

Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 7 January 2020

Subject: Adult Social Care and Population Health Budget 2020/21

Report of: The Executive Director of Adult Social Care

Summary

Manchester Health and Care Commissioning (MHCC), a partnership between Manchester City Council and Manchester Clinical Commissioning Group, was formed as the single commissioner for health, public health and adult social care in April 2017. MHCC has operated a single pooled budget, planning, delivery and assurance process since April 2018. This has overseen all of MHCC's commissioning responsibilities and includes single pooled budget arrangements.

It is now moving into the second phase of its development, focusing on its role as a strategic commissioner, working with key system delivery partners: MLCO as an integrated provider of out of hospital care; MFT; federated models of primary care and more latterly Primary Care Networks; and Greater Manchester Mental Health Foundation Trust (GMMH) as the mental health provider for the City.

For 2020/21 the business and budget plan for Adult Social Care and Population Health will be part of the MHCC Plan which reflects the refreshed Manchester Locality Plan and is supported by the Manchester Local Care Organisation (MLCO) Operational Plan for 2020/21. Summary draft reports are provided for Health Scrutiny Committee for information and comment. Whilst the Council determines the scale of its contribution into the pooled budget, to reflect the partnership arrangements in place with partners, this has been developed with the Chief Finance Officer MHCC and the Director of Finance MLCO.

This report summarises the budget proposals made to determine the Council's contribution to the MHCC pooled budget for 2020/21. The budget proposals reflect the September Spending Round commitment for a continuation of the Better Care Fund grants which include the £2.667m ASC Winter Pressures grant and the £4.555m Social Care grant announced in December 2018. The recently announced additional Social Care grant funding (£1billion nationally), 2% ASC Precept and estimated additional funding for Public Health in 2020/21 are included as part of the proposals.

In aggregate the proposals reflect additional investment for Adult Social Care and Population Health of £22.8m to sustain services at the same levels as 2019/20, support the statutory functions of the Council, deliver the Corporate priorities and to continue to support the integration of health and social to improve outcomes for citizens. This would bring the total 2020/21 budget for ASC and Population Health to £220.7m and the contribution to the MHCC Pooled Budget from the City Council to £216.3m.

The Council’s budget proposals for 2020/21 will be subject to further refinement following feedback from public consultation and scrutiny committees. The figures may be subject to change following the contents of the provisional Local Government Finance Settlement which has been delayed from 5th December as a result of the decision to call a General Election. At this point an indicative date has not been provided for the likely publication of the Settlement. Final budget proposals will be made to Scrutiny and Executive in February 2020.

Recommendations

The Committee is invited to review and comment on the proposals being made to the Executive in February 2020.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Supporting the City in driving forward the growth agenda with a particular focus on integrated commissioning and delivery which will focus on utilising available resources effectively and developing a diversity of providers including entrepreneurs and social enterprises. This will provide opportunities for local jobs
A highly skilled city: world class and home grown talent sustaining the city’s economic success	Integrated commissioning will focus on utilising available resources to connect local people to education and employment opportunities, promoting independence and reducing worklessness. Working with schools to engage and support our communities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The focus is on changing behaviours to promote independence, early intervention and prevention, the development of evidence-based interventions to inform new delivery models integration with partners where appropriate.
A liveable and low carbon city: a destination of choice to live, visit, work	Development of integrated health and social care models and local commissioning arrangements that connect services and evidence-based interventions to local people and enable families and their workers to influence commissioning decisions aligned to locally identified needs. Schools as community hubs playing an essential role in reaching out to communities and leading early intervention and prevention approaches at a local level

A connected city: world class infrastructure and connectivity to drive growth	Aligns to inclusive growth priority by supporting more residents to become independent and resilient, and better connected to the assets and networks in places and communities.
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Full details are in the body of the report, along with implications for:

- Equal Opportunities
- Risk Management
- Legal Considerations

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 2020/21 and revenue contribution to the Manchester Health and Care Commissioning Pooled Budget for Adult Social Care for approval by the Executive in February 2020.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Manchester Health and Care Commissioning - Adult Social Care Business Plan
2019/20, Executive 13th February 2019

