

**Manchester City Council  
Report for Resolution**

**Report to:** Health Scrutiny Committee – 4 December 2018

**Subject:** Manchester Health and Care Commissioning Pooled Budget 2019/20, including Adult Social Care

**Report of:** Bernadette Enright – Director of Adult Social Care, Ian Williamson – MHCC Chief Accountable Officer

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## Summary

Manchester Health and Care Commissioning (MHCC) is responsible for commissioning health, adult social care and public health services for the city of Manchester. Building upon its establishment in April 2017, MHCC has operated a single planning, delivery and assurance process since April 2018. This has overseen all of MHCC's commissioning responsibilities and includes single budget arrangements.

This report sets out the priorities for MHCC during the 2019/20 financial year. It describes the MHCC's operational plan and progress towards the vision set out in the Our Manchester Strategy. The report provides an update on MHCC's financial plan for 2019/20, reflecting the Manchester Health and Care Locality Plan and Adult Social Care Business Plan for the period 2017-2020. The report sets out both the progress made to date in delivering savings and the focus over the next year of the three year plan. The report is a refresh of the Joint Financial Plan for MHCC for 2018-20 in the context of changing resources, challenges and opportunities – with a specific focus on the Adult Social Care and Population Health components of the plan.

## Recommendations

The Committee is invited to review and comment on the Manchester Health and Care Commissioning Business Plan.

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**Wards Affected:** All

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| <b>Manchester Strategy Outcomes</b>   | <b>Summary of the Contribution to the Strategy</b>   |
|---|--|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | Supporting the City in driving forward the growth agenda with a particular focus on integrated commissioning and delivery which will focus on utilising available resources effectively and developing a diversity of providers including entrepreneurs and social |

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|  | enterprises. This will provide opportunities for local jobs  |
| A highly skilled city: world class and home grown talent sustaining the city's economic success                | Integrated commissioning will focus on utilising available resources to connect local people to education and employment opportunities, promoting independence and reducing worklessness. Working with schools to engage and support our communities.  |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | The focus is on changing behaviours to promote independence, early intervention and prevention, the development of evidence-based interventions to inform new delivery models integration with partners where appropriate.   |
| A liveable and low carbon city: a destination of choice to live, visit, work                                   | Development of integrated health and social care models and local commissioning arrangements that connect services and evidence-based interventions to local people and enable families and their workers to influence commissioning decisions aligned to locally identified needs. Schools as community hubs playing an essential role in reaching out to communities and leading early intervention and prevention approaches at a local level |
| A connected city: world class infrastructure and connectivity to drive growth                                  | N/a  |

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

- Equal Opportunities
- Risk Management
- Legal Considerations

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### **Financial Consequences for the Capital and Revenue Budgets**

The proposals set out in this report forms part of the preparation of the Council's draft revenue and capital budget for 2019/20 and revenue contribution to the Manchester Health and Care Commissioning Pooled Budget for Adult Social Care for approval by the Executive in February 2019.

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**Background documents (available for public inspection):**

Adult Social Care Budget and Business Plan 2018-20 and Manchester Health and Care Commissioning Joint Financial Plan 2018 - 2020 - Executive – 7 February 2018

## **1. Introduction**

- 1.1 Manchester Health and Care Commissioning (MHCC) is a partnership between the City Council and Clinical Commissioning Group (CCG) responsible for commissioning health, adult social care and public health services for the city of Manchester. Building upon its establishment in April 2017, MHCC has operated a single planning, delivery and assurance process since April 2018. This has overseen all of MHCC's commissioning responsibilities and includes single budget arrangements.
- 1.2 The Adult Social Care Business Plan for the period 2017-2020 reflected the Manchester Health and Care Locality Plan. This report sets out in broad terms the key priorities, key activities and draft revenue and capital strategy for 2019/20 for adult social care and public health as part of MHCC. It is a refresh for adult social care and public health of the joint financial plan for MHCC for 2018-20 in the context of changing resources, challenges and opportunities. The report sets out both the progress made to date in delivering savings and the focus over the next year of the three year plan.
- 1.3 Taken together with the other Directorate plans, the plan will show how the MHCC partnership will work together and with other partners to progress towards the vision set out in the Our Manchester Strategy.

## **2. The Business Plan**

- 2.1 The Locality Plan, 'Our Healthier Manchester', represents the first five years of ambitious, transformational change needed to deliver this vision. The MHCC Operational Plan for 2019/20 incorporates the plan for adult social care and public health which is set out from paragraph 4 below and includes:
  - Contribution to delivery of our Corporate Plan priorities
  - The vision and objectives
  - A self-assessment of key challenges for 2019/20
  - The revenue strategy
  - The capital strategy/programme
  - Other considerations
- 2.2 A more detailed plan will be submitted to Scrutiny Committees and Executive in February which will update the position and take into account the comments of this Committee.

