

Report of the Strategic Director of Health and Wellbeing to the meeting of Health and Social Care Overview and Scrutiny Committee to be held on 25 January 2018

V

Subject:

Budget and Financial Outlook

Summary statement:

This report provides information on the initial draft savings proposals some of which are currently under public consultation and were presented to Executive on the 5 December 2017 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 2017/18 and 2018/19 budget proposals approved by Council on 23 February 2017.

Bev Maybury

Strategic Director of Health and Wellbeing

Portfolio:

Health and Wellbeing

**Report Contact Wendy Wilkinson
Business Advisor Health and Wellbeing**

Phone: (01274) 434163

E-mail:

wendy.wilkinson@bradford.gov.uk

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 updated 2018/19 to 2020/21 Doc AJ to the Executive on 5 December 2017.
- 1.2 This report gives a summary of the savings that were approved at Full Council in February 2017 for 2018/19 together with new additional budget proposals for 2018/19 and 2019/20.

2. BACKGROUND

- 2.1 The Health and Wellbeing service which is made up of Adult and Community Services, Public Health and Environmental Health. The current budget in 2017-18 for Health and Wellbeing is shown in the table below

- 2.2 Table One

	Gross Budget 2017-18 £m	Income 2017-18 £m	Net budget 2017-18 £m
Adults	174.0	(61.7)	112.2
Public Health	44.7	(44.0)	0.7
Environmental Health	0.8	(0.2)	0.6
Total Health and Wellbeing	219.5	(106)	113.6

- 2.3 In February 2017, Full Council approved indicative savings proposals of £20.9m for 2017/18 and a further £11.4m for 2018/19. The total approved savings for the Council over the two years was £32.3m. Due to the effect of continuing national austerity measures, there are further savings of £0.2m were proposed to the Executive over the proposed savings in 2019-20 of £8m for Adults and £3.1m for Public Health; these are now going through the consultation process.
- 2.4 Adult and Community Services savings for 2016/17 were £12.6 and £18.3 for 2017/18. Public Health had savings over that period of £2.6m; in addition, there have been reductions to the grant of £1m in 2016/17 and £1.1m in 2017/18. There are recurring pressures in Adults of £3m rolling forward from 2016-17.
- 2.5 There is a total proposed savings target of £11.4m in 2018/19 and £10m in 2019/20. This is broken down as follows

	2018/19 pre-agreed savings	2019/20 proposed savings	Total savings and proposed savings over the two year period
	£000's	£000's	£000's
Adult and Community Services	8,000.0	8,000.0	16,000.0
Public Health	4,380.2	3,086.1	7,466.3
Reduction to Public Health Grant	(1,116.0)	(1,087.0)	(2,203.0)
Environmental Health	150.0	50.0	200.0
Total Health and Wellbeing	11,414.2	10,049.1	21,463.3

2.6 There has been a need to defer £10m of the 2017-18 savings proposals to future years and to remove the Home Care savings target of £1.5m; this is summarised in the table below

Adjustments to Adults savings proposals from 2017/18	(11,500.0)	2,000.0	(9,500.0)
--	------------	---------	------------------

3. **REPORT ISSUES**

3.1 The Health and Wellbeing Department have already made significant cuts to the budget over recent years. During 2017 the Home First Strategy was approved and there is a consequential impact on the savings target for reducing domiciliary care of £1.5m. This saving target has now been withdrawn. In addition, despite every effort, it has not been possible to achieve three of the savings targets in 2017/18. The £8m Demand Management target has been deferred till 2020/21 and two further savings targets for people with a Learning Disability each of £1m are deferred until 2019/20 to allow more time to transform the services provided within the contracts.

