

# **Report of the Strategic Director of Health and Wellbeing to the meeting of the Health and Social Care Overview and Scrutiny Committee to be held on 26<sup>th</sup> January 2017**

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## **Subject:**

**Budget and Financial Outlook**

## **Summary statement:**

**This report provides information on the initial draft savings proposals which are currently under public consultation and were presented to Executive on the 6<sup>th</sup> December 2016 and the consequential implications of those proposals on the Health and Wellbeing Services. The report also reminds the Committee of the savings that were agreed as part of the 2016/17 budget proposals approved by Council in February 2016.**

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**Overview & Scrutiny Area:  
Health and Social Care**



## 1. SUMMARY

- 1.1 The Council is continuing to face budget reductions as a result of the on-going national austerity measures and the proposals for the reductions are discussed in detail in the Proposed Financial Plan 2017/18 – 2020/21 Doc AJ to the Executive on 6<sup>th</sup> December 2016.
- 1.2 This report gives a summary of the pre-agreed savings that were approved at Full Council in February 2016 for 2017/18 together with new additional budget proposals for 2017/18 and 2018/19. The report also gives an indication of the affordable spending levels on Council priorities for 2019/20 and 2020/21

## 2. BACKGROUND

- 2.1 In February 2016, Full Council approved indicative savings proposals of £17.2m for 2016/17 and a further £24.3m for 2017/18. The total approved savings for the Council over the two years was £41.5m. Since that time £5.7m of the pre-agreed savings for 2017/18 have been replaced with new proposals of £4.6m.
- 2.2 Due to the effect of continuing national austerity measures, there are further savings in 2017/18 and 2018/19 which were proposed to the Executive and are now going through the consultation process. The savings proposed are £14.0m for 2017/18 and £18.4m for 2018/19.
- 2.3 Adult and Community Services savings for 2016/17 were £12.6 and £10.3 for 2017/18. Public Health did not have any savings over that period, however, there have been reductions to the grant of £1m in 2016/17 and £1.1m in 2017/18.
- 2.4 The Health and Wellbeing service which is now made up of Adult and Community Services, Public Health and Environmental Health has a total proposed savings target of £20.9m in 2017/18 and £11m in 2018/19. This is broken down as follows

	2017/18 pre-agreed savings	2017/18 new proposed savings	2018/19 new proposed savings	Total savings and proposed savings over the two year period
	£000's	£000's	£000's	£000's
Adult and Community Services	10,290	8,000	8,000	<b>26,290</b>
Public Health	0	2,599	2,936	<b>5,535</b>
Environmental Health	0	35	40	<b>75</b>
<b>Total Health and Well being</b>	<b>10,290</b>	<b>10,634</b>	<b>10,976</b>	<b>31,900</b>



### 3. REPORT ISSUES

#### 3.1 Adult and Community Services

3.1.1 The total pre-agreed and proposed savings for the department are shown in Table 1 above and over the two year period are £26.3m.

3.1.2 The savings target for 2016/17 is £12.6m and it is currently estimated that 75% of those savings will be achieved in year. There will be a shortfall on the savings of £3.2m. Of these savings it is estimated that £1.7m will be achieved in 2017/18, but there will be a recurring pressure of £1.5m during the year until the new strategy is achieved.

3.1.3 In addition, there are other recurring pressures of £2.1m;

There is a recurring pressure of £1.4m in Purchased Care which is as a result of the challenging savings targets from previous years and the increases in numbers of people requiring care. This is in addition to the savings targets for 2016/17 that are estimated not to be achieved.

BACES has a recurring pressure of £0.4m which is largely due to the increase in demand for the services. An action plan is being devised to deal with the increase in demand and to address the financial challenges.

DoLS has an increase in numbers of people needing an assessment largely due to the Supreme Court Cheshire West judgement in 2014. The recurring pressure on this budget is £0.3m

3.1.4 The recurring pressures, unachieved savings in 2016/17, pre-agreed savings for 2017/18 and new proposed savings for 2017/18 give a total budget challenge of £21.9m in 2017/18.

3.1.5 An estimate of funding for inflationary and demographic growth in the executive report is £10.6m in 2017/18 and £8.2m in 2018/19 and this will assist with the funding for the predicted increase of 2% annually of our residents who may require a service and the projected inflationary rise in prices in 2017/18, and 2018/19.