## **3. Delivering Our Plan**

- 3.1 A key priority of the Our Manchester Strategy is to radically improve health and care outcomes in the city. Manchester has some of the poorest health outcomes in the country, and there are very significant health inequalities within the city.
- 3.2 The Locality Plan, 'Our Healthier Manchester', represents the first five years of ambitious, transformational change needed to deliver this vision.

- 3.3 The Locality Plan is fully aligned with the Our Manchester approach. This will mean supporting more residents to become independent and resilient, and better connected to the assets and networks in places and communities. Services will be reformed so that they are built around citizens and communities, rather than organisational silos.
- 3.4 The strategic aims of Our Healthier Manchester are to:
- Improve health and well-being in Manchester
  - Strengthen the social determinants of health and improve healthy lifestyles
  - Ensure services are safe, equitable, and of a high standard, with less variation
  - Enable people and communities to be active partners in health and well-being
  - Achieve a sustainable system
- 3.5 The Locality Plan will be the main driver of the priorities within the MCC Corporate Plan regarding healthy, cared-for people, which are:
- Support Mancunians to be healthy, well and safe
  - Improve health and reduce demand, by integrating neighbourhood teams that are connected to other services and assets locally, and delivering new models of care
- 3.6 Strengthening the social determinants of health is central to the Locality Plan, and will be influential in delivering other MCC Corporate Plan priorities, such as:
- Reduce the number of people becoming homeless, and enable better housing and better outcomes for those who are homeless
  - Reduce the number of children needing a statutory service
  - Support more Manchester children to have the best possible start in life and be ready for school and adulthood
  - Support good quality job creation for residents and effective pathways into these jobs
  - Balance our budget, including delivering savings, reducing demand through reform, and generating income
- 3.7 The Manchester Locality Plan describes a clear ambition for a healthier city, underpinned by integration, including the establishment of a 'Single Commissioning Function' in the form of the MHCC Partnership. The Partnership was established on 1 April 2017, enabled by a pooled budget of over £1.1 billion between the City Council and CCG.
- 3.8 The Partnership is currently planning for its third year of operation as an integrated health and care commissioner; seeking to strengthen MHCC's joint arrangements through improved business and financial planning, to ensure that the pooled budget is directed towards joint priorities that will improve the health and wellbeing of Manchester's residents and wider healthcare population.
- 3.9 This paper articulates the approach to date and work remaining, to support Council and CCG budget and service plan approvals by March 2019.

#### **4. Vision and Objectives**

##### **Health and Social Care integration**

4.1 The MHCC Operational Plan for 2019/20 sets out five key priorities for the health and social care system. Delivering these five priorities will drive the strategic aims of the Locality Plan set out above. These are:

1. Key enabling programmes, including – embedding the Our Manchester approach, demonstrating impact through effective evaluation, organisational development, full use of Manchester Care Record
2. Tackle health inequalities, including – delivering the Population Health Plan, inclusion health, and the wider determinants of health and well-being
3. Transforming community based care, including – delivering health and care in neighbourhoods, embedding new models of care, primary care, residential, nursing and homecare, cancer, mental health, learning disabilities, and children's health transformation
4. Hospital based care transformation – Single Hospital Service, link with GM hospital improvements, and performance improvements
5. System transformation – delivering financial balance, provider changes

##### **Manchester Local Care Organisation (MLCO)**

4.2 MLCO went live on 1 April 2018 and is in the process of integrating health and care in communities, and embedding new models of care. MLCO mainly fits within priority number three above, but has important links to all five priorities. The current MLCO priority areas of work are:

1. Integrated neighbourhood teams for 12 neighbourhoods in Manchester, integrating social care, primary care, mental health and community care – and connecting outwards to the wider assets and services in neighbourhoods
2. Manchester Community Response, as an integrated set of services for people who need short-term support – including Crisis Response, expanding the Reablement service, and Discharge to Assess. This approach is established in North Manchester, now live in Central Manchester, and will go live in South Manchester in 2019
3. High Impact Primary Care, which is an multi-disciplinary intensive support service for people with the most complex care needs who place the highest demand on the system as a whole

##### **Adult Social Care Priorities**

4.3 Adult Social Care is a core part of the integrated set of services in the Local Care Organisation. It is primarily located within priority number three of the MHCC plan, but has links across all five priorities. The priorities for adult social care in 2019/20 are:

1. Continuing to improve the delivery of business as usual – our statutory

duties under the Care Act (individual well-being, prevention, integration, information advice and advocacy, care markets, safeguarding, assessment, charging, care planning and personal budgets)

2. Adult social care improvement work to put the right foundations in place through work to embed streamlined process, effective practice, and an enabled workforce with the right resources in place to manage demand. This work is focused on strengthening our:
  - Assessment function including social work and primary assessment team
  - Provider services including our supported accommodation, reablement and supporting independence services
  - Safeguarding and Quality Assurance functions
3. System-wide work on integration and transformation, through
  - New models of care (e.g. reablement expansion, assistive technology, extra care housing, Our Manchester homecare, development of new approaches to residential and nursing care)
  - Effectively meeting need - implementing strengths based approaches, expanding shared lives, mental health improvement
  - Transformation workstreams (e.g. expansion of reablement, assistive technology, integrated front door, learning disabilities)
  - Integrating adult social care into the MLCO (e.g. social work practice and processes within the Integrated Neighbourhood Teams)

4.4 The adult social care improvement work will identify issues with the current services, work with the service to make improvements and plan for the future as well as ensure that the service is strengthened and integrated within the MLCO.

