

# REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>20<sup>th</sup> February 2019</b>
<b>SUBJECT:</b>	<b>Communities &amp; Wellbeing Directorate Budget 2019/20</b>
<b>REPORT FROM:</b>	<b>COUNCILLOR ANDREA SIMPSON</b>
<b>CONTACT OFFICER:</b>	<b>JULIE GONDA, INTERIM EXECUTIVE DIRECTOR COMMUNITIES &amp; WELLBEING</b>
<b>TYPE OF DECISION:</b>	<b>CABINET</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	<p>This report forms part of a suite of reports to support the Council in setting a budget for 2019/20.</p> <p>The report explains the progress made by the Communities &amp; Wellbeing Directorate in delivering its budget savings for 2017/18 and 2018/19 – the first 2 years of the Council’s current 3 year budget.</p> <p>The report also sets out the proposals for savings for 2019/20 – the final year of the 3 year budget.</p> <p>These changes are included in the overall budget report which appears elsewhere on this agenda.</p>
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	That the proposals for changes to the Communities & Wellbeing Directorate budget for 2019/20 be approved and recommended to Council as part of the overall Corporate Budget.
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer:</b>	

<p><b>Financial Implications and Risk Considerations:</b></p>	<p>The proposed savings represent the final year (2019/20) of the 3 year budget programme.</p> <p>Delivery is essential to ensure a balanced budget position for the Council.</p>
<p><b>Health and Safety</b></p>	<p>Proposals will be implemented in line with Health &amp; Safety guidance</p>
<p><b>Statement by Executive Director of Resources:</b></p>	<p>Proposals with staffing implications will be implemented in accordance with the relevant consultation / HR policies.</p>
<p><b>Equality/Diversity implications:</b></p>	<p>In respect of the Council's equalities duties, these apply to consideration of the allocation of budget and service planning. In respect of individual decisions, the overall budget is only at a formative stage. Once full and final decisions are taken, the Council will comply with its full duties via the completion and consideration of the appropriate analyses, including consideration of mitigating steps and alternatives.</p>
<p><b>Considered by Monitoring Officer:</b></p>	<p>In summary, the Council is required to set a council tax and balanced budget on recommendations from Cabinet. The Cabinet have full authority to implement the budget within the budget framework set by Council and have wide discretion in doing so. Whilst the overall budget sets individual budgets and plans for service areas, these are formative at this stage. Any full and final decisions will be made by the Cabinet or officers under delegated powers during the forthcoming year, at which point full and separate consideration to the Council's duties, including but not limited to, equalities and public consultation, will be considered and finalised.</p> <p>In setting the proposed budget and considering proposals for savings, due regard has to be given to relevant considerations including equality, human rights, proportionality, reasonableness, the need to deliver statutory obligations, legitimate expectation and the Council's priorities.</p> <p>The Cabinet will also have to have due regard to the potential for any cumulative impact on some groups from separate work streams arising from the budget. Sufficient</p>

	flexibility and delegation will be built into each programme that arises from this budget, to ensure that any consultation exercise and detailed equality impact that identifies a need to make adjustments can be implemented.
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview & Scrutiny

**TRACKING/PROCESS**

**DIRECTOR: Julie Gonda**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	20/2/19		
Scrutiny Committee	Committee	Council	

**1.0 BACKGROUND**

The Council’s budget for 2017-20 includes proposals for budget reduction of the Communities & Wellbeing directorate.

This report explains progress in delivering those savings and sets out proposals for the final year of the 3 year budget.

The budget changes are designed to support or have the least negative impact on the directorate delivering the Council’s objectives.

This report should be read alongside the other four Directorate reports and the overall corporate budget report.

**2.0 THE COMMUNITIES & WELLBEING DIRECTORATE**

2.1 The directorate of Communities & Wellbeing discharges the Council’s statutory duties in respect of adult social care, public health, environmental health and currently housing functions. In addition, it leads on the strategic approach to a number of wellbeing services, including leisure and lifestyle services, as well as community engagement services, all of which underpin the Council’s approach to creating resilient and self-supporting communities and promoting the health and wellbeing of Bury people.