#### 3.1.6 Savings proposal for 2017/18 and 2018/19

We have already made significant cuts to the budget for Adult and Community Services over recent years. Even though the council will put in an extra £19m over the next 2 years to cover pay rises, price rises and the extra numbers of people using the service, we still need to make a saving of £8m from the budget in each of the next two years. This will represent a cut of some 15%.

At the same time, the number of people who use the service is expected to rise from 8,500 now to 8,843 in 2 years' time, which is a 2% increase on an annual



basis. We expect that the demand will continue to keep rising by 2% each year until 2030. Our budget saving proposals for 2017/18 and 2018/19 is outlined in Appendix 1 and includes our high level plans to manage this increase in demand.

3.1.7 Our demand management approach will be build around supporting people to be more independent and to think about what they can do rather than what they cannot do. We want a more positive approach, so that people can live their lives to the full. Our approach to meet the Adult and Social Care Needs of people in the Bradford District will be summarised in a New Vision, which is outlined in 3.1.8.

3.1.8 Home First - The vision to meet the Adult & Social Care needs of people in the Bradford District.

### **Department of Health and Well Being**

The department main purpose is to strengthen the connections between health and social care, with the aim to enhance the wellbeing of our residents and ensure greater independence and choice for individuals.

The department also has a leadership role in driving integration and transformation both within the Council and across the local health and Care system.

The department is made up of three service areas, which includes Public Health, Environmental Health and Adult and Social Care.

- *Public Health: The service focuses on what can make a difference to an individual's health, and then takes actions to promote healthy lifestyles, prevent disease, protect and improve general health, and improve healthcare services.*
- *Environmental health: The service works to improve health by helping businesses develop safe practices by providing advice and enforcing legislation*
- *Adult and Social Care: The service helps adults with eligible social care needs find care and support so they can live as independently as possible in their own homes*

### **Our ambition for Bradford: Healthy, Happy, Home**

Our ambition is for Bradford to be a place where:

- *People are understood to be active citizens whose contribution to Bradford and District is recognised and valued.*
- *People are supported to live healthy, happy lives, where they are in control and able to make the best lifestyle choices for themselves and their families.*
- *We recognise and support the different and diverse communities that make*



*up Bradford and District and offer support appropriately.*

- *Communities and places across Bradford and District help people to live the healthiest and sustainable lives they can be with access to clean air and a good range of housing options.*
- *We ensure access to information, advice and support in such a way that it enables people to help themselves.*
- *We empower people who choose to access support from services and empower staff involved in providing services to uphold people's rights to be in control and have their wishes, feelings and beliefs upheld.*

### **Our responsibility - A General Duty of Well Being (Section 1 of the Care Act)**

The Care Act 2014 sets out a number of new rights for people who choose to access support from services, their carers and families the centre of adult social care and new duties for City of Bradford Metropolitan District Council. These rights are underpinned by a general duty on the Council to promote the well being of all our citizens.

- *Well Being – the state of being comfortable, healthy or happy*
- *Wellness – to influence the well being of the place and its people*
- *Well Being is not just the absence of disease or illness. It is a complex combination of a previous physical, mental, emotional and social health factors. Well being is linked to happiness and life satisfaction. In short, well being could be described as how you feel about yourself and your life.*

Our approach in delivering our duty will be centred around a compassionate, high quality and people centred approach.

### **Strengths Based Approaches**

We will work with people who choose to access support from services, their carers and family members and our communities to develop new systems which build on their strengths. Strengths based approaches involve:

- *Making information and advice easily accessible so that people can make informed decisions about their support needs.*
- *Early intervention which builds on people's natural networks of support*
- *Ensuring that all practicable steps are taken to ensure that people who have long term support needs from the services wishes feelings and beliefs are communicated, understood and upheld.*

We will do this by:

- *Listening to people*
- *Improving the accessibility of our information about options*



- *Finding personalised solutions*
- *Proactive support for self-care which supports healthier lives*
- *Early help to delay and prevent minor things developing into something major*
- *Strengthening and investing in our Social Workers and the culture of social work practice*
- *Transferring power away from traditional services to people, their families and communities*
- *Using technology*
- *Treating all people with dignity and respect*
- *Establish arrangements to uphold and enable people's rights to take positive risks*
- *Ensuring that where a person is at risk of abuse that we put in place measures that ensures they remain in control*
- *Where a person requires the deprivation of liberty safeguards we take all practicable steps to ensure their rights are upheld.*

