

# **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 24th January 2019**

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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 4th December 2018 and the consequential implications of those proposals on the Health and Wellbeing Services. The report also discusses the forecast financial outlook for 2018/19.**

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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 updates 2019/20 – 2020/21 Doc Z to the Executive on 4<sup>th</sup> December 2018.
- 1.2 This report gives a summary of the savings that are proposed for 2019/20 and 2020/21, together with information about the forecast outturn position for 2018/19.

## 2. BACKGROUND

- 2.1 The Health and Wellbeing service is made up of Adult and Community Services, Public Health and Environmental Health; the budgets for the years 2017-18 and 2018-19 are as per the table below.

Table 1

	Net		Gross	
	2018-19 £000	2017-18 £000	2018-19 £000	2017-18 £000
Public Health	283	825	43,440	44,809
Environmental Health	436	1,104	726	1,335
Adults	102,251	117,638	174,635	180,597
<b>All Health and Well being</b>	<b>102,970</b>	<b>119,567</b>	<b>218,801</b>	<b>226,740</b>

- 2.2 Adult and Community Services savings for 2018/19 are £8m and in the original budget plan approved by Council in February 2018, were a further £10m for 2019/20. £8m of the savings related to further Demand Management savings and there were two savings targets of £1m that were deferred from previous years (total of £10m). The savings of £10m for 2019/20 have since been reversed in the budget document of the 4<sup>th</sup> December 2018.
- 2.3 iMPower have been appointed to review the agreed savings proposals and are now working on what can realistically be achieved. Work will continue throughout the year to support the department to implement the changes required to achieve the savings.
- 2.4 Public Health savings approved and proposed are £4.4m for 2018-19 and £3.1m for 2019/20. In addition, there are reductions to the Public Health grant of £1.12m in 2018-19 and £1.09m in 2019/20.
- 2.4 Health and Wellbeing are currently forecasting a £5.3m overspend in 2018/19. This has reduced due to Central Government allocation of winter pressures funding of £2.3m. This grant is only available for two years so the pressure will recur in 2020/21. The £5.3m Overspend is predominantly related to Purchased Care and the inability to achieve the level of savings initially proposed.

### 3. REPORT ISSUES

#### 3.1 Adult and Community Services

3.1.1 The total savings for 2018-19, in the approved Council budget for 2018-19 were £8m with a further £8m originally planned for 2019-20 and £2m of savings deferred from previous years and a further £8m in 2020-21. Given the mounting pressures on Adults budgets both locally and nationally, this level of savings is not possible. There are also recurring pressures of £6.9m in the budget.

3.1.2 During this year, iMPower have been appointed to review the savings plans and to model the achievable savings over the next three years. Whilst this is still work in progress, initial modelling is suggesting a reduced savings level of £14.4m over the three year period. This is profiled to be much lower in the early years and increasing in year 3.

Table 2

	2019-20	2020-21	2021-22	Total
	£000	£000	£000	£000
New Savings in line with iMPower work	1,587	4,477	8,379	<b>14,443</b>

3.1.3 As a result of the iMPower work; the revised savings target for 2019-20 is £1.6m, thereby allowing time to implement changes, reducing demand on residential and nursing placements, continue implementing the Home First Strategy and reviewing service users' needs.

3.1.4 Table 3 below shows the new position with the changes to the savings.

Table 3

	B/f savings from			
	2017-18	2018-19	2019-20	2020-21
	£'000	£'000	£'000	£'000
Public Health including Environmental Health		4,380	3,136	7,139
Adults original savings target	784	8,000	10,000	8,000
Adults - reverse savings target			-10,000	-8,000
Adults - new proposed savings target.			1,587	4,477
<b>Total Health and wellbeing</b>	<b>784</b>	<b>12,380</b>	<b>4,723</b>	<b>11,616</b>

3.1.5 In addition to reducing the savings, the council has taken steps to adjust the budget in Adults to set a new base budget that reflects the true financial position. In order to cover the structural overspend there has been a £6m investment in the 2019-20 budget. In addition there is funding for demographic growth, inflation and National Living Wage increases. Please refer to the executive report for further details.

Table 4

	2019-20	2020-21	2021-22	Total
Total Investments	13,189	6,420	3,800	23,409

3.1.6 Government have increased the National Living Wage and this will impact on the fees that we have to pay to providers. In addition, the providers are requesting that a cost of care exercise is undertaken to determine the true cost of providing care. This does not mean that the council will be in a position to fully fund the cost of care but a fee rate will be determined that we can work towards paying.

