

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

24 January 2019

Present:-

Councillors S Randall-Johnson (Chair), M Asvachin, J Berry, R Peart, S Russell, P Sanders, A Saywell, J Trail, N Way (Vice-Chair), C Whitton, C Wright and J Yabsley

Apologies:-

Councillors P Bialyk (Devon District Councils), A Connett, P Crabb, R Scott and P Twiss

Member attending in accordance with Standing Order 25

Councillor A Leadbetter

* **100** **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* **101** **Public Participation**

There were no oral representations received at the meeting from a member of the public.

* **102** **Budget 2019/2020: Overall Approach**

(Councillor A Leadbetter attended in accordance with Standing Order 25 (1) and spoke to this item in regard to Adult Social Care and Health Services at the invitation of the Committee)

The Committee noted that the proposed budget for the 2019/20 financial year would be scrutinised by individual Scrutiny Committees, according to the remit set out in the Constitution.

The Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee would present any relevant resolutions and an overview of those issues arising to the Corporate Infrastructure and Regulatory Services Committee. This Committee would also consider the draft budget proposals within its own remit, providing an opportunity for Scrutiny Members to comment on proposals for the Council's Budget in its entirety. The resulting resolutions from Scrutiny will be reported to Cabinet and Council.

This would follow the opportunity for individual Scrutiny Committees – at this meeting – to have an initial overview of the budget proposals and examine them to identify any specific issues or areas of interest that might be considered at the Corporate Infrastructure and Regulatory Services Committee for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the Joint Report of the County Treasurer, the Chief Officer for Adult Care and Health Services; and the Chief Officer for Communities, Public Health, Environment and Prosperity (CT/19/03) on the 2019/20 Budget including provisional financial settlement made by Government within the current and anticipated public sector funding regime and the spending targets set by the Cabinet for each service area which included inflation, commitment and service prioritisation reductions. The Report also detailed the proposed capital programme for 2019/20 for the Service.

The Cabinet, at its meeting of 12th December 2018, had set Revenue Budget targets for 2019/20 which totalled £493.850 millions. The targets incorporated inflation and pressures and income initiatives and savings required to set a budget within reduced funding levels provided by Government in the recent provisional financial settlement. This included funding for budget pressures of £33.353 millions that mainly related to additional expenditure to allow

for service growth to cater for demographic changes such as increased children and adult service users and unavoidable cost pressures. Savings and income initiatives of £13.398 millions were required to set a balanced budget. The target for Adult Care and Health also included £5.045 millions in relation to the one-off Improved Better Care Fund (iBCF) grant announced by the Chancellor in March 2017.

The Chancellor of the Exchequer had presented the Budget to the House of Commons on the 29th October 2018; a month earlier than last year. The Budget contained additional funding for Local Government in both 2018/19 and 2019/20. The additional funding for the current year, 2018/19, was of a Capital nature and was set out in the Report. For 2019/20 the Chancellor announced an additional £650 millions of Revenue funding for Adult and Children's Social Care. £410 millions was for a Social Care Support Grant that was being given in response to concerns nationally regarding pressures in Social Care, including Children's. The remaining £240 millions was a Winter Pressures Grant and would need to be pooled into the Better Care Fund and was specifically for Councils to spend on Adult Social Care.

The Provisional Local Government Settlement for 2019/20 had been announced on 13th December, a week later than originally scheduled due to the ongoing Brexit debates. 2019/20 was the final year of the four-year settlement and the core funding Provisional Settlement of £101.5 millions was as expected. As the Authority was a 100% Business Rates Pilot in 2018/19 a direct comparison of the Council's core funding was more difficult but on a like for like basis the 2019/20 Provisional Settlement represented a reduction, in cash terms, of £13.5 millions or 11.7%.

The provisional settlement had set the Council Tax increase that would trigger a referendum, excluding the Social Care Precept, at 3% for 2019/20; the same level as 2018/19.

The Adult Social Care Precept regulations remained unchanged. In 2016/17, the Social Care Precept was capped at 2% per annum for the period 2016/17 to 2019/20. Members recalled that Government changed the regulations in 2017/18 and allowed Authorities to increase the precept to a maximum of 3% per annum over the period 2017/18 to 2019/20 if the total increase over the three years did not exceed 6%.

The Council had increased the Adult Social Care Precept by 3% in 2017/18 and 2% in 2018/19 leaving 1% available for 2019/20.

In the summer the Government had invited Local Authorities to apply to become 75% Business Rate Pilots. It was hoped that the 2018/19 100% Pilots would continue into 2019/20 but this was not the case. As part of the Provisional Settlement the Government announced which applications had been successful for 75% Pilot, but Devon had not been selected.

The Committee was reminded that its consideration of the draft Adult Care and Health Services and Public Health budgets was part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet on 15 February 2019 formulating a budget for consideration by the County Council on 21 February 2019.

The Chief Officers for Adult Care and Health Services; and for Communities and Public Health, Environment and Prosperity (for Public Health) commented on the likely implications of the 2019/20 target for individual service areas, confirming that the overall approach had been to strike a balance between the reality of the financial challenges facing the Council and providing sustainable support services against the increasing demands of front-line services and operational demands. In order to deliver budget targets saving strategies were required in respect of Adult Care and Health totalling £3.866 millions.

The Public Health budget was predominantly funded by a ring-fenced grant which had reduced by £726,000 or 2.6% for 2019/20. The gross expenditure budget was now £27.808 millions.