3.2 Savings proposal for 2018/19 and 2019/20

3.2.1 Even though the council will put in an extra £6m over the next 2 years to cover demographic growth in addition to the deferral and removal of savings, we still need to make a saving of £12m from the budget over the next two years. This will represent a cut of some 11%. At the same time, the number of people who use the service is expected to rise from 8,500 in 2017-18 to 8,843 in 2 years' time, which is a 2% increase annually. We expect that the demand will continue to keep rising by 2% each year until 2030.

3.2.2 Our budget saving proposals for 2018/19 and 2019/20 for Public and Environmental Health are outlined in Appendix 1. The Saving for Adult Services is £8m and this is to be achieved through Demand Management and transforming our services to meet the needs of our population through promoting and supporting peoples independence and to remain in their own home wherever possible.

3.3 **Adult and Community Services**

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 £16m.

3.3.2 There is a recurring pressure of £17m however, there are £11.5m adjustments to the savings plans from 2017/18 which help to address this and will allow more time to implement the strategic changes required.

3.3.3 The recurring pressures are as follows:

- The biggest challenge to the department has been to implement the Demand Management Savings of £8m in addition to the pre-agreed savings of £10.3m. In order to achieve the saving there needs to be a complete transformation of the service and a re-aligning of the culture to recognising people's strengths and assets as opposed to determining weakness and deficit. This is taking time and resource and a longer period is needed to implement the changes. In recognition of this, there has been a deferment of some of the 2017/18 savings to future years and this will impact by reducing the pressure brought forward from 2017/18.
- There is a recurring pressure of £8m 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 the area that requires special attention and transformational change over the coming years. In particular, there are challenges with the care and support of people who have a recognised Learning Disability. There has been changes to the way people are being supported by encouraging and promoting independence, therefore there is a shift from the traditional model of Residential Care to supporting people to live independently in the Community.
- There has been increasing pressure on the budget for No recourse to Public Funds as the number of families entering Bradford has been increasing. As recognition of this pressure, the service has had a non-recurrent investment for a two year period of £0.4m annually which has come to an end in 2018/19. The service has historically overspent and in 2017/18 is currently forecast to overspend its budget. This will give a recurring pressure currently estimated to be £0.6m.
- 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 £0.4m.

3.4 Funding for demographic growth in the executive report is £3m in 2018/19 and a further £3m in 2019/20 and this will assist with the funding for the predicted increase of 2% annually of our residents who may require a service in addition there will be an allocation of budget for the projected inflationary rise in prices.

3.5 The total Budget challenge for 2018-19 is £13.5m reduction to what we spend based on the current forecast outturn position. In addition there will be further increases to care fees due to the increase to the National Living wage and the total cost of the increase to our providers could potentially be in the region of £5m (high level cost estimate).

3.6 **Public Health**

3.6.1 The total pre-agreed and proposed savings for the department are shown in Table 1 above; over the two year period this is £7.5m.

3.6.2 The department is forecast to balance the £0.7m net expenditure budget (£44.6m gross budget) and deliver the savings as planned.

3.6.3 The funding from the DoH for Public Health services is expected to reduce by £2.2m over the period 2018-20, all inflationary pressures will be managed within the remaining grant total.

3.6.4 The savings proposal for 2018/19 and 2019/20 are shown in Appendix One.

3.7 Environmental Health

3.7.1 The total pre-agreed and proposed savings for the department are shown in Table 1 above and over the two year period is £0.2m.

3.7.2 Environmental Health is forecast to underspend the £0.6m net expenditure budget (£0.8m gross budget) by £0.2m. The underspend is largely attributable to vacancy management and running costs. The proposed savings over the two years are shown in Appendix One. It is proposed to undertake a management restructure within the Environmental Health Service as part of wider changes in the Department of Health & Wellbeing.

3.8 Overall Summary of Health and Wellbeing

3.8.1 The overall summary of the budget positions is in the table below. Please note that there are other adjustments that will occur for example allocation of pay award, inflation etc. that will be allocated as part of the budget setting process.