1. Introduction

- 1.1 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.
- 1.2 The Locality Plan, 'Our Healthier Manchester', represents the first five years of ambitious, transformational change needed to deliver this vision. 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. The Locality Plan is aligned to the Council's Corporate Plan priority - 'Healthy, Cared for People'.
- 1.3 This paper describes the arrangements that are in place to deliver on these ambitions and improve outcomes for our residents. This includes the proposed resources that are required to ensure that the work to improve adult social care services can continue, as part of the delivery of new models of care and the development of the Integrated Neighbourhood Teams.
- 1.4 Ultimately, the proposed investment and the plans associated with that investment will ensure continuation of the important work to support our most vulnerable residents. From the perspective of Adult Social Care in particular this will be both through delivering our statutory duties safely and effectively, and through working effectively with the wider care market to ensure a sustainable local offer is in place.
- 1.5 Manchester Health & Care Commissioning (MHCC), a partnership between Manchester City Council and Manchester Clinical Commissioning Group, was formed as the single commissioner for health, public health and adult social care in April 2017. MHCC has operated a single pooled budget, planning, delivery and assurance process since April 2018. This has overseen all of MHCC's commissioning responsibilities and includes single pooled budget arrangements.
- 1.6 This report summarises the budget proposals for Adult Social Care (ASC) and Population Health (PH) to determine the Council's contribution into the MHCC pooled budget for 2020/21. The budget reflects that 2020/21 is a one year spending round and deferral of the planned local authority funding reforms including the revision of the funding formula and the business rates revaluation and reset. The Council's budget proposals for 2020/21 will be subject to further refinement following feedback from public consultation and scrutiny committees. The figures may be subject to change following the contents of the provisional Local Government Finance Settlement.
- 1.7 The proposals in this report will seek approval from Council's Executive in February 2020 to:

- Continue the permanent improvement plan and system resilience funding agreed by the Executive in February 2019 which includes further £1.366m for 2020/21 (para 3.3)
- Make permanent further £1.210m resilience funding for ASC following confirmation of the ASC Winter Pressures grant for 2020/21 (paras 3.5 / 3.6)
- Allocate further investment for pay and prices, National Living Wage and increased need of £9.808m (paras 3.8 / 3.9)
- Approve further funding proposals following the Spending Round to sustain services at the same levels as 2019/20 and new investment for Extra Care schemes and Population Health priorities in 2020/21 (paras 3.11 - 3.24):
 - Additional social care grant allocation of £7m
 - Estimated additional Public Health grant funding of £1.363m
 - Consultation on 2% Adult Social Care precept estimated to generate additional £3.259m of resources
- Contribute a non-recurrent £1m towards MLCO overheads from Adult Social Care reserve in 2020/21

1.8 For 2020/21 the majority of the ASC and PH budget within the remit of the MHCC Pooled Budget will be managed by MLCO and will form part of its integrated budget and business plan. MLCO will work closely with MHCC to ensure continued alignment to delivery of the Manchester Locality Plan and MHCC Operational Plan priorities.

1.9 There will be a single health and social care partnership budget report from MHCC, including the refreshed Manchester Locality Plan and supported by the Manchester Local Care Organisation (MLCO) Operational and Financial Plan for 2020/21. As the Council's budget timeline is ahead of national NHS contracting and budget timescales, the reports which make up the single health and social care partnership budget are in summary and draft at this stage. A further updated version of the reports will be provided for February Health Scrutiny Committee.

1.10 This report is supplemented by:

- Annex 1 – Draft MHCC Budget Report 2020/21 for the MHCC Pooled Budget including MHCC Operational Plan on Page and Refreshed Manchester Locality Plan
- Annex 2 - Draft summary of MLCO 2020/21 Operational Plan including draft budget MLCO for community health and social care.