## **3.2 Public Health**

- 3.2.1 The total pre-agreed and proposed savings for the department are shown in Table 1 above and over the two year period are £5.5m.
- 3.2.2 The department is forecast to balance the £1.1m net expenditure budget (£46.1m gross budget) and deliver the £1.4m savings as planned. The savings of £1.4m are split between a reduction in funding from the Department of Health (DoH) totalling £1m and Council approved savings of £0.4m.
- 3.2.4 The funding from the DoH for Public Health services is expected to reduce by £2.2m over the period 2017-19, all inflationary pressures will be managed within the remaining grant total.
- 3.2.5 Savings proposal for 2017/18 and 2018/19 are shown in Appendix Two.

## **3.3 Environmental Health**

- 3.3.1 The total pre-agreed and proposed savings for the department are shown in Table 1 above and over the two year period are £0.1m.
- 3.3.2 Environmental Health is forecast to underspend the £0.6m net expenditure budget (£2m gross budget) by £0.2m. The underspend is largely attributable to vacancy management and running costs.



3.3.6 The proposed savings over the two years are shown in Appendix two. It is proposed to undertake a management restructure within the Environmental Health Service as part of wider changes in the Department of Health & Wellbeing. The total saving over the two year period will be £0.1m

### **3.4 Overall Summary of Health and Wellbeing**

3.4.1 The total pre-agreed and proposed savings for the department are shown in Table 1 above and over the two year period are £31.9m.

3.4.2 Current savings targets for 2016/17 are forecast to be 75% achieved. This will leave a recurring pressure on the budget largely for purchased care of £1.5m.

3.4.3 Other budget pressures within Adults and Community Services amount to £2.1m.

3.4.4 The total budget challenge over the next 2 years is £35.5m

3.4.5 Funding for inflation is estimated to be £18.8m.

## **4. FINANCIAL & RESOURCE APPRAISAL**

4.1 This report discusses the financial savings proposals for the Health and Wellbeing service.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

This report is about the proposals for budget reductions over the next two years. The new proposals are currently being consulted on and each proposal has an Equality Impact Assessment. The risks associated with the proposals can be viewed in the main Executive document.

## **6. LEGAL APPRAISAL**

The legal issues are discussed in detail in the Executive report.

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

To ensure that the Council complies with its moral and legal obligations on equalities and to support the Council to set the Budget for 2017-18 and 2018-19 in as fair and as transparent a way as possible, the draft proposals are subject to a systematic process of Equality Assessments (EAs).

Preliminary Equality Assessments have been carried out to support the development of the draft proposals and to give initial consideration as to how the draft proposals may affect particular groups and communities. Where any potential disproportionate impact on groups identified in the equality legislation is highlighted,



the actions that could be taken to mitigate or remove those negative effects are considered.

The draft Equality Impact Assessments for the proposals outlined within this report can be viewed [here](#).

## **7.2 SUSTAINABILITY IMPLICATIONS**

The long term sustainability of the Council's ability to continue to provide support to people is under considerable pressure due to the increasing demand and the reduction in funding. This issue is not isolated to Bradford and is currently being discussed Nationally by the Government and other influential bodies.

## **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

N/A

## **7.4 COMMUNITY SAFETY IMPLICATIONS**

The potential implication of the saving proposals may have some community safety implications and these are outlined in both the saving proposal and associated Equality Impact Assessment.

## **7.5 HUMAN RIGHTS ACT**

Since the supreme court (Cheshire West judgement in 2014) ruling around the mental capacity Act DoLS, there has been an increase in demand in request for authorisation. Locally we have seen a 10 fold increase in demand. It is anticipated that as the Council better understand the implication of this work, there will be at this stage un-qualified cost of legal expense in keeping with our legal requirements for the Human Rights Act.

## **7.6 TRADE UNION**

The new proposed savings have no direct staffing implications but there will be a need to change the way work is currently done.

## **7.7 WARD IMPLICATIONS**

No specific Ward implications

## **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

## **8. NOT FOR PUBLICATION DOCUMENTS**

None





## 9. OPTIONS

For information only

## 10. RECOMMENDATIONS

- 10.1 That the Committee notes and provides feedback on the Executive's draft proposals for 2017-18 and 18-19 as summarised in this report.
- 10.2 That the Committee also provides feedback and comment on any of the Executives other draft proposals for 2017 -18 and 18-19, which may have an implication on the Health & Wellbeing of residents within Bradford District.