### **Manchester Population Health Priorities**

- 4.5 The Directorate of Population Health and Wellbeing is an integral part of MHCC and incorporates the statutory functions and mandated responsibilities for Public Health at the City Council. The Director of Public Health retains a reporting and accountability link back to the City Council. The mandated responsibilities include delivery of the Healthy Child Programme and National Child Measurement Programme, Health Protection, NHS Health Checks, Open Access Sexual Health Services
- 4.6 The MHCC Operational Plan for 2019/20 reflects the five priorities contained in the Manchester Population Health Plan agreed by the Health and Wellbeing Board in March 2018. The implementation of programmes relating to these priorities is led by the Population Health and Wellbeing Team. The priorities are:
  - Priority 1 – Improving outcomes in the first 1,000 days of a child's life
  - Priority 2 – Strengthening the positive impact of work on health
  - Priority 3 – Supporting people, households and communities to be socially connected and make changes that matter to them
  - Priority 4 – Creating an age-friendly city that promotes good health and

- wellbeing for people in mid & later life
- Priority 5 – Taking action on preventable early deaths

#### **4.7 Successes during 2018/19:**

- The Manchester Local Care Organisation went live on 1 April 2018
- Extra Care – additional investment has enabled 20 new Neighbourhood Apartments to be operational, providing short term accommodation to help stabilise and re-able people with longer-term housing needs
- Re-ablement – expansion of the existing service in order to help more people stay safe in their homes for longer – 59/62 new staff have been recruited and 42 have started in post by November 2018. A new Discharge to Assess service and Complex Reablement service have also been developed
- Prevention – Community Links for Health service has commenced in Central and South, 8/12 Health Development Coordinators are now in place
- A new approach to delivering homecare – Our Manchester Homecare – is now out to tender, to go live in April 2019. This is built around the strengths of each person cared for, the outcomes that matter to them, continuity of care, a place-based approach, and with higher pay and increased skills for staff
- Over 270 people have now been enrolled into the High Impact Primary Care programme by October 2018, which is now live in North, Central and South
- All of the above should impact by reducing demand for acute and secondary care including A&E attendances, non-elective admissions to hospital, and the costs of residential and nursing care

#### **5. Self-assessment of key challenges 2019/20**

##### **Health and Social Care integration**

5.1 The MHCC priorities for 2019/20 set out in section 2 above have been informed by an assessment of key information and data, and by engaging partners, the workforces and the Patient and Public Advisory Group. Information sources included:

- Development of an ‘evidence funnel’ which provides consistent processes for how information is collated and utilised by MHCC to generate intelligence and Joint Strategic Needs Assessment
- Engagement with Senior Leadership Team
- Review of progress against the 2018/19 Operational Plan and assessment of progress made by key workstreams
- Commissioning Intentions
- Review of the requirements for delivering the Locality Plan
- Review of Greater Manchester plans and programmes



## **Health and Social Care system-wide performance**

- 5.2 MHCC Board receives a monthly report summarising the quality and performance highlights for the whole health and social care system. The report covers key national, regional and local key performance indicators. The November 2018 report is available to read here:

[https://www.mhcc.nhs.uk/wp-content/uploads/2018/11/3.1-PQI-One-Report\\_Nov-2018\\_RPdraftv0.3\\_19.11.2018-1.pdf](https://www.mhcc.nhs.uk/wp-content/uploads/2018/11/3.1-PQI-One-Report_Nov-2018_RPdraftv0.3_19.11.2018-1.pdf)

- 5.3 Some of the key measures of quarterly performance across the system and on new models of care are as follows:

- Delayed Transfers of Care increased 1.4% in the first two quarters of the year in comparison with same period in the previous year.
- In the first quarter of 2018/19 there was 8.5% increase in the number of A&E attendances for individuals within the target cohort compared with the same period in the previous year.
- In the first quarter of 2018/19 there was 22.4% increase in the number of non elective admissions for individuals within the target cohort compared with the same period in the previous year.

## **5.4 Adult Social Care performance**

- Admissions to Nursing Care improved (reduced) by 6% (4 admissions) in the first 5 months of the year in comparison with the same period in the previous year while admissions to Residential Care didn't change.
- After two consecutive months of decreases in the number of hours of homecare there has been an increase of 1.9% (428 hours) in comparison with the previous month and 5.7% (1998 hours) in comparison with same period in 2017.
- Targeted work by the Acting Director of Adult Social Services (DASS) will be required to address improvements in performance including backlogs in assessments, reassessments and reviews.
- In the first 7 months of the financial year 51.8% (494 out of 953 people) left reablement with no further care commitments, this is under the 54% target, but 4.1% better than the previous year.
- 977 citizens have been accepted in reablement between April and October 2018, the target for the same period was 1610 citizens.
- 8 out of 11 (72.7%) services provided directly by MCC currently have Good CQC rating and 3 are rated as 'Requires Improvement'
- Social care-related quality of life score, based on results of the statutory annual Adult Social Care Survey, decreased from 18.4 in 2017 to 18.3 in 2018.