2. Budget priorities

2.1 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 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

- 2.2 The Council's work to ensure our people are healthy and cared for is primarily delivered through MHCC and MLCO. Population Health services form part of MHCC, whilst the delivery and commissioning of adult social care services is managed by MLCO. Adult social care services play a key role in Integrated Neighbourhood Teams (INTs) and are part of the delivery of new models of care (NCMs)
- 2.3 Manchester's Adult Social Care Improvement Programme is driving significant change and longer term sustainability through investment in workforce, a shift of focus to 'our people in place' via the mobilisation of 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.
- 2.4 The programme will also transform how services are delivered at our 'Front Door' by supporting integrated responses, access to a wider range of system informatics and linking our people to innovation in care and support through a mainstreamed Technology Enabled Care offer.
- 2.5 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.
- 2.6 The Care Market is a vital component of the Adult Social Care system supporting Manchester to meet statutory responsibilities and supporting Mancunians to live as independently as possible. Focussed work during 2020/21 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.

- 2.7 The 2020/21 budget plan reflects that 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 and reductions in demand for acute or long term care. The budget proposals reflect the need for investment to stabilise and sustain the service and continue the investment to support the integration of health and care.
- 2.8 The framework for how the Council supports its workforce is set out in the People Strategy. This is currently being updated and the revised version will form part of the suite of budget reports. Building on the budget plan for 2019/20, the proposals in this report have put in place further funding to enable greater permanent capacity to support system resilience and integration as a result of the improvement plan, new models of care and the number of additional posts being created.

3. 2020/21 Budget Proposals

- 3.1 The Adult Social Care net budget in 2019/20 is £197.9m of which £193.6m is in the scope of the MHCC Pooled Budget. Table 1 below provides a breakdown of how the budget is allocated both within and outside of the Pooled Budget.

Table 1: 2019/20 Base budget

Adult Social Care and Population Health Service Area	2019/20 Gross Budget	2019/20 Net Budget	2019/20 Budgeted Posts (FTE)
	£'000	£'000	£'000
Localities including social work	10,938	7,979	313.1
Reablement	8,742	4,820	269.2
Learning Disability including social work	62,696	56,551	530.8
Mental Health including social work	25,853	23,650	7.0
Other Care – Homecare, Res & Nursing	66,470	42,737	101.5
Public Health	39,633	37,452	47.4
Commissioning	10,405	9,808	39.2
Back Office	10,515	5,078	106.5
Inflation & National Living Wage	8,172	5,172	0.0

Demography	356	356	0.0
MHCC Pooled Budget	243,780	193,604	1,414.7
Asylum	2,911	57	6.0
Voluntary & Community Sector (Adults)	2,080	2,080	0.0
Safeguarding	2,166	2,166	46.5
ASC Services Out of Scope	7,157	4,303	52.5
Total	250,937	197,907	1,467.2

- 3.2 The 2020/21 proposed ASC budget, the majority of which will be the contribution to the MHCC pooled budget, reflects a continuation of the 2019/20 net budget of **£197.907m**. This includes continuation of existing Social Care Grants of £35m, including improved Better Care Fund (iBCF), additional iBCF, ASC Winter Pressures grant and share of 2019/20 Social Care grant.

Adult Social Care Improvement Plan

- 3.3 The 2020/21 proposed pooled budget contribution includes continuation of the investment for the ASC Improvement Programme agreed by the Executive in February 2019. This has enabled the recruitment to c50 FTE additional posts. For 2020/21 the ASC improvement investment has increased by an additional **£1.366m** to reflect the full year effect of the programme. This also included funding of £490k for nine social work managers for the INTs funded from GMTF in 2019/20 and 2020/21 with future funding to be reflected within the new INT structures.

- 3.4 The key deliverables for the ASC Improvement Programme in 2020/21 include:

- Full recruitment of social work and other workforce capacity provided as part of the investment;
- Assessment and support planning standards embedded with a significant reduction in waiting lists and return to business as usual;
- Liquid Logic phase one fully implemented;
- Full implementation of Strengths-Based Development Programme and quality assurance framework;
- Full mobilisation of Integrated Neighbourhood Teams including realisation of benefits of integration;
- Roll-out of all new Homecare contracts;
- Full mobilisation of all new care models with assessment of scope for further expansion for schemes such as technology enabled care and extra care accommodation;
- Progressing a detailed programme on the integration of Learning Disability Services;
- Procurement completed for priority contracts;

- Market demand and capacity assessment to support the development of a sufficiency and stabilisation plan.