## 11. APPENDICES

Appendix 1 – The Executives 2017-18 and 18-19 draft budget proposal for Adult and Community Services

Appendix 2 – The Executives 2017-18 and 18-19 draft budget proposal of Public Health.

## 12. BACKGROUND DOCUMENTS

- Budget workings papers
- Budget savings trackers
- [Quarterly Financial reports to the Executive](#)
- SAP
- [Budget Executive report](#)
- [Equality Impact Assessments](#)



## Appendix 1

### Saving proposals for 2017/18 and 2018/19

#### Adult and Community Services

Ref - 4A1      **Adult and Community Services - Overall Demand Management Strategy**

**Total 2016-17 Budget for Service Area   £108.4m**

<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>	<b>% of current base</b>
<b>£8,000,000</b>	<b>£8,000,000</b>	<b>£16,000,000</b>	<b>15%</b>

The latest statistics from Projecting Older People Population Information (POPPI) and Projecting Adult Needs and Service Information (PANSI) projects a 2% yearly increase in the number of service users up to 2030.

The challenge is to change the culture in Adult Social Care and with the NHS to move from a dependency model to one that promotes independence and resilience (a strength based model, with a focus on what people can do, and positive risk-management so people can live their lives to the full).

The Sustainability and Transformation Plan includes development of an Accountable Care System. The aim of this will be to use our investment to improve the health and wellbeing of people in the Bradford District. We will do this by targeting our collective resources to maximise independence and resilience, regardless of age, disability or condition and protecting and safeguarding the most vulnerable in our communities.

The challenge in Adult Social Care is to deliver services to growing numbers of both young and older people, whilst at the same time discharging our statutory duties.

We will where possible support people to be safe and independent at home and so reduce the need for some people to go into residential/nursing Care. We will do this by working with our NHS and community and voluntary services partners to promote independence through strength based assessments, a greater focus on prevention/early intervention and using enabling technologies. This approach will be underpinned by an integrated workforce development plan which will focus on the Home First Model:

1. Reducing the number of people coming into care through an enhanced preventative focused (early intervention) approach, which will aim to minimise the need for long term support by addressing underlying needs at the earliest stage possible, and reduce the need for some people to go into hospital or a care facility.
2. Changing the culture across the care system: moving to a strength (asset) based model that will require an open dialogue with the people, their families and carers to draw on these resources to maximise independence; and ensuring that people get the right level and type of support i.e. not too little and not too much.
3. Speeding up integration with Health to ensure we can establish a whole systems approach across the Health and Social Care sector and secure efficiencies and economies e.g. Integration of complex care teams with partners within NHS and Voluntary and Community sector, so that service users receive the right care at the time



in the right place, and so that support from Health and Social Care is seamless. Ensure all service users are reviewed on a regular basis in line with the guidance set out in the Care Act, so that the appropriate package of care is delivered subject to the individual's needs.

4. Moving away from expensive traditional forms of support through targeted care and enhanced reviews of care needs. This could include options such as extra care or improved home care services and only using residential or nursing care when people really need it.
5. Redesigning our approach to enablement to reduce costs and maintain independence of people e.g. more investment in home care. We will do our utmost to support people to regain skills and confidence to stay independent including use of technology.
6. Reviewing the financial needs of people to ensure that they are provided with the appropriate level of funding to meet their care need. When we assess people we will ensure that they get the right support from either health or social care funders.
7. Continuing the implementation of personalisation including the use of ISF's (Individual Servicer Fund). ISFs are a third party agreement that will ensure that people can have choice and control without the worries of looking after the money.

Our approach builds on our local experience and research undertaken by national bodies which has demonstrated that significant amounts can be saved through effective demand management across the support system. The key underlying principle will be to ensure we deliver services in the short term, while using this time to develop the provider market to take on service delivery in the medium and long term.

These proposals are designed to enable the costs of the services to be contained within the proposed available resources, despite the predicted rise in demand of approximately 2% annually, and inflationary increases in costs affecting Adult Services. This proposal reflects our conclusion that we need to make changes to the way we deliver services in order to avoid annually £8m of costs that would otherwise be incurred. This level of saving is required even after the use of additional income from the Better Care Fund, and from the Social Care precept equivalent to 2% of Council Tax. This is a challenging, yet achievable goal.