## **5.5 Finance and value for money**

- The financial position at the end of October 2018 is an overspend of £3.415m for Adult Social Care with £3.537m relating to the MHCC Pooled Budget for ASC and an underspend of £122k on the Adults

- Safeguarding budget with is out of the scope of the pooled budget
- The reason for the pressure on the pooled budget in 2018/19 is largely from the delayed implementation of the new care models and the non delivery of other savings. Demography funding of £3.766m has been applied to support the reported budget position based on estimated growth in demand since the start of the year.
- There is a budget pressure of c£1.1m on Agency staff for in-house services which is now part of MLCO. A recovery plan for this pressure is in development by MLCO.
- The reported budget position is supported by significant non-recurrent resource from the Adult Social Care grant.

## 5.6 Workforce

- Enabling the workforce to be resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment is critical and we are committed to plan for the future workforce. There is a commitment to ensure staff are equipped with the skills and knowledge needed to be able to work in an Our Manchester way. We are supporting our managers through Our Manchester Leadership and Raising the Bar training.
- It is essential that we continue to embed the Our Manchester approach and behaviours throughout the workforce and in the services approach to delivery. A key enabler in delivering the priorities set out in this plan is enabling staff to understand, buy in to and have tools and techniques to start to work in an Our Manchester strengths based way. A system-wide programme for all staff across all parts of the system is under development, building on the existing Our Manchester experience and expanding it's remit so that it is more more reflective of partnership working and that there is a stronger focus on enabling staff to develop practical tools and techniques to apply the approach in their workplace. The programme comprises a range of inter-connected parts including building rapport, Our Manchester context, introduction to strengths, hearts and minds and the Our Manchester behaviours, practical tools and techniques for working in a strengths based way, connecting people and place and moving to activation. The programme has been co-designed with broad input from staff across the system and is subject to testing in December and January before being rolled out from February with an initial priority focus on the MLCO workforce.
- Average of 14 days per FTE employee lost to sickness over the last 12 months, 14% decrease in comparison with the previous year and about 2 days higher than MCC average. There is a projected overspend of £969k in Adults when including recruitment assumptions. Overspends of c.£1.500m continue to relate overwhelmingly to agency usage within In-house Services. Work continues to reduce agency usage, including the flexible deployment of staff cover pressure areas, continued close scrutiny of the staffing rota system, addressing sickness levels and

ongoing planned recruitment to vacant roles.

## **5.7 Governance and assurance**

- Manchester's health and social care governance arrangements sit within MHCC and be led through MHCC's Executive committee, reporting to the Board. City Council representation includes at least one Executive Member and another position nominated by an Executive Member, currently the City Council Chief Executive, with the City Treasurer in attendance.
- The City Council has entered into a partnership to formally establish the Local Care Organisation (LCO) and to ensure the delivery of integrated health and social care services. The partnership comprises four provider organisations Manchester City Council, Manchester Foundation Trust, Manchester Primary Care Partnership and Greater Manchester Mental Health Each of the four partners have two places on the LCO Board and one vote. For Manchester the LCO Board is represented by an Executive Member and another position nominated by the Executive Member, currently the Deputy Chief Executive.
- Manchester City Council and NHS Manchester CCG have agreed a pooled single commissioning budget for health, adult social care and public health from April 2018 with a Section 75 Partnership Agreement and Financial Framework. There is the Manchester Agreement, which sets the overall financial context for health and social care, including detailed financial and activity assumptions.

## **6. Revenue Strategy**

- 6.1 The 2018 budget at the end of October confirmed the Government's commitment to growth for the NHS of £20.5 billion across the next five years. Funding is expected to be front loaded in the first two years of the spending settlement at 3.6%, resulting in an estimated additional £4.1 billion extra national funding in 2019/20. Organisational level funding remains to be confirmed. It is expected that the first priority in terms of the use of this funding will be towards provider and commissioner sustainability funding, and transformation funding.
- 6.2 The 2018 budget also announced a Social Care Support Grant for adults and children's social care £650m. Within this is a continuation in 2019/20 of £240m winter pressure funding provided in 2018/19 to ensure that adult social care pressures do not create additional demand on the NHS. The Winter Pressures grant for Manchester is £2.666m in both 2018/19 and 2019/20 and is required to be pooled and reported on as part of the Better Care Fund. The proposals for the City Council funding have been endorsed by the MLCO Executive Committee and will be presented to MHCC Executive later in November and then for approval to the Council's Executive in December. This leaves £410m nationally of which £4.555m is for Manchester to improve the social care offer for adults and children's social care in 2019/20.