2.2 To set the savings target into context, the resources of the directorate, both financial and workforce, are broken down into the following areas :

<b>Communities &amp; Wellbeing</b>	<b>2018/19 Budget £'000</b>
Staffing	25,154
Other – commissioned care in the community services, premises costs,	97,748
Gross Expenditure	122,902
Income	(53,062)
<b>Net Expenditure</b>	<b>69,840</b>

<b>Communities and Wellbeing Division</b>	<b>Current Budget £000</b>	<b>Workforce Numbers (FTE)</b>
Housing Related Services	1,036	50
Care In The Community (commissioned care packages)	30,578	0
Commissioning & Procurement Other Services	16,117	48
Finance, Customer Services and Asset Management	4,110	36
ASC Operations	4,571	270
Public Health	9,984	26
Workforce Modernisation & Adult Education	657	45
Civic Venues	165	33
Environment	498	19
Communities	948	18
Parks/Countryside	166	7
Sports and Leisure	1,010	74
<b>Total</b>	<b>69,840</b>	<b>626</b>

### 3.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 3.1 The majority of services within the directorate are focussed on supporting vulnerable adults within Bury, and leading creative initiatives to support people to look after their own health and wellbeing better. This includes encouraging community activity and working with the voluntary community and faith sector in a more proactive and co-ordinated way.
- 3.2 Adult social care, which constitutes the majority of the directorate's services, is one of the main partners for health and social care integration, and is a key partner within the Local Care Organisation (LCO) in terms of health and social care service delivery and the One Commissioning Organisation (OCO) in terms

of strategic commissioning of health and care services for the people of Bury. The main objective of the LCO is to provide effective community based services to help people to help themselves to good health and wellbeing and avoid having to go into hospital and residential care. In particular, social care staff are a fundamental part of the five Integrated Neighbourhood Teams which will be operational from 1 April 2019, working jointly with GP practices and community health services. The LCO will bring all NHS and Local Authority spend together into a single commissioning body.

- 3.3 Public Health also sits within the directorate, and promotes and protects the health of people in their own communities, with a real focus on preventing people from becoming ill in the first place. In Bury, there is a significant difference in how long people live a healthy life before they become ill depending on where they live. Reducing this difference across the borough is one of the Council's key priorities.
- 3.4 The directorate delivers Leisure Services and commissions Parks and green spaces add to the health and wellbeing of Bury people through physical activity and creating a positive environment for people to live in, contributing effectively to Bury as a great place to live and work.
- 3.5 Housing operational services currently sit within the directorate – though this is planned to be delivered through the Council's Arm's Length Management Organisation (ALMO), Six Town Housing, in future.

#### 4.0 THREE YEAR BUDGET 2017-20

- 4.1 The savings target for Communities & Wellbeing was originally set at just under £17m for the three year period 2017/18 to 2019/20. However, with the creation of two new directorates, Operations and Growth & Infrastructure, savings were reallocated as follows:

<b>Total 3 year savings</b>	<b>£000</b>
<b>Communities &amp; Wellbeing</b>	£13,935
<b>Operations</b>	£2,785
<b>Business Growth &amp; Infrastructure</b>	£175
<b>Total</b>	<b>£16,895</b>

- 4.2 Of the £13.9m remaining with Communities & Wellbeing, it is allocated as follows across different service areas during the 3 years:

<b>CWB Service Area</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
Adult Social Care	£2,318,000	£4,000,000	£5,385,000	<b>£11,703,000</b>
Public health - including Regulatory Review	£600,000	£882,000	£0	<b>£1,482,000</b>
Communities & Neighbourhoods	£260,000	£315,000	£0	<b>£575,000</b>
Housing related services	£175,000	£0	£0	<b>£175,000</b>
<b>Total</b>	<b>£3,353,000</b>	<b>£5,197,000</b>	<b>£5,385,000</b>	<b>£13,935,000</b>

- 4.3 To date, £5.750m of the savings target has been / will be achieved, through a number of initiatives including:

- Reduction in residential care placements for social care

- Review of high cost care packages, ensuring there is no duplication of service
- Strength based approach to social care assessment and delivery, using community assets to support vulnerable people
- Additional funding allocations through Improved Better Care Fund.

4.4 In addition, £1.205m of schemes are already in train regarding the year 3 (2019/20) savings target. This is £4.180m lower than the year 3 savings target.

4.5 A further £6.624m savings and mitigations have been identified to address:

- £2.800m unachieved savings from years 1 and 2
- £4.180m shortfall vs year 3 savings target
- £1.900m other pressures (demand, etc.)

The table shows that this leaves CWB with a gap of £2.3m in 2019/20 to be funded from central reserves. The three year position is summarised below. The pressures and savings are discussed in more detail in section 5, below.

