

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 30th January 2020

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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 2nd January 2020 and the consequential implications of those proposals on the Health and Wellbeing Services. The report also discusses the forecast financial outlook for 2019/20.

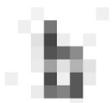
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Overview & Scrutiny Area:

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 2020/21 Doc AB to the Executive on 2nd January 2020.
- 1.2 This report gives a summary of the savings that are proposed for 2020/21, together with information about the forecast outturn position for 2019/20.

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 2018-19 and 2019-20 are as per the table below.

| | Net | | Gross | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 2019-20 £000 | 2018-19 £000 | 2019-20 £000 | 2018-19 £000 |
| Public Health | 206.2 | 264.6 | 42,186.5 | 43,820.6 |
| Environmental Health | 452.6 | 532.1 | 726.3 | 814.8 |
| Adults | 111,089.0 | 109,440.5 | 186,901.3 | 181,979.9 |
| All Health and Well being | 111,747.8 | 110,237.2 | 229,814.1 | 226,615.3 |

- 2.2 Adult and Community Services savings for 2019/20 are £1.6m which is based on a review by iMPower who have worked closely with Managers to determine the expected levels of reduction due to implementation of changes which include Strength Based Assessments and Community Led Support leading to maintaining and strengthening independence and the role of the community.
- 2.3 Work will continue to review the trajectory of numbers of people to ensure actions can be taken to achieve the savings in the new financial year that were approved in February 2019.
- 2.4 The Public Health grant for 2020-21 remains static against 2019-20's allocation of £40.7m. Indications have been given that an uplift to the grant is expected for 2020-21, confirmation of this will be received from the Department of Health in early 2020. Public Health has planned reductions during 2020-21 and the savings will be reinvested in other priority Public Health areas. The new investment areas are indicated in the proposed financial plan 2020-21 which is currently out for consultation.



2.5 Health and Wellbeing are currently forecasting a £2.2m underspend in 2019/20. This is largely due to vacancies and additional unbudgeted share of better care fund money.

3. REPORT ISSUES

3.1 Adult and Community Services

3.1.1 The total savings for 2019-20, in the approved Council budget were £1.6m with a further £4.5m originally planned for 2020-21. Given the mounting pressures on Adults budgets both locally and nationally, this level of savings is challenging and the hard work that has taken place over a period of several years will need to continue and be stepped up.

3.1.2 During this year, iMPower were appointed to support the savings plans and to model the achievable savings over the next three years, have worked very closely with the department to support the required changes, provide support for training and monitoring. We are now in a position where we need to review the trajectories in light of the changes in the work done to ensure they are achievable and that the service managers who are responsible for their delivery are signed up to what needs to be achieved.

3.1.3 The savings over the three year period are shown in Table 2 below:

Table 2

| | 2019-20 | 2020-21 | 2021-22 | Total |
|-----------------------------------|---------|---------|---------|--------|
| | £000 | £000 | £000 | £000 |
| Savings in line with IMPOWER work | 1,587 | 4,477 | 8,379 | 14,443 |

3.1.4 There are some concerns about the level of the National Living Wage increase that has recently been announced on the contractual payments for next year. We currently spend £134m on contractual payments which includes Nursing, Residential, Home Care etc. When taking many factors into account such as proportion of contract that is staffing, NLW increase, CPI increases etc., then the uplift requirement could be in the region of £5.6m. The finance team are currently working on modelling what the financial impact is likely to be.

3.1.5 Funding has been allocated of £2.5m to fund the increase in NLW but the additional increase that has only recently been announced has not yet been funded.

3.1.6 The Council have made £1.6m available to fund the demographic growth which is estimated to be in the region of 2% on Older People for the new financial year.



3.1.7 A cost of care exercise has been undertaken and has recently been finalised. This has been commissioned by the Council, the CCG's and the Bradford Care Association (BCA). A meeting with the providers in the OP/PD residential and nursing sector will take place on 16th January 2020 to discuss the report and issues raised.

3.1.8 Savings proposal for 2020/21 and 2021/22

We have already made significant cuts to the budget for Adult and Community Services over recent years. The council will put in an extra funding over the next year to cover pay rises, price rises and the extra numbers of people using the service. We do anticipate a budget shortfall due to the larger than expected increases in NLW. We still need to make a further saving of £12.9m over the next two years.

3.1.9 At the same time, the number of people in long and short term support is expected to rise. We expect that the demand will continue to keep rising by 2% each year until 2030.

3.1.10 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 The department is forecast to balance the £0.2m net expenditure budget (£42.2m gross budget) and deliver the 3.1m savings with some mitigation. Any underspends that may materialise will be allocated to the reserves for use in future years.

3.2.2 Savings proposal for 2019/20 and 2020/21 are shown in the Proposed Financial Plan 2020/21 Doc AB to the Executive on 2nd January 2020 (at **Appendix A-C** of this report).

3.3 **Overall Summary of Health and Wellbeing**

3.3.1 Current savings targets for 2019-20 are forecast to be achieved overall; however, part of this is through mitigation.

3.3.2 The savings plans for 2020-21 are shown in the Proposed Financial Plan 2020/21 Doc AB to the Executive on 2nd January 2020.



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 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

None

7.6 TRADE UNION

None

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 as summarised in this report.

10.2 That the Committee also provides feedback and comment on any of the Executives other draft proposals, which may have an implication on the Health & Wellbeing of residents within Bradford District.

11. APPENDICES

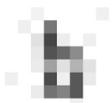
11.1 Appendix A - Public Health Recurring pressures and investment proposals

11.2 Appendix B - Public Health Schedule of agreed savings previously consulted on

11.3 Appendix C - Public Health schedule of amendments to previous budget decisions not subject to consultation – (incremental basis)

12. BACKGROUND DOCUMENTS

- Budget workings papers
- Budget savings trackers



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