- 6.3 The Government's Green Paper regarding care and support for older people was expected later this year linked to the 10 year NHS plan. It is hoped that the paper will set out plans to improve care and support for older people and tackle the challenge of an ageing population. The Ministry of Housing, Communities and Local Government (MHCLG) has also consulted on proposed changes to the Adult Social Care Relative Needs Formula. The present formula has been in place since 2005/06, with some elements using the 2001 Census information. It is likely that it will be 2020/21 before any changes are now concluded.
- 6.4 The Council's element of the Manchester Health and Care Commissioning (MHCC) Pooled Budget relates to Adult Social Care services, excluding Homelessness, Voluntary and Community Sector grants and the Adults Safeguarding service. Table 1 sets out the base budget for Adult Social Care in 2018/19 of £180.290m of which £4.213m is out of scope of the pooled budget and £176.077m is in the scope of the pooled budget.

**Table 1: 2018/19 Base budget**

| <b>Adult Social Care Budget</b>   | <b>2018/19<br/>Gross<br/>Budget<br/>£'000</b> | <b>2018/19<br/>Net<br/>Budget<br/>£'000</b> | <b>2018/19<br/>Budgeted<br/>Posts<br/>(FTE)<br/>£'000</b> |
|-----------------------------------|---|---|---|
| Asylum                            | 2,911   | 57  | 8.00  |
| Commissioning                     | 2,040   | 1,819                                       | -   |
| Safeguarding                      | 2,544   | 2,337                                       | 40.50   |
| <b>ASC budget outside of pool</b> | <b>7,495</b>                                  | <b>4,213</b>                                | <b>48.50</b>  |
| Assessment / Support              | 8,559   | 6,140                                       | 223.86  |
| Care                              | 66,536  | 41,122                                      | 335.59  |
| Commissioning                     | 9,515   | 8,979                                       | 32.20   |
| Business Units                    | 5,444   | 5,129                                       | 468.80  |
| Learning Disability               | 59,297  | 51,989                                      | 46.65   |
| Mental Health                     | 25,219  | 23,192                                      | 7.00  |
| Public Health                     | 39,428  | 37,275                                      | 44.36   |
| Back Office                       | 10,392  | 2,250                                       | -   |
| <b>ASC budget in MHCC pool</b>    | <b>224,389</b>                                | <b>176,077</b>                              | <b>1,158.46</b>   |
| <b>Total ASC cashlimit budget</b> | <b>231,884</b>                                | <b>180,290</b>                              | <b>1,206.96</b>   |

- 6.5 The approved 2018/19 baseline position for the MHCC pooled budget was £186.475m. After taking account of adjustments and changes to allocations during 2018/19 the revised baseline pooled budget contribution for 2018/19 is £176.077m.

**Table 2: 2018/19 Pooled Budget**

| Reconciliation of cashlimit to approved pooled budget contribution | 2018/19 Net Budget £000 |
|--|-------------------------|
| <b>Proposed Pooled Budget</b>                                      | <b>186,475</b>          |
| <b>Less changes in 2018/19:</b>                                    |                         |
| Inflation applied to Homelessness                                  | 1,265                   |
| Reduction in estimated inflation for ASC                           | 1,525                   |
| National Living Wage not required from 2017/18                     | 383                     |
| MHCC Pooled Budget Contribution not in cashlimit                   | 4,000                   |
| Business Support (pending trf from Children's)                     | 2,957                   |
| Corporate savings/adjustments                                      | 268                     |
|  | <b>10,398</b>           |
| <b>MHCC Cashlimit Total</b>  | <b>176,077</b>          |

- 6.6 The new care models and savings schemes approved for the 2018-20 budget remain as planned but the delivery of benefits and cost of models have changed to reflect phasing and mobilisation. A re-assessment of the estimated costs and benefits from new care models based on the business cases has changed the gross savings and investment relating to individual care models.
- 6.7 For new care models most of the Adult Social Care saving will fall to Homecare and Residential and Nursing budgets. The latest position is as follows:
- **Assistive Technology Scheme** - Medicines support pathway which could include automated medication dispenser and Comprehensive 'Front Door' Assistive Technology offer, which will provide support to elderly people and those with long term health conditions. For 2018/19 gross savings from the Homecare budget of £2.399m were estimated. Both elements of Assistive Technology are in the very early stages of development and as a result no cost savings are expected to be delivered for 2018/19. For 2019/20 gross savings of £1.422m are estimated.
  - **Extracare** – In 2018/19 this involved the introduction of Village 135 scheme and the provision of 20 new Neighbourhood Apartments within Extra Care or Retirement Housing to allow older people to benefit from a short stay at a time when their needs are changing and their full potential or recovery level is unclear. The original estimate of savings was £2.254m for 2018-20. Due to delays in further schemes starting as a result of previous uncertainties over government funding, most of the savings and investment for 2019/20 are expected to be delayed to 2020/21. There are projected financial savings from Residential and Nursing budgets of £1.281m. The current forecast is that all of these savings will be delivered in 2018/19.
  - **High Impact Primary Care** - This work programme provides primary care-led, proactive, intensive person-centred support for the 2% of people living

with the most complex medical and social needs and those who are the most frequent users of acute care services. There are financial savings in 2018/19 of £504k from Homecare and Residential and Nursing budgets which will have not been delivered in 2018/19. For 2019/20 the gross savings of £446k are estimated.