3.1.7 An estimate of funding for demographic growth in the executive report is £1.5m in 2019/20 and £1.7m in 2020/21 and this will assist with the funding for the predicted increase of 2% annually of our older residents who may require a service.

3.1.8 The savings target for 2018/19 is £8m and it is currently estimated that 27% of those savings will be achieved in year. Also, there were £0.7m savings b/f from 2017/18 and it is estimated that 78% will be achieved in this year. There will be a shortfall on the savings of £6m. This is largely due to being unable to achieve the savings as originally predicted.

3.1.9 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 £0.9m with an ongoing requirement to fund increased numbers of Social Workers to ensure the service is meeting its statutory obligations and is operating safely.

#### 3.1.10 Savings proposal for 2019/20 and 2020/21

We have already made significant cuts to the budget for Adult and Community Services over recent years. The council will put in an extra £19.6m over the next 2 years to cover pay rises, price rises and the extra numbers of people using the service, and for recurrent pressures largely due to the inability to fully achieve all the planned savings in previous years. We still need to make a saving of £14.4m over the next three years.

3.1.11 At the same time, the number of people in long and short term support, is expected to rise from 9,900 now to 10,100 in 2 years' time, which is a 2%

increase. We expect that the demand will continue to keep rising by 2% each year until 2030. This information is derived from statistics from Projecting Adults Needs and Service Information. <http://www.pansi.org.uk/>

- 3.1.12 Our demand management approach will be built around supporting people to be more independent and to think about what they can do rather than what they cannot do - an asset based approach. We want a more positive approach, so that people can live their lives to the full.

### **3.2 Public Health including Environmental Health**

- 3.2.1 Public Health savings are £4.34m for 2018-19 and £3.1m for 2019/20. In addition, there are reductions to the Public Health grant of £1.12m in 2018-19 and £1.09m in 2019/20.
- 3.2.2 The department is forecast to balance the £0.3m net expenditure budget (£43.4m gross budget) and deliver the £4.4m savings as planned.
- 3.2.3 Savings proposal for 2019/20 and 2020/21 are shown in Appendix One.

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

- 3.3.1 The total savings are £28.7m as shown in table 3 above
- 3.3.2 Current savings targets for 2018-19 are forecast to be 54% achieved overall, however, this is split between Adults achieving 31% of their savings and Public Health achieving 99% of their savings. This includes the savings which were brought forward from 2017/18.
- 3.3.3 Other budget pressures within Adults and Community Services amount to £6.9m.
- 3.3.4 Additional funding for Adults is estimated to be £19.6m over the next two financial years.

## **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**

#### **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 2019-20 and 2020-21 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 will have some staffing implications and these will need to be identified, there will also 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)**

## **7.9 IMPLICATIONS FOR CORPORATE PARENTING**

N/A

## **7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

N/a

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

None

## **9. OPTIONS**

For information only

## **10. RECOMMENDATIONS**

That the Committee notes and provides feedback on the Executive's draft proposals as summarised in this report.

## **11. APPENDICES**

Appendix 1 –draft budget proposal of Health and Wellbeing savings

## **12. BACKGROUND DOCUMENTS**

- Budget workings papers
- Budget savings trackers
- Quarterly Financial reports to the Executive
- SAP
- Budget Executive report
- Equality Impact Assessments