	Net budget 2017-18 £m	Savings 2018-19 £m	Deferred savings £m	Demographic growth £m	Reduction to NRTPF funding £m	New base budget £m	Pressures c/f to 2018- 19 £m
Adults	112.2	(8.0)	11.5	3.0	(0.4)	118.3	(17.0)
Public Health	0.7	(3.3)				(2.6)	
Environmental Health	0.6	(0.2)				0.4	
Total Health and Wellbeing	113.6	(11.5)	11.5	3.0	(0.4)	116.2	(17.0)

3.8.2 The total pre-agreed and proposed savings for the department are shown in Table 1 above and over the two year period are £21.4m.

3.8.3 Other budget pressures within Adults and Community Services amount to £17m.

3.4.1 The total budget challenge over the next 2 years is £13.5m

3.4.2 Funding for demographic growth has been allocated (£6m).

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

5.1 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.

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

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 2018-19 and 19-20 as summarised in this report.

10.2 That the Committee provides feedback and comments on any of the Executive's other draft proposals for 2018-19 and 2019-20, which may have an implication on the Health and Wellbeing of residents within Bradford District.

11. APPENDICES

Appendix 1 – an extract from The Executives 2018-19 and 2019-20 draft budget proposal for 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 One

New proposals open for Consultation until 28th January 2018

Ref	Proposal for Change	2018/19 £'000 Impact	2019/20 £'000 Impact	Equalities impact on the Equality Duty protected characteristics & low income groups	Mitigation	EIA
Better Health Better Lives						
5PH1	A Home From Hospital Service – BRICCS Integrated Care & Support – review and redesign of the service.	0.0	170.1	This service is designed to support people who are homeless or in unsuitable accommodation, and who are at risk of staying longer than necessary in hospital. Homeless populations are more likely to have ill health and long term disabling conditions; some from age specific groups such as 16-25 year olds and 35 to 55 year olds. They are also more likely to be male.	Mitigation may be possible should the provider be able to secure alternative funding. This review and redesign will help identify other funding streams over the next two years as part of the bigger programme of out of hospital redesign.	5PH1

Schedule of 2019/20 proposals open for consultation up to 28th January 2018 (2018/19 for reference only)

REF	Proposal for Change	2018/19 £'000 NOT subject to consultation	2019/20 £'000 Impact	Equalities impact on the Equality Duty protected characteristics & low income groups	Mitigation	EIA
-----	---------------------	---	----------------------------	--	------------	-----

Better Health Better Lives

4PH1	School Nursing and Health Visiting - service based efficiencies – primarily management, back office and vacancy control <i>Please note this proposals affects both Better Health, Better Lives and Great Start, Good Schools but for clarity is shown here</i>	1,390.0	1,959.0	The services will be re-commissioned as part of the proposed Prevention and Early Help which was outlined in the Executive paper in November 2017. There is potential to impact on children and families across some protected characteristics but these will be mitigated wherever possible by focusing on identifying children at risk and targeting services on more vulnerable families and their children. The consultation for this model completes in Feb 2018.	Using a phased approach will help to plan and prepare any emerging risks which can then be managed through the proposed Prevention and Early Help approach for a more integrated model for children and young people and the service will continue to provide statutory services.	4PH1 A-D
4PH2	Substance Misuse Service – combination of redesign, re-commissioning and ceasing recovery service, dual diagnosis service, supervised medication programme, inpatient detoxification services.	1,634.0	625.0	Impact assessments have identified that this range of proposals could have impacts on a wide range of service users across the range of protected characteristics.	Any new contracts will continue to have the same equality requirements of the Provider under the Equality Act 2010 as the current tender. The new service specification being commissioned requires that the service is provided through various types of provision and that the service is integrated throughout providing continuity for service users. Services will be more community based with access points in multiple sites in non-substance misuse specific services making it easier for all sections of society to access them.	4PH2 A-D