- **Reablement** – The service aims to provide up to 6 weeks of reablement support to people with the aim of stabilising their situation and making them safe. Complex re-ablement is a new complex pathway service model to support citizens to remain in the community for as long as is feasible. For 2018-20 there were estimated savings of £3.374m from Homecare and Residential and Nursing budgets. The current forecast is that £661k of these savings will be delivered in the last six months of 2018/19. For 2018-20 gross savings of £3.588m are now estimated.
- **Prevention** programme has three elements - Community Links for Health, Health Development Coordinators and Community Capacity Fund. There are financial savings in 2018-20 of £1.369m from Residential and Nursing budgets. The current forecast is that none of these savings will be delivered in 2018/19. For 2019/20 the gross savings are estimated at £356k.

6.8 There are other planned savings from adult social care, most of which are unchanged for 2018-20 although there have been some delays in delivery.

- **Contract Review** - There is a savings target for ASC of £500k in 2018/19 this involves a review of contracts related to commissioned services. The aim was to achieve £500k of savings by identifying a number of contract related efficiencies. The current forecast is that none of these savings will be delivered in 2018/19 and are delayed until 2019/20.
- **High Cost Placements** - Savings of £950k for 2018/19 and further savings of £500k for 2019/20, following savings of £1.2m achieved in 2017/18. A full analysis has been undertaken of the 1,099 people with Learning Disabilities, which includes reviewing the type of provision that they are receiving. These savings are on track to be delivered.
- **Public Health** - 545k of savings achieved has been identified against activity contracts.
- **Recommissioning of low value packages** - There is a savings target for ASC of £250k in 2018/19 and further £250k in 2019/20. This work programme intended to review the individual adult social care support packages of individual who have a support package value less than £100. A sample review of 60 individuals which identified that there was very limited scope for any potential cost savings as most people were actually receiving statutory support. As a result the work programme is no longer being pursued as a separate saving and where it is identified that savings may be deliverable from low value packages of care the

process of reviewing these packages of care will now take place as part of the new Strengths Based Assessment work programme (below).

- **Strengths based support planning** - The 2018-20 budget included a savings target of £775k in 2018/19 from a review of the Resource Allocation System particularly with use around Learning Disability packages of care. The intention was to move towards a strengths based approach as a model for reform and identifying opportunities for applying the approach in the short, medium and long term. The proposed approach is based on a 'creative, whole life care and support journey' with individually designed outcomes based on 'personalisation', a Resource Allocation Approach (RAA) that links to need and complexity and development of a community asset approach. This project is being developed with a focus in two areas:
  - A strengths based review of Mental Health adult social care individuals is being developed by Greater Manchester Mental Health. This is expected to provide reductions in the overall cost of packages of care.
  - A workforce development exercise which involves training all social care staff in the strengths based assessment approach which encourages a more holistic way to reviewing individuals. This part of the work programme may also involve reviewing the current RAS process to reflect the strengths based approach.
- **Homecare** - Savings of £750k are estimated for 2019/20 based on financial models that supported the approved proposal. Bids are currently being reviewed by MCC Corporate Procurement and MHCC is determining the mobilisation plan to ensure that reviews are up to date and to ensure a smooth hand over of services between existing providers and new providers from April 2019.

6.9 The 2018-20 the financial plan has been updated to reflect revised estimated savings, this has led to a reduction in planned gross savings of £2.8m to £7.1m. Some of the gross savings were intended to fund the ongoing cost of the models, this shortfall is mitigated in part by a reduction in estimated costs of £1.4m. To mitigate the remaining shortfall in savings of £1.4m, unspent ASC grant earmarked for Reablement in 2018/19 will be carried forward to 2018/19 to part fund the Reablement model in 2019/20. From 2020/21 care models will be funded from savings.

6.10 Budget planning for the City Council proposes a further savings requirement for directorates which includes an additional £200k from Adult Social Care which would mean increased planned savings to £8.737m for the 2018-20 period. It is proposed that the additional savings are identified from the Learning Disability budget from an expansion of the existing Shared Lives programme (£150k) and further new care model investment (£50k). Appendix 3 provides the savings schedule showing the original planned savings for 2018-20 and the proposed revised savings.

6.11 In addition to savings a proposed £4m risk share contribution from the pooled budget (subject to approval by MHCC Board) is reflected in the recovery proposals for the adult social care budget for 2019/20.