### **Equality impact on the Equality Duty protected characteristics & low income groups**

Older people and people with Mental Health & Learning Disabilities will predominantly be affected by this proposal but the focus will be on personalised services for people so the impact on protected characteristics will be mitigated at individual level.

As part of the Strategy to reduce residential and nursing places it is intended that more extra care schemes are developed, which will help to improve people's lives and reduce expenditure across all groups.

As the proposal is developed, the detail of impacts will be further assessed to ensure any potential implications on protected characteristics are minimised.

### **Mitigation**

Our approach will seek to focus on people's strengths and enabling people to manage properly understood, proportionate and positive risks in living their lives.



We will undertake individual assessments and carry out extensive engagement with service users, carers and advocates to ensure seamless transitions for any service users affected. This will enable us to meet our duty under the Care Act 2014 and mitigate against any disproportionate negative impact on any person with a protective characteristic.

By offering other options for people in terms of housing and care support, people will have the opportunity to access appropriate services that meet their assessed needs and be in a position to maintain their independence and to continue to have a positive contribution and be inclusive in their local community. This will ensure where possible people with particular characteristics are not disproportionately affected. We will further review the potential impact on protected characteristics as part of the development of the delivery programme.

**See EIA 4A1**



## Appendix 2

### Saving proposals for 2017/18 and 2018/19

#### Public Health

Ref: 4PH1 School Nursing and Health Visiting

The Public Health budget for 0-19 years is currently £14.4m and funds the health visiting, school nursing and oral health services. It is proposed that this budget will reduce to £12.2m by 2018-19; the reduction will be phased over two years and achieved through service based efficiencies.

Ref: 4PH2 Substance Misuse

The budget for substance misuse provision will be reduced through a combination of redesign and re-commissioning of services and services ceasing. The substance misuse recovery service is currently out to tender and savings of £2.2m are expected over the two-year period, to be achieved through streamlining prevention and treatment services. The budget for substance misuse dual diagnosis service, supervised medication programme and inpatient detoxification services will reduce over the period resulting in further savings of £0.6m

Ref: 4PH3 Sexual Health

The total budget reduction of £0.1m will require a redesign of the wider delivery of sex and relationship education in schools and ceasing of one advice service for young people.

Ref: 4PH4 Tobacco

The Tobacco service will be redesigned with dental practice and midwifery stop smoking services ceasing and the District stop service reducing. The District stop smoking service will refocus on areas identified as having higher smoking prevalence and also on priority groups e.g. pregnant smokers, patients with a long term condition etc. The total budget reduction is £0.1m.

Ref: 4PH5 Children and Young People

Services for children and their families focusing on accident prevention and support for parents and children age 0-5 years will be phased out over two years, with a view to some activities being mainstreamed into the wider transformation plan for children, young people and families for the District. This will give a total budget reduction of 0.2m.

Ref: 4PH6 Health Improvement

The budget for this service area currently provides grant funding to 24 VCS organisations to support delivery of a range of interventions such as “cook and eat” programmes and physical activity sessions. The grant funding comes to an end on the 31<sup>st</sup> March 2017 and it is proposed that it will not be extended, resulting in an



annual saving of £1m.

Ref: 4PH7 Small Grants

The small grants scheme, which addresses broader public health outcomes such as cancer awareness and healthy lifestyles, was introduced in April 2016 with a total funding of £0.1m; it is proposed that this will not be extended beyond 2016-17.

Ref: 4PH8 Warm Homes

The Warm Homes Healthy People (winter activity) programme will be reduced by £0.1m over the two year period.

Ref: 4PH9 CCG Rebasing

Funding transferred to local Clinical Commissioning Groups (CCG) as part of a budget rebasing arrangement will cease as 1 April 2018, giving a saving of 0.5m.

Ref: 4PH10 Staffing and Operational Cost Reductions

The Public Health staff team will be reduced in line with the department redirecting its investment profile towards reducing demand and maintaining health and well-being, in year 1 this will be achieved through vacancy management. External spend on staff support will also reduce or cease resulting in savings over the 2 year period of £0.65m

In summary, the majority of budget reductions will be met through a range of measures including service redesign, re-commissioning of services and services ceasing. It is anticipated that where services are redesigned and/or re-commissioned, innovation and transformation will be key to meeting service user needs, likewise a key factor will be integration across departments and sectors. It is noted that where savings are predicated on revised and reduced contract values, the market in terms of bidders/providers may become limited as contracts may be perceived to be less attractive and or higher risk.