System resilience to support transfers of care

- 3.5 The 2020/21 budget reflects continuation of the £2.667m ASC Winter Pressures grant. For 2019/20 the Executive approved £1.456m of funding from the grant on a permanent basis which provided funding for 35 fte additional posts. In addition funding of £0.7m was provided by the CCG to make permanent 18 fte social workers posts specifically for social work capacity in hospitals. The £1.456m was part of a wider permanent investment of £4.225m for adult social care to support improvement and resilience.
- 3.6 In 2019/20 the balance of the ASC Winter Pressures grant of £1.210m was made available for non-recurrent workforce and other schemes, the use of which was reported to Health and Wellbeing Board in October 2019. The budget proposals for 2020/21 includes permanent commitment to the £1.210m which will be used to:
- Continue with the expansion of the Complex Reablement service (14 ftes);
 - Provide additional capacity for assessments of people leaving the Reablement service (6 ftes);
 - Provide greater capacity in Manchester Supported Independent Living service for supporting people with complex needs (5 ftes) and
 - Provide winter planning and urgent care capacity for mental health (8.6 ftes).
- 3.7 The Executive Director of Adult Social Care is the MLCO executive lead for the safe and effective discharge of people from hospital. The CCG, Manchester Foundation Trust and MCC have each agreed £0.5m towards the cost of an Integrated Discharge Team to relieve system pressures resulting from delayed transfers of care. For MCC this is being funded from an increase in 2019/20 of the CCG contribution to the Better Care Fund for ASC of £896k, with £396k being applied to support the expansion of Extra Care schemes in 2020/21.

Demographic and inflationary increases

- 3.8 The ASC proposed cashlimit budget includes an allocation for pay and price inflation of **£7.793m**. To allocate as part of the upfront budget is a different approach to the other Directorate cashlimit budgets, which reflects the pooled budget arrangements with Health. This allocation is made up of:
- £1.530m - pay award for ASC staff employed by MCC of just over 3%. This reflects Council budget assumptions to be in line with potential increase to £10.50 by 2024/25 using Local Government pay scale, subject to confirmation on timing by Government.
 - £3.850m increase to reflect National Living Wage assumptions for ASC for external providers, subject to confirmation on timing by Government. To

uplift NLW to reflect a move to £10.50 by 2024/25 would be a further cost of £275k in 2020/21.

- £2.413m price inflation uplift to support contract uplifts including the capacity to support a move towards the Real Living Wage in the care market.

- 3.9 In order to set a sustainable budget for Adult Social Care resources are required to meet an assessment of prediction of future increase in needs based on population modelling. There is **£2.015m** projected for increased need during 2020/21 which will be included in the pooled budget to be allocated during the year.
- 3.10 It is proposed that for 2020/21 there will no longer be a requirement by MLCO to revert back to MCC for decisions on draw down of pay and price inflation and demographic growth shown. The additional funding must be used as intended to reflect a change to the budget baselines for unit prices and activity levels (to be provided separately). Proposed changes to the planned use of this funding will need to be reported to MLCO Partnership Board, which has representation from all key partners, to be agreed along with identifying whether any more formal approvals are required in line with the Council's key decision thresholds.

Outcome of Spending Round

- 3.11 Following the Spending Round the 2020/21 budget reflects further proposals to increase the ASC budget by **£11.6m** which includes:
- Share of the additional social care grant announced as part of the Spending Round of £7m
 - Additional 2% Adult Social Care precept estimated to generate additional £3.259m of resources
 - Estimated additional Public Health funding of £1.363m
- 3.12 The following paragraphs set out the proposed use of the additional resources of which £8.8m is to sustain services at the same levels as 2019/20 and £2.8m is new investment for Extra Care schemes and Population Health priorities.