6.12 The table below shows the revised position on the budget reflecting the changes set out above.

**Table 3: 2019/20 proposed changes and revised budget**

| Service Area        | Approved MTFP            |                        |                                    | 2019/20 Net Budget £'000 | 2019/20 Identified pressures £'000 | 2019/20 Recovery proposals £'000 | Proposed 2019/20 Net Budget £'000 |
|---------------------|--------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|----------------------------------|-----------------------------------|
|                     | 2018/19 Net Budget £'000 | Approved savings £'000 | Investment and other changes £'000 |                          |                                    |                                  |                                   |
| Assessment/Support  | 6,140                    | (37)                   | (192)                              | <b>5,911</b>             | 0                                  | 0                                | 5,911                             |
| Care                | 41,122                   | (3,963)                | (2,004)                            | <b>35,155</b>            | 1,735                              | (500)                            | 36,391                            |
| Commissioning       | 10,798                   | 0                      | 0                                  | <b>10,798</b>            | 0                                  | 0                                | 10,798                            |
| Business Units      | 5,129                    | 0                      | 0                                  | <b>5,129</b>             | 0                                  | 0                                | 5,129                             |
| Learning Disability | 51,989                   | (375)                  | (585)                              | <b>51,029</b>            | 0                                  | (150)                            | 50,879                            |
| Mental Health       | 23,192                   | (125)                  | 217                                | <b>23,284</b>            | 0                                  | (775)                            | 22,509                            |
| Public Health       | 37,275                   | 10                     | 0                                  | <b>37,285</b>            | 0                                  | 0                                | 37,285                            |
| Safeguarding        | 2,337                    | 0                      | 0                                  | <b>2,337</b>             | 0                                  | 0                                | 2,337                             |
| Asylum              | 57                       | 0                      | 0                                  | <b>57</b>                | 0                                  | 0                                | 57                                |
| Back Office         | 2,250                    | 4,472                  | 6,404                              | <b>13,126</b>            | 1,071                              | (5,582)                          | 8,615                             |
| <b>Total</b>        | <b>180,290</b>           | <b>(18)</b>            | <b>3,840</b>                       | <b>184,112</b>           | <b>2,807</b>                       | <b>(7,007)</b>                   | <b>179,912</b>                    |

6.13 For 2019/20 the budget approved in February 2018, included an investment requirement of £15.115m for adult social care, in addition to funding the national living wage, inflation and demography. After taking account of delivery of planned savings and reduction in the Adult Social Care Grant, this led to a pooled budget contribution of £194.796m in 2019/20.

6.14 The pooled budget contribution for adult social care in the cash-limit budget for 2019/20 is £175.699m. The reconciliation of this budget back to the proposed pooled budget for 2019/20 of £194.796m is shown in the table below.

**Table 4: Proposed Pooled Budget**

| Proposed Pooled Budget Contribution for Adult Social Care 2019/20 | 2019/20 Net Budget £000 |
|---|-------------------------|
| <b>Proposed Pooled Budget</b>                                     | <b>194,796</b>          |
| <b>Less:</b>  |                         |
| Changes in 2018 (see Table 2)                                     | 10,398                  |
| 19/20 inflation (est) to be allocated                             | 4,241                   |
| 19/20 National Living Wage (est) to be allocated                  | 4,258                   |
| Additional Savings Target   | 200                     |
| <b>MHCC Cashlimit Total</b>                                       | <b>175,699</b>          |

*\*Subject to approval by City Treasurer in consultation with Executive Member for Finance and Human Resources*



6.15 The revised MHCC Pooled Budget contribution for 2019/20 will be proposed to the Executive for approval as part of the final budget proposals in early 2019.

## **7. Capital Strategy / Programme**

7.1 The capital programme for Adult Social Care totals £25.3m over the period 2018/19 -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, with the detailed projects shown in Appendix 2:

|                   | 2018/19<br>£m's | 2019/20<br>£m's | 2020/21<br>£m's | 2021/22<br>£m's | <b>Total<br/>£m's</b> |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Gorton Health Hub | 1.4             | 10.2            | 8.6             | 2.6             | <b>22.8</b>           |
| Other             | 1.2             | 0.4             | 0.4             | 0.4             | <b>2.4</b>            |
| <b>Total</b>      | <b>2.6</b>      | <b>10.6</b>     | <b>9.0</b>      | <b>3.0</b>      | <b>25.2</b>           |

7.2 Work is progressing on the design and tenancy framework for the Health Hub, which will bring together key organisations responsible for tackling worklessness and low skills.

7.3 The ongoing budget for capitalising community equipment, which previously has been funded from a revenue contribution, will be removed as this is now being funded through Disabled Facilities Grant.

## **8. Other Considerations**

8.1 It should be noted that any changes proposed from business plans may require public consultation depending on their nature and impact on services. There remains a statutory requirement to consult business rate payers each year as part of the budget setting process.

8.2 The business plans submitted to Executive and Scrutiny Committees in February will include a full description of consultation and conversation with partners and other stakeholders that have taken place to develop the budget proposals, as well as the potential impact of proposals on different communities in Manchester and outcomes of equality analysis carried out and future Equality Impact Assessments required. Workforce implications will also be considered, including any required reduction in budgeted posts as well as strategic workforce development objectives for the service.