The Leadership Group commentary in the Report referred to the turbulent financial climate for Local Government and the importance of getting the best value from every pound raised locally and ensuring investment went to the point of need. This included working with partners and being innovative, flexible and creative including the adoption of the digital agenda.

The Chief Officer and Head of Service for Adult Care Commissioning referred to savings strategies detailed in the Report relating to managing demand in adult care, including commissioning arrangements for personal care, supporting people with disabilities to live more independently, changes to community-based service charging, efficiencies and consolidation of in-house provision; and a share of corporate saving initiatives.

The Report also contained the detailed budget proposals for Adult Care and Health Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services. The Service's base budget was £232.599 millions (an increase of 2% from 2018/19) and included inflation and pressures of £13.517 millions and required savings and income initiatives of £3.866 millions.

Under the Equality Act 2010, the County Council had a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. Where relevant, Impact Assessments were carried out to consider how best to meet this duty, which included mitigating against the negative impact of service reductions.

The Report now before the Committee referred to the Budget 2019/20 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: <https://new.devon.gov.uk/impact/budget-2019-2020>) for the attention of Members at this meeting in order that they may be aware of the equality impact assessments undertaken as part of the budget's preparation and that any risk assessments and projections were adequate and that the evidence supported the assumptions made in the formulation of the budget. Acknowledging also that the preparation of Impact Assessments was necessarily a dynamic process and that individual assessments for specific proposals may need to be developed and updated with time, Members of the Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions and any identified significant risks and mitigating action required.

Specific issues and observations arising from the current budget proposals raised at the meeting included the following:

(a) Public Health

- the impact of recurring year on year reductions in the ring-fence Government grant making this budget (£27.808 millions) the smallest budget for Public Health this Council has received and the impact on the levels of mandated and discretionary services;
- there was a possibility in future that the ring fence for the grant may be removed;
- the cessation of the Early Help Public Mental Health Service was a result of the NHS transferring delivery of these services (including 2nd tier counselling, which was a health function) from March 2019 and there remained some funding in Public Health (£151,000) to help ensure a seamless transition in this NHS high priority area, which would include the CCG's taking a 'stock take' of provision across the Devon footprint and leading to new integrated services for children in collaboration with schools;
- an evaluation of the Public Health Mental Health Service provided over the last 3 years would be made to help inform and support the transition;
- reduction in demand in areas relating to smoking and tobacco initiatives and the national health check programme; and

- programmes relating to 'place' to promote health and wellbeing in communities;

(b) Adult Care and Health Services

- the need to have sight of the long-promised Government's Green Paper including funding for Adult Social Care to assist effective planning by the Council;
- the interdependence of the adult social care with the NHS and its 10year plan (as acknowledged by Simon Stevens, Chief Executive of NHS England),
- the budget with a 2% up-lift from last year was largely demand led and subject to increasing levels of volumes and increasing unit costs, and the risks were detailed in the Risk Assessment within the Report;
- the main risks related to the work force challenges across social care and health services, the increasing complex needs and number of working age adults with disabilities;
- the revised more dynamic and responsive assessment processes relating to 'what matters' to help support people according to their needs by finding solutions, which would often avoid the requirement for a full and lengthy formal assessment;
- investment in the enabling services (including new technology) to assist independence, allowing for savings in other areas;
- the thresholds for social care service provision had not changed, but in terms of personal care the focus was independence and increasing capacity working closely with the health services;
- initiatives to encourage the recruitment and retention of personal care staff relating to their terms and conditions of work and contractual arrangements (with guaranteed paid hours for example) and the 'Proud to Care' campaign;
- the different cost of provision depending need and dependency with costs on average working age residential placements of £970/week, or £650/week for supported living and £230/week for shared hours for example; and therefore, the priority was to enable people to live safe and independent lives, and expand capacity and allocate resources accordingly;
- working in partnership with Devon Partnership Trust (DPT) for mental health services;
- current shortages of domiciliary care workers leading to a current shortage of approximately 2000hrs/week being addressed in the shorter term through additional iBCF monies; and analysis by the services on the levels of turnover and measures to retain current staffing; and
- the support and promotion of the voluntary sector and other community-based initiatives.

It was **MOVED** by Councillor Randall Johnson, **SECONDED** by Councillor Wright, and

RESOLVED that the Budget 2019/20, provisional financial settlement and its impact on spending targets and on the proposed Adult Care and Health Services and Public Health budgets for 2019/20 and the issues and/or observations set out above be noted and the Cabinet meeting on 15 February 2019 be requested to:

(a) once again place on record its concern with the reduction in Public Health grant (as a key player in promoting health and wellbeing of the population); and the increased demand and budget pressures in adult social care and asks Cabinet to continue to put pressure on Central Government;

(b) call on the Government for the swift publication of the Green Paper anticipated to address funding in adult social care including adequate funding for care workers, recognising the interrelated nature of system working with the NHS and highlights the limitations of short-term funding affecting long term planning for local services, most notably the Improved Better Care Fund;

(c) recommend that the local NHS continues to work with Devon County Council to ensure the continuation and extension of a comprehensive offer for 0-25 mental health prevention and support and requests further updates to Scrutiny as available;

- (d) recognise the excellent work undertaken by Public Health around sexual health and commends the NHS to support integrated working arrangements;
- (e) record concern over the impact of Brexit on the Council's budget and the impact on staff recruitment especially adequate recruitment of nurses to private residential homes; and
- (f) consider additional funding be made available to support winter planning for Adult Social Care.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.30 am and finished at 12.45 pm