New Care Models

- 3.13 MLCO has developed a number of new care models (NCMs) focused on preventing admission to acute settings, improving support for hospital discharge, providing improved community based support and supporting prevention and independence. Time limited investment funding has been made available from the Greater Manchester Transformation Fund (GMTF), adult social care grants and MHCC investment resources. NCMs are fundamental to the system based approach to enable the benefits to be realised and shared across the wider health and care system.
- 3.14 There is emerging evidence of reduced demand in high cost services, evaluations to date have shown:

- Manchester Case Management (previously known as High Impact Primary Care) has shown, through a quantitative analysis of hospital activity, a statistically significant reduction in Accident and Emergency attendances post service start
 - Reablement has shown that for the cohort of people who have had Reablement service during 2018/19 financial year and went on to have a home care package after leaving Reablement had, on average, 26% fewer homecare visits and 22% fewer homecare hours during the 6 months post reablement
 - ExtraCare has shown that neighbourhood apartments have likely necessitated upto 1,200 fewer days of residential / nursing care to the wider health and care system
- 3.15 For 2020/21 the schemes remain as planned but the delivery of benefits have changed to reflect phasing and mobilisation of models during 2019/20. This has resulted in original planned savings from new care models reducing by **£1.925m** (42%). The would result in savings being delivered in 2020/21 of £500k in respect of Reablement.
- 3.16 Investment is required for the ongoing costs of neighbourhood apartments and to expand the Extra Care programme to deliver an additional four schemes in 2020/21. This is £132k for 20 neighbourhood apartments and £1.232m for the care costs for 223 new Extra Care apartments. Of this £396k will be funded from 2019/20 additional BCF (para 3.7), £200k from GMTF and **£767k** required as new investment.
- 3.17 Non-recurrent resource ends in 2020/21 for the ongoing costs of Core and Complex Reablement of £0.8m. It is proposed this will be funded from the estimated Additional Better Care Fund contribution towards from the CCG for 2020/21. The budget also includes continued funding for the Council to meet ongoing cost of existing new care models Discharge to Assess of £0.706m and Crisis Response of £88k which the CCG have committed to fund in 2020/21.
- 3.18 Funding for NHS long term planning priorities and commitments for 2020 - 2025 have not yet been allocated by NHS England to Greater Manchester or CCGs. Once this is confirmed there is a need to review impact and evidence from evaluation of all NCMs and determine longer term costs and benefits. This will need to be reflected in the medium term financial planning assumptions for the Manchester Locality Plan and risk share arrangements between partners for 2020-2025.

Integration of Learning Disability Services

- 3.19 Adults with Learning Disabilities (LD) are now more likely to enjoy longer, better quality lives. This is positive progress but the pressure on local authority and health services has increased in terms of support based on a combination of increasing demand, a growing and ageing population with greater complexity of conditions and the cost implications of national living wage. In order to meet increased need and complexity of citizens with LD, additional

budget of £5.034m is needed in the following areas of ASC LD services. Of this **£4.545m** from Council and estimated £489k from CCG for additional Continuing Healthcare needs:

- The most significant area of increased need is for the in-house Learning Disability Supported Accommodation (LDSA) budget in relation to the workforce requirements to meet the needs of people being supported by the service. Whilst the c140 people supported by the service is relatively static, their needs are increasing with age and it has been determined that there is an additional resource requirement of £3,450m. The service has taken action to put in place a dedicated team of social workers to assess needs and develop improved rota management practice. The CCG has committed to assess the impact of people meeting the continuing health care eligibility, where it is estimated that £0.5m of the rising costs are care relate to this which would reduce the additional resource requirement to **£2.950m**.
- The transitional costs of moving residents from LDSA to new build accommodation between October 2019 and July 2020 will be met from the Adult Social Care reserve with any ongoing additional costs to be met from within the service budget.
- Care for people with Learning Disabilities which is externally commissioned has increased by 41 people (3.5%) during this year for which 2019/20 demographic growth funding has been applied of £1.416m. Further increases in the cost of care have also arisen from greater complexity of need of **£685k**.
- The Shared Lives service has expanded in 2019/20 following recruitment of additional adult carers. This service delivers better outcomes and is more cost effective than external placements. Whilst it was expected that the cost of this could be met from a reduction in demand for other LD services, this has not been possible due to rising numbers of people requiring support and **£360k** of funding is required for the Shared Lives service.
- The in-house service which provides short breaks support for people with LD and their families is also experiencing increased need with additional resource requirements of **£550k**.