REF	Proposal for Change	2018/19 £'000 NOT subject to consultation	2019/20 £'000 Impact	Equalities impact on the Equality Duty protected characteristics & low income groups	Mitigation	EIA
4PH3	Sexual Health - combination of redesign, review and ceasing services Health development with young people, sex and relationship education in schools, emergency hormonal contraception	25.0	0.0	Some of the services are designed specifically for parts of the population who share a protected characteristic. Therefore services are provided disproportionately to those parts of the population and the impact will reflect this.	The SRHS that is commissioned is part of a wider Sexual Health economy with GPs providing oral contraception and STI testing which is commissioned by NHSE from GP practices as part of their core service offer. Bradford residents would still be able to access SHRS (oral contraceptives and STI screening) within their community through their GP practice and Long Acting Reversible Contraceptives (coils and implants) and STI testing and treatment, through the SHRS that would stay situated centrally within the city centre making it accessible to all.	4PH3
4PH4	Tobacco – combination of redesign, review and ceasing services	59.2	2.0	At this stage the evidence is not available to confirm whether there will be disproportionate impacts. Further analysis will be needed to build on the equality assessment.	Smoking is strongly related to health inequality and poverty. Services are designed to ensure that disadvantaged smokers make full use of Stop Smoking Services, and medications may increase the quit rates amongst less affluent smokers. However there may be a negative impact as the service becomes targeted and it may potentially stigmatise smokers, for example, based on social class or health condition.	4PH4
4PH5	Homestart, Worksafe, Injury Minimisation Programme - phase out of these services providing support for vulnerable parents and	93.0	0.0	Potential to Impact on children and families across the range of protected characteristics particularly age, disability, race and low income families.	Some of the key activities will be mainstreamed into the wider proposed Prevention and Early Help approach for children and young people and families in the District. This is currently under separate consultation until February 2018.	4PH5 A-C

REF	Proposal for Change	2018/19 £'000 NOT subject to consultation	2019/20 £'000 Impact	Equalities impact on the Equality Duty protected characteristics & low income groups	Mitigation	EIA
	children age 0-5 years.				In order to manage any negative affects a phased approach will be adopted in the first year.	
4PH6	Physical Activity, Food and Nutrition - cessation of grants to VCS organisations delivering range of activities including 'cook and eat', physical activity, food growing and breastfeeding support.	250.0	0.0	Services are currently commissioned from a variety of BME organisations and groups based in low income areas to ensure positive outcomes for all parts of the community. The race equality impact is judged to be high, because of the high BME take up of VCS services.	The Health Improvement Team will support providers/organisations and service users proactively with advice and sign-posting as opportunities are identified	4PH6
4PH8	Warm Homes Healthy People – reduction in the short term winter activity based programme	40.0	20.0	Service supports a range of vulnerable householders, many of whom share particular protected characteristics. Removing the programme's main funding reduces the breadth of service offered and may disadvantage some people.	In 2016/17 support to develop a new approach to funding was granted to partners, which allowed the creation of a crowd funding website which plans to raise £25k this year. This will be built upon to enable core services such as fuel poverty and food poverty work streams to be maintained. Other independent fund raising by existing partners such as Ground Works/ Family Action will join in the programme each winter.	4PH8
4PH9	CCG Rebasing – to redesign services as part of an accountable care system, involving health, social care and other providers	499.0	0.0	No impacts identified	N/A	
4PH10	Public Health –	350.0	310.0	No impacts identified	N/A	

REF	Proposal for Change	2018/19 £'000 NOT subject to consultation	2019/20 £'000 Impact	Equalities impact on the Equality Duty protected characteristics & low income groups	Mitigation	EIA
	reduction in staffing in line with redirecting investment profile towards reducing demand and maintaining health and wellbeing					
4PH11	Environmental Health – management restructure	40.0	0.0	No impacts identified	N/A	
4E11	Sport and Physical Activity – investigate all methods of future operational service delivery	150.0	50.0	No impacts identified	N/A	