## Appendix 1 - Revenue Financial Plan

Table showing an overall summary of financial position

| Subjective Heading                            | 2018-2019 Budget £'000 | 2019-2020 Indicative Budget £'000 |
|---|------------------------|-----------------------------------|
| <b>Expenditure:</b>                           |                        |                                   |
| Employees                                     | 43,102                 | 43,102                            |
| Running Expenses                              | 183,448                | 183,070                           |
| Capital Financing Costs                       | 171                    | 171                               |
| Contribution to reserves                      |                        |                                   |
| <b>Total Subjective Expenditure</b>           | <b>226,721</b>         | <b>226,343</b>                    |
| Less:   |                        |                                   |
| Other Internal sales                          | 0                      | 0                                 |
| <b>Gross Expenditure</b>                      | <b>226,721</b>         | <b>226,343</b>                    |
| <b>Income:</b>                                |                        |                                   |
| Government Grants                             | (5,158)                | (5,158)                           |
| Contributions from Reserves                   | 0                      | 0                                 |
| Other Grants Reimbursements and Contributions | (22,304)               | (22,304)                          |
| Customer and Client Receipts                  | (18,959)               | (18,959)                          |
| Other Income                                  | (11)                   | (11)                              |
| <b>Total Net Budget</b>                       | <b>180,290</b>         | <b>179,912</b>                    |

## Appendix 2 - Capital Strategy / Programme table

| Project Name  | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's | Total £000's  |
|---|----------------|----------------|----------------|----------------|---------------|
| <b>Adult Social Care Programme</b>                      |                |                |                |                |               |
| Capitalisation of Community Equipment                   | 368            | 386            | 405            | 425            | 1,584         |
| Phase 1 Implementation - Locality Plan Programme Office | 874            | 0              | 0              | 0              | 874           |
| Integrated Working - Gorton Health Hub                  | 1,400          | 10,150         | 8,627          | 2,619          | 22,796        |
| <b>Total Adult Social Care Programme</b>                | <b>2,642</b>   | <b>10,536</b>  | <b>9,032</b>   | <b>3,044</b>   | <b>25,254</b> |

| <b>Appendix 3 Adult Social Care Savings 2018-20</b> |       | <b>Approved Budget 2018-20 Cumulative Savings £,000</b> | <b>Proposed Budget 2018-20 Savings £,000</b> | <b>Change £,000</b> |
|---|-------|---|--|---------------------|
| <b>New Care Models Gross Savings</b>                |       |   |  |                     |
| Extra Care  | Green | -2,254  | -1,281                                       | 973                 |
| Assistive Technology                                | Red   | -2,399  | -1,422                                       | 977                 |
| Reablement Core / Complex                           | Red   | -3,374  | -3,588                                       | -214                |
| High Impact Primary Care Prevention                 | Red   | -504  | -446   | 58                  |
|   | Red   | -1,369  | -356   | 1,013               |
| <b>Gross NCM savings</b>                            |       | <b>-9,900</b>   | <b>-7,093</b>                                | <b>2,807</b>        |
| <b>New Care Models Investment</b>                   |       |   |  |                     |
| Extra Care  |       | 1,605   | 963  | -642                |
| Assistive Technology                                |       | 1,079   | 469  | -610                |
| Reablement  |       | 2,531   | 949  | -1,582              |
| Carers  |       | 23  | 0  | -23                 |
| Total Investment                                    |       | <b>5,238</b>  | <b>2,381</b>                                 | <b>-2,857</b>       |
| <b>New Care Models - Net Savings</b>                |       | <b>-4,662</b>   | <b>-4,712</b>                                | <b>-50</b>          |
| <b>Other ASC Savings</b>                            |       |   |  |                     |
| Public Health                                       | Green | -545  | -545   | 0                   |
| High Cost Placements (Learning Disability)          | Amber | -1,450  | -1,450                                       | 0                   |
| Strengths Based Support - Mental Health             | Red   | -775  | -775   | 0                   |
| Homecare outcomes based commissioning               | Amber | -750  | -750   | 0                   |
| Re-commissioning of low value packages              | Red   | -500  | 0  | 500                 |
| Contract Review                                     | Red   | -500  | -500   | 0                   |
| Prepaid Cards for Cash                              | Amber | -200  | -200   | 0                   |
| Individual Budgets                                  |       |   |  |                     |
| Strengths Based Support Planning - All ASC Packages | Red   |   | -500   | -500                |
| Shared Lives (net of £150k investment)              | Red   |   | -150   | -150                |
| <b>Other ASC Savings</b>                            |       | <b>-4,720</b>   | <b>-4,870</b>                                | <b>-150</b>         |
| <b>Reversal of non-recurrent savings in 2017/18</b> |       |   |  |                     |
| Minor Schemes                                       |       | 595   | 595  | 0                   |
| Adult Social Care Grant - non-recurrent             |       | 250   | 250  | 0                   |
| <b>Total</b>  |       | <b>845</b>  | <b>845</b>                                   | <b>0</b>            |
| <b>Total</b>  |       | <b>-8,537</b>   | <b>-8,737</b>                                | <b>-200</b>         |