3.20 One of the key priorities for MLCO in 2020/21 will be the integration of Learning Disabilities. To inform the medium term financial plan this will include:

- Understanding need and provision requirements over a medium term period and reflecting this in a system based commissioning strategy with a much stronger approach to market management at a Locality and GM level;
- Fully implementing a strength based approach into LD arrangements;
- Integration arrangements between health and social care including the locality arrangements in respect of citizens under the arrangements for the NHS Transforming Care Programme;

- Striking the right balance between in-house provision within MLCO and commissioned provision; and
- Ensuring successful schemes within Shared Lives continue to grow.

Population Health

- 3.21 The Spending Round in September indicated a real terms increase to the Public Health Grant to ensure local authorities can continue to provide prevention and public health interventions. It has been estimated that the public health grant will be 'flat real' increase of £1.363m in line with inflation. It is expected that the cost of the Agenda for Change uplift met by Department of Health in 2019/20 (funded directly to NHS providers) and new burdens for drug costs relating to Pre-exposure prophylaxis (PrEP) HIV trial will be met separately by the NHS.
- 3.22 The Population Health services were all redesigned and recommissioned in 2014/15. The redesigned services have delivered better outcomes and real value for money and Manchester is no longer an outlier in relation to spend per head on these services. The Population Health budget has not overspent in any of the past five years and for 2019/20 is projected to breakeven. However, during 2019/20 providers have highlighted pressures in delivering the services contracted within the current contract price. The proposed budget for 2020/21 includes additional budget of **£2.005m** as follows:
- Sexual Health services increased capacity for tests, screening and appointments;
 - Drug and Alcohol services relating to homelessness outreach, Youth Justice service engagement, dispensing costs and detox capacity;
 - Children's Population Health increased capacity for school nursing and child weight management programme to reflect increase in number of schools. The funding for a further ten funding trainee Health Visitor places in addition to the places provided by Health Education England;
 - Continuation of the Population Health partial contribution towards the Adverse Childhood Experience programme;
 - Inflationary uplift on NHS and non-NHS contracts.

Other budget requirements

- 3.23 There are other budget proposals to provide a sustainable budget relating to the following areas of the ASC service within the pooled budget which total **£1.830m**:
- The number of people requiring mental health services remains fairly consistent but it has not been possible to achieve expected reductions following a recent focus on reviews of care packages. This is due to new demand for care and the need for available suitable provision for changes in care. As such there is a requirement for additional budget of **£330k**.
 - Homecare savings of **£377k** (50%) are not yet delivered due to the revised timescales to implement the move to the new homecare contracts, including

recommissioning of some contracts which means savings for 2020/21 are at risk.

- Shortfall on a savings target of **£500k** relating to expected contract related efficiencies which it has not been possible to realise following re-commissioning.
- Strengths based support planning for other Adult Social Care savings of **£198k** (40%) are not yet delivered. The changes to practice and training are now being rolled out but there is likely delay in full implementation in 2020/21.
- The cost of the community alarms service is £950k. When people are unable to contribute towards the cost of the monitoring and response service, the cost to the Council cannot be reduced to reflect this. There is a shortfall of income to cover the cost of the service by **£150k**
- To provide an uplift for NLW for external providers to reflect a move to £10.50 by 2024/25 would be a further cost of **£275k** in 2020/21.