<b>Communities &amp; Wellbeing</b>	<b>£'000</b>	<b>£'000</b>
<b>Original Savings Target</b>		
Year 1 2017/18	3,353	
Year 2 2018/19	5,197	
Year 3 2019/20	5,385	
<b>Original savings target total for 3 years</b>		<b>13,935</b>
<b>Savings delivered within years 1 &amp; 2</b>		<b>(5,750)</b>
Savings plans already in place vs year 3	(1,205)	
New savings plans / mitigations in year 3 <i>(note 1)</i>	(6,624)	
<b>Total planned savings/mitigation year 3</b>		<b>(7,829)</b>
Recurrent pressures b/f from 2018/19		400
<b>Slippage</b>		<b>756</b>
<b>Pressures</b>		<b>1,500</b>
<b>Total 19/20 outstanding gap</b>		<b>2,256</b>

*Note 1: this includes £2.800m of unachieved savings from years 1 and 2*

## **5.0 BUDGET PROPOSALS 2019/20**

### **5.1 Overall proposals**

The strategy for change within CWB is to refocus on helping people to help themselves wherever possible – a ‘strength or asset based’ approach to both delivering services and preventing people from needing formal public services. A training programme with focus on behaviour change of both staff and customers will be implemented over the next 12 months, in partnership with LCO colleagues. Change in behaviour and attitude to a less risk averse approach will support and facilitate the shift towards self-help and community based support. Front line staff are those who come into most contact with the

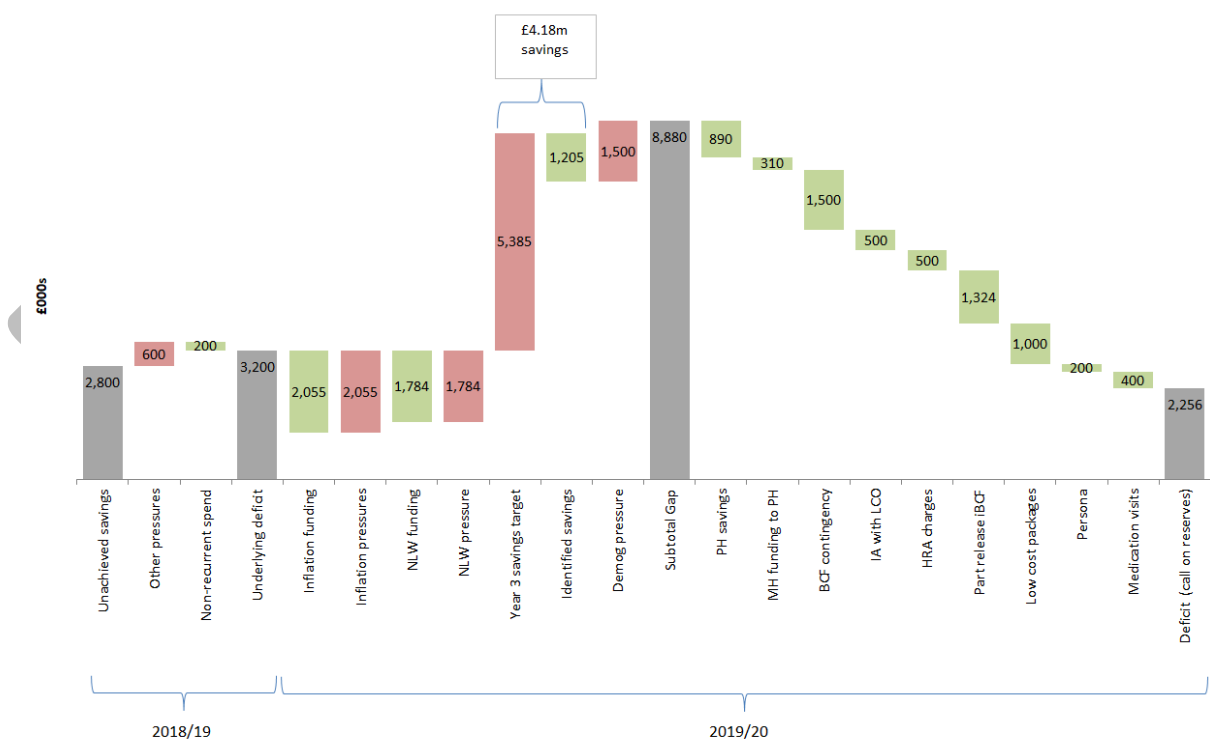
customers, and must therefore be encouraged, developed and given permission to have the different conversations needed. This includes staff from all services within Communities & Wellbeing.