<b>Appendix One</b>			<b>2019-20</b>	<b>2020-21</b>
<b>Department</b>	<b>Saving description</b>		<b>£000</b>	<b>£001</b>
Adult and Community Services - Operational Services	4A1 - Adults Overall Demand Management Strategy - now working with iMPower on the trajectory modelling		1,587	4,477
<b>Adult and Community Services</b>	<b>Total</b>		<b>1,587</b>	<b>4,477</b>
	<b>Savings Description</b>	<b>Mitigation</b>	<b>2019-20</b>	<b>2020-21</b>
Public Health	4PH1 - School Nursing and Health Visiting - service based efficiencies – primarily management, back office, vacancy control and applying skill mix	The Service is being procured during 2018/19 with a new service model and reduced value contract commencing in 2019/20. This will include Health Visiting, School Nursing and Oral Health Services in one service specification and the new service will be fully aligned to the Prevention and Early Help Model. Efficiencies are anticipated from a new service model combining the service areas with savings made in eg estates and buildings costs and by applying skill mix to the staffing structures. There are risks to not securing a new contract and the Council is scoping other options should this arise though remains confident of continued delivery of a safe and effective service.	1,959	988
Public Health	4PH10 - Public Health – reduction in staffing in line with redirecting investment profile towards reducing demand and maintaining health and wellbeing	The PH team will undergo restructure in 2019, this will include statutory consultation where required for redundancy in 20/21 (or before). Restructure will support the team in a redesign to continue business, commissioning and advisory functions whilst developing and continuing public health functions to support prevention and living well.	310	350
Public Health	4PH2 - Substance Misuse Service – combination of redesign, re-commissioning and ceasing recovery service, dual diagnosis service, supervised medication programme, inpatient detoxification services.	This proposal was consulted upon last year . 1.Recovery Service proposal achieved through procurement of new service.2. Dual Diagnosis –scaled down incrementally working with provider. 3. Supervised Medication – new recovery service has reviewed prescribing and reduced demand along with a change to medication offered which will reduce costs. 4. Inpatient detox –demand reduced and mitigated by including within new recovery service and provider taking over responsibility. 5. Needle Exchange – Identified as high risk budget pressure. Costs reduced following review and funding will agreed to be provided through PH Budget.	625	2,919
Public Health	4PH3 - Sexual Health - combination of redesign, review and ceasing services Health development with young people, sex and relationship education in	The budget for the ISRHs service will be reduced through a combination of redesign and review of services, and contracts. The Sexual and Reproductive health service is commissioned as part of a wider Sexual Health economy with GPs providing oral contraception and	0	648

	schools, emergency hormonal contraception	some STI testing which is commissioned by NHSE as part of their core service offer. Bradford residents will be able to access Sexual and Reproductive Health services via their GP practice and the Integrated Sexual and Reproductive health service which is situated centrally within the city centre making it accessible to all with spokes across the district. RSE is to become mandated for schools in 2020.		
Public Health	4PH4 - Tobacco – combination of redesign, review and ceasing services	To achieve the 40% budget reduction the proposal is to redesign the stop smoking service moving away from the current universal offer. The new service model will target stop smoking support including stop smoking medication to priority populations and individuals that are known to experience high smoking prevalence or require specific targeting e.g. pregnant smokers	2	304
Public Health	4PH8 - Warm Homes Healthy People – reduction in the short term winter activity based programme	This proposal was consulted on last year. Currently officers are exploring mitigation which would see a continuation of funding from the CCG (£30K) and an additional investment of £20k from the LA's winter resilience fund to continue the priority aspects of the scheme relating to fuel poverty. This is under discussion but not agreed	20	0
Public Health	5PH1 - A Home From Hospital Service – Bradford Respite and Integrated Care & Support Service (BRICCS) – review and redesign of the service.	The proposal was consulted on last year – the PH contract will terminate with the provider on 31 <sup>st</sup> March 2019 Public Health has undertaken a review of the service in 2018/19 with options for redesign being provided. These will be fully considered by partners in January 2019 in consultation with provider. Redesign requirements identified based on district and partner need. Consideration will be given to delivering the service through the BCF or new monies. The time frame for 2019/20 start, aligns to CCG/Council reviewing current BCF spend against outcomes.	170	0
Public Health	6X1 Welfare advice and Customer Service transformation - Fundamental change to the way the council and its partners deliver customer facing services, focussing on customers getting the right support at the right time	There is a range of activity relating to this proposal with a separate transformation programme being managed centrally involving cross departmental representatives; Futuregov and the VCS. This is aimed towards streamlining the customer services offer and reducing demand and wasted demand in the system. It cannot fully mitigate the level of the proposed reductions but it can focus support better for those more vulnerable households		1,700

Public Health	Air Quality monitoring programme- reduction in posts in pollution team and reduce the numbers of operational air quality management stations from seven to four.			55
Public Health	Health Checks - It is proposed that the current service will cease in 20-21 when it is no longer mandated. Options for efficient and targeted delivery of the programme will be explored with CCG's to consider how Health checks and Healthy Hearts can work in a complimentary and more effective way.	The contracts with GP providers will end in 2020. There may be a need for a Statutory Consultation should the service continue to be mandated post 2020. Contingency would be to work closely with CCGs to utilise existing prevention services for early identification and redesign other services to ensure a focus on prevention activity.		175
<b>Public Health</b>	<b>Total</b>		<b>3,086</b>	<b>7,139</b>
<b>Health and Wellbeing Total</b>			<b>4,673</b>	<b>11,616</b>