Manchester Local Care Organisation

- 3.24 Continuation in 2020/21 of programme management transformation capacity to support MLCO of **£0.550m**. It is also proposed that continued non-recurrent funding will be made available in 2020/21 of up to £1m towards the overhead costs of MLCO from the remaining balance within Adult Social Care reserve

Summary

- 3.25 The proposals above would lead an increased ASC budget requirement of £11.6m which together with pay and price inflation of £7.793m, demographic funding of £2.015m and full year effect of ASC Improvement investment of £1.366m would bring the proposed increase to the ASC and Population Budget in 2020/21 to £22.8m. This is a total ASC and Population Health budget of £220.7m of which £216.3m is part of the MHCC Pooled Budget broken down as follows:

Table 2: 2020/21 proposed changes and revised budget

Service Area	2019/20 Net Budget	Investment and other changes	2020/21 Net Budget
	£'000	£'000	£'000
Localities	7,979	1,585	9,564
Reablement	4,820	480	5,299
Learning Disability	56,551	4,060	60,611
Mental Health	23,650	677	24,327
Other Care	42,737	3,535	46,271
Public Health	37,452	2,205	39,656

Commissioning	9,808	1,499	11,307
Back Office	5,078	-1,325	3,753
Inflation & National Living Wage	5,172	7,980	13,152
Demography	356	2,015	2,371
Pooled Budget	193,604	22,711	216,314
Asylum	57	0	57
Voluntary & Community Sector (Adults)	2,080	42	2,122
Safeguarding	2,166	43	2,209
Other ASC	4,303	85	4,389
Total	197,907	22,796	220,703

4. Governance of the MHCC Pooled Budget

- 4.1 The governance of the Council's contribution to the pooled budget is set out in a Financial Framework which accompanies the Partnership Agreement between the Council and Manchester CCG. Decision making for Council statutory functions and financial delegation remains with the Executive Director of Adult Social Services who is part of the MLCO Partnership Board. The Deputy Director of Adult Social Services is part of the MHCC Board with a remit for the joint development of strategic commissioning plans for health and social care, and enable MLCO to develop tactical commissioning activities.
- 4.2 The Council's Deputy Chief Executive & City Treasurer continues to exercise responsibilities under Section 151 of the Local Government Act 1972 in relation to the Council's financial contribution the pooled budget. The Deputy Chief Executive & City Treasurer has authorised to the MHCC Chief Finance Officer (CFO) some statutory functions to provide flexibility to sign off spend for the Council within the limits of the Pooled Budget. Key decisions which are not in the delegated authority of Council officers, will continue to require the approval of the Council's Executive.
- 4.3 Whilst both the CCG and Council are still responsible for their own financial position within the pool, the arrangements are designed to give flexibility for partners to ensure total resources are available to support priorities. There are responsibilities under the Partnership Agreement and Financial Framework for the MHCC Board to monitor the budget and deliver a balanced position. The MHCC Finance Committee provides an assurance role on behalf of the MHCC Board and City Council. This allows Lay Members for the CCG and Council Executive Members to review the overall financial position, delivery of savings plans as well as systems of internal control.

5. Conclusion

- 5.1 This report provides the proposed Council contribution to the MHCC Pooled Budget in respect of Adult Social Care and Population Health for 2020/21 of £220.7m, of which £216.3m is within the MHCC Pooled Budget. This provides additional investment of £22.8m to sustain services at the same levels as 2019/20 to support the statutory functions of the Council, deliver the Corporate priorities and to continue to support the integration of health and social to improve outcomes for citizens.
- 5.2 The proposals reflect that 2020/21 is a one year budget reflecting the commitments made in the Spending Round, reflecting that the Fair Funding review and Business Rates reform and reset has been delayed to 2021/22. Whilst the Council is publishing a one year budget in line with the one year Spending Review there is a need to plan for a three year position. The indicative planning assumptions for 2021/22 and 2022/23 are contained within the single health and care budget reports.
- 5.3 The Council's budget proposals for 2020/21 will be subject to further refinement following feedback from public consultation and scrutiny committees. The figures may be subject to change following the contents of the provisional Local Government Finance Settlement which has been delayed from 5th December as a result of the decision to call a General Election. At this point an indicative date has not been provided for the likely publication of the Settlement. Final budget proposals will be made to Scrutiny and Executive in February 2020.