Wider integration, playing a full part in transformation which should reduce duplication of public services, ensures that people receive a holistic approach and deliver financial efficiencies. The social care assessment workforce will be operating within the LCO within the Integrated Neighbourhood Teams to underpin the holistic approach to meeting people’s needs.

In addition, where some services are considered ‘universal’ or for the whole population, a more targeted approach will have to be delivered, to ensure resources are deployed where they are most needed, but that will still make the biggest difference for Bury people who are most in need.

## 5.2 Detailed Proposals for 2019/20

The waterfall diagram below shows the CWB Directorate’s one year position 2019/20. It summarises how the CWB Directorate’s £8.880m opening financial gap is made up and the plans in place for closing that gap to £2.256m (to be bridged for 1 year from central reserves).



The savings target for 2019/20 is £5.385m, of which £1.205m of schemes are in train, leaving an opening savings shortfall of £4.180m. This, coupled with an underlying deficit of £3.200m and an estimated annual demand pressure of £1.500m equates an opening gap of £8.880m.

The main pressures within the directorate are related to the demand for social care services, within the context of challenging savings targets across the board.

Demographic pressures, with Bury's older population growing at a slightly higher rate than the rest of Greater Manchester, coupled with increasing complexity of need for growing numbers of customers, creates demand pressures of approximately £1.500m per annum, which are being managed within the overall approach outlined in the diagram above.

Inflationary pressures, capped at 2%, and funding needed to ensure that commissioned services can meet their obligations in respect of the national living wage will be met corporately as part of the budget setting process.

It is proposed that the gap of £8.880m is met by the following range of options:

### **Public Health £0.890m**

The Public Health budget will draw down £1.735m of balance sheet reserves in 2018/19, of which c£1.200m is being used to fund *recurrent* expenditure – this represents an underlying deficit in the Public Health budget (which, in turn, is part of the CWB underlying deficit).

That £1.200m deficit, after additional funding of £0.310m from the CCG outlined below, will stand at £0.890m. This will be addressed largely through savings plans as follows:

	<b>£000s</b>
Health Visiting redesign / renegotiation	400
Health Checks redesign	50
Decommission "R U Clear" service	50
PASH partial decommission	5
Substance misuse redesign	50
Decommission Stop Smoking Advice & NRT service	43
BEATS, Healthy Lifestyle & Nutrition restructure	100
Back office restructure	100
Stretch target	92
<b>TOTAL</b>	<b>890</b>

### **Additional funding into the directorate £4.334m**

In 2019/20, additional income will be used to mitigate the funding gap. These include:

- Agreement with Bury CCG to use £0.310m of mental health and learning disabilities funding towards relevant elements of public health commissioned services (e.g. School Nursing, Health Visitors, Substance Misuse, Healthy Lifestyles)
- Opportunity to allocate up to £1.500m of core Better Care Fund monies, subject to negotiation & agreement with CCG
- Target £0.500m benefit to adult social care from implementation of Health and Social Care transformation schemes in 2019/20
- Charge estimated £0.500m of relevant Communities & Wellbeing costs to the HRA, work taking place to confirm this figure
- Use all the additional £1.324m Improved Better Care Fund monies to support the council in delivery of social care
- £0.200m efficiency from Persona, which has been agreed in principle.



### **Social care review of lower cost packages £1.000m**

All remaining care packages will be reviewed to ensure that, wherever possible, innovative approaches to strength based approach is taken and technology is introduced to support the needs of the customer. A detailed plan has been developed, and it will be delivered through the Council's in-house review team under the leadership of the Interim Executive Director.

### **Medication visits through care at home £0.400m**

A commitment has been made to a joint piece of work with the CCG to review medication visits with customers, to ensure that wherever possible technology is used to support the administration of medication, or to consider different funding arrangements. It is anticipated that technology could reduce the number of 15 minute care at home visits needed, also creating capacity within the care at home commissioned service. The visits for review have been identified on an individual basis.

