achieve this we are in the process of designing a consultation approach to understand what has worked well previously and what people would like to see as part of a refreshed approach. This work is taking place in collaboration with three of our voluntary sector partners; Breakthrough uk, Pathways Associates and People First. We are also keen to widen the scope of engagement with strategic decision

making to provide the widest possible representation across the city and also to include the views of parents and carers.

(iii) Alongside this we will be keen to ensure that there is co-production approach across the programme and at workstream level. Once the strategic engagement approach has been established, we will be working to ensure that people with lived experience are included and consulted across the programme. At this stage we cannot be prescriptive about what form this will take given that we intend to keep co- production principles at the heart of the approach that will be designed in collaboration with people with lived experience, their families and carers and members of the voluntary sector who support them.

13.0. Conclusions

13.1. Financial planning arrangements for the health and social care pooled budget are progressing but are extremely challenging in the context of the significant ambiguity on government funding/settlements, ASC policy direction and the impact of Covid-19. In addition, the NHS has not published the financial regime for 2021/22 yet.

13.2. The report presents the first staging post of the work in a variety of programmes which are currently being brought together into one overarching programme of change under MLCO programme management and governance arrangements.

13.3. At this stage no specific consultation requirements have been identified. The approach to care management will continue to put meeting clients needs first and foremost but will look to change the approach to doing so, primarily through prevention, building upon the approach to strength based practice and enabling citizens to take more control of their lives, maximising independence and achieving better outcomes and through strengthening commissioning and contracting arrangements.

13.4. The report contains significant steps towards a sustainable financial plan for ASC for 2021/22 but with further work to do. Specifically, £10m of the £20m target has been detailed in this report from the programme focused on improving pathways and focusing support for independence (£6m) and from working with partners in the health and social care system to provide interim support until the above programme matures further (£4m). There is also an expectation that government will recognise the pressures facing ASC and the incredible work that has taken place within the sector to support the national response to Covid-19 within the forthcoming CSR.

13.5. Further MLCO programmes are also progressing aimed at contributing to the financial target including integrated commissioning; fully realising the benefits from integration; and discharge planning to mitigate the financial impact of Covid-19 on 2021/22.

13.6. The financial challenges are however severe and to the extent the £20m cannot be found, more difficult service reductions across preventative areas, where there is some discretion, would need to be developed and in such circumstances, further detailed proposals will be developed for Health Scrutiny consideration in the new year. Based on the requirements of the Care Act, this would have to be delivered from important priority areas such as Population Health, including mandated responsibilities and Reablement. The approach set out in this report is to avoid this if at all possible.

14.0. Recommendations

14.1. As presented at the front of the report.