### **Remaining gap**

Nevertheless that leaves a remaining gap of £2.256m to be bridged. The approach will be to bridge this gap using corporate reserves on a one year basis to ensure that we can set a balanced budget for 2019/20. The rationale for this recognises the particular value of social care to the wider health and care economy and the strengthened partnership working between the Council and the CCG. In particular:

- A short term approach of deeper cuts may lead to a long term adverse impact on the health and care economy – every £1 cut in social care potentially has a £3 impact in health
- It may also lead to a significant negative impact on the integration agenda – social care is a key partner within transformation
- We need to be cognisant of the impact on quality for customers and the provider market
- A 1 year bridge for the short term will support long term goals around transformation and financial sustainability
- A local commitment has been made that additional NHS funding will be able to support the wider health and care economy to meet health outcomes for Bury people.

## **5.3 Implications for 2020/21 and next budget cycle**

Due to the scale of change required to deliver the outcomes and quality set out in this paper some savings and pressures due to be delivered by 2019/20 will be delayed beyond that point.

This means the CWB will automatically start 2020/21 with a deficit of at least £2.256m, so a medium term financial plan is a priority to address the underlying deficit.

Bridging of the gap is requested from corporate reserves (enabled by the release of dormant earmarked reserves) to ensure that transformation and delivery of the strength based approach will be embedded. This will support long term financial sustainability of the health and care economy in Bury.

#### 5.4 **Workforce implications**

51% of the workforce within the directorate serves to deliver or assess for adult social care; there are significant shortages in both Greater Manchester and nationally of social workers and social care delivery staff and it is therefore important to retain workforce in Bury. The Council have a clear approach to growing its own social workers under the Assessed & Supported Year in Employment programme.

Much of the social care workforce already works in close partnership with other agencies and integration means that this will become further embedded through development of shared job descriptions and single line management arrangements.

The workforce within adult social care commissioned services also has a significant impact upon the ability of the Council to discharge its duty of care – and work is undertaken with providers to ensure both quality and quantity of staff i.e. one approach to the whole health and care economy.

Staff with responsibility for strategic commissioning, including core public health staff, will be reviewed to ensure alignment with the operating model of the One Commissioning Organisation.

Other staff within the directorate also deliver services which contribute significantly to people's health and wellbeing, including sports, physical activity and integrated wellness services, the future delivery of which will depend on the Growth & Infrastructure proposals.

Staff who provide housing related services have recently been consulted on proposals in principle to transfer them into the Council's ALMO, Sixtown Housing – the planning to deliver this is now well underway. Consultation around the detailed proposals will be undertaken during 2019.

#### 5.5 **Investments**

Investment is needed for assistive technology to reduce manpower in terms of packages of care, and underpin the strength based approach. This will be delivered through the work with the Local Care Organisation and the Integrated Neighbourhood Teams, with £xm investment identified from the Transformation fund.

IT solutions to a flexible workforce, especially with the introduction of Integrated Neighbourhood Teams based in each locality, will be key to delivering transformation proposals. The need for significant investment in IT infrastructure to support flexible working is recognised within the Corporate Capital report.

Short to medium project management and delivery support needed for transformation – middle and senior managers can provide the leadership, but

don't have the capacity to deliver everything too. Careful consideration will be given to a small number of fixed term appointments to support delivery in the short to medium term.

Transformation fund investment £19m is being used to support prevention, early intervention approaches through programmes of work to support the development of the Voluntary Community and Faith Sector.

## **6.0 CONCLUSION**

- 6.1 There are significant financial pressures facing CWB in addition to the slippage on previously agreed savings targets. The overall gap to be addressed is estimated at £8.880m for 2019/20.
- 6.2 There are plans in place to reduce the gap to £2.256m, which will need to be funded from reserves. This is a short-term measure to bridge the gap whilst the transformation of health and social care takes place, with the expectation that significant savings will flow to social care in future years.
- 6.3 Integration with Bury CCG has already led to demonstrable financial benefits, e.g. agreement of use of £0.310m mental health funding; use of £1.500m BCF contingency; joint working towards £0.400m medication visit savings.
- 6.4 It is essential that the Health and Social Care Transformation Programme and the CWB savings plans are closely monitored throughout the year to allow corrective action to be taken if targets aren't met.
  - In relation to the Health and Social Care Transformation Programme, Bury Transformation Board will receive regular reports from the Local Care Organisation Project Management Office throughout the year, measuring performance versus agreed KPIs and financial trajectories
  - CWB savings plans will be monitored monthly through the directorate's senior management meetings, and the corporate-wide Budget Recovery Group.

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### **List of Background Papers:-**

### **Contact Details:-**

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