

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.

2020/21 Budget

Recommendation: that the Scrutiny Committee consider whether it wishes to draw to the attention of the Cabinet any observations on the proposals contained within the draft Revenue Budget 2020/21 and Capital Programme for 2020/21 to 2024/25.

1. Introduction and Commentary

- 1.1 At its meeting of 15th January 2020, Cabinet set updated Revenue Budget targets for 2020/21. In December Cabinet set initial Target Budgets but due to the national political uncertainty at that time these were set at a cautious level. The Provisional Settlement has now been announced and the risk of significant change is now greatly reduced, this has allowed additional resources to be added to the final Target Budgets for 2020/21.
- 1.2 At this stage, the final outcome of the Local Government Finance Settlement is awaited and details of the council tax base, collection fund surpluses and tax base yield have yet to be confirmed along with the local element of Business Rates. Information should be available by the time that County Council considers final budget proposals for 2020/21 on 20th February 2020. However, given the late notification of the provisional settlement and in line with arrangements from previous years, 25th February 2020 has been set aside for a second County Council budget meeting if required.
- 1.3 The draft budget attached to this report complies with the targets set by Cabinet on 15th January which total £541.2 millions. The total includes funding for budget pressures of £50.6 millions that mainly relates 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 £7.5 millions are required to set a balanced budget.
- 1.4 The targets set for each service area have been subject to different pressures and influences. The table below shows the 2020/21 Budget Targets by Chief Officer.

	2019/20 Adjusted Budget *	Inflation & Pressures	Savings & additional Income	2020/21 Budget	Net change	
	£000	£000	£000	£000	£000	%
1 Adult Care & Health	236,544	28,772	(5,058)	260,258	23,714	10.0%
2 Childrens Services	135,307	12,709	(1,171)	146,845	11,538	8.5%
3 Community Health, Environment & Prosperity	38,788	1,075	(150)	39,713	925	2.4%
4 Corporate Services	34,681	2,649	(170)	37,160	2,479	7.1%
5 Cross Council Savings Strategies	(1,941)	1,691	0	(250)	1,691	-87.1%
6 Highways, Infrastructure Development & Waste	54,718	3,740	(950)	57,508	2,790	5.1%
	498,097	50,636	(7,499)	541,234	43,137	8.7%

* Adjusted for permanent virements

- 1.5 This report provides detailed budget proposals in respect of all Services, in line with the targets outlined above.

2. The Provisional Local Government Finance Settlement 2020/21

- 2.1 The state opening of Parliament took place on Thursday 19th December and on the 20th December, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a written statement to Parliament on the Provisional Local Government Finance Settlement 2020/21.

- 2.2 The 2020/21 local government finance settlement is for one year only. It is, as expected, based on the Spending Round 2019 funding levels announced in September and the subsequent Consultation.

- 2.3 The main points are set out below:

2.3.1 **Council Tax** – As previously announced at Spending Round 2019, the council tax referendum limit will be 2% for local authorities with social care authorities allowed a 2% social care precept. The provisional settlement confirmed districts will be allowed to apply the higher of the referendum limit or £5;

2.3.2 **Business Rates Retention** – The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) have all increased by 1.63%, in line with the September 2019 CPI inflation figure;

2.3.3 **Revenue Support Grant** - As outlined in the technical consultation, RSG (for those authorities that still receive RSG in 2019/20) has increased in line with the Business Rates Retention system (+1.63%);

2.3.4 **Social Care Support Grant and Improved Better Care Fund** – Originally announced at Spending Round 2019, with further details provided in the technical consultation, the provisional settlement confirms the previously proposed national amounts and allocation methodologies;

2.3.5 **Rural Services Delivery Grant** – The 2020/21 national allocation of £81m and the methodology for distribution remain unchanged from 2019/20;

2.3.6 **Business Rates Pilots** – As expected, no new business rates pilots were announced for 2020/21, with all areas apart from the original 2017/18 pilot areas reverting to the 50% scheme. The 2017/18 pilot areas are to remain at 100%, or 37% for the Greater London Authority.

- 2.4 The Provisional Settlement for the County Council is:

	£000
Revenue Support Grant	546
Business Rates Central Government Top Up	80,654
Business Rates assumed Local Element	21,997
New Homes Bonus	3,526
Rural Services Delivery Grant	7,455
Social Care Support Grant	20,160
Improved Better Care Fund	28,271

3. Service Specific Budget Issues - Adult Care and Health

- 3.1 Budget targets are set for each service area in the Council's organisational structure. This committee will receive the proposed budget for the service areas of Adult Care and Health Services, and Public Health. Public Health is managed by the Chief Officer for Communities, Public Health, Environment and Prosperity. The Public Health budget is also being considered by the Corporate Infrastructure and Regulatory Services Scrutiny Committee which is meeting on 28th January.
- 3.2 The overall financial approach in Adult Care and Health is to protect the most vulnerable whilst preventing future costs from rising at an unsustainable rate. This involves improving efficiency and effectiveness, but also increasingly it means looking for ways to deliver the responses that are needed to meet the needs of individuals differently. A further aim is to contain the cost pressures that otherwise arise from an ageing population and rising incidence and complexity of need for care for adults of working age.
- 3.3 This budget recognises continuing financial pressure in Adult Care and Health with additional investment of £28.8 millions to fund current and forecasted pressures. Adult Care and Health services plan to make savings of £5.1 millions, and therefore the overall net increase in the budget is £23.7 millions, a 10.0% increase compared to the 2019/20 net budget.
- 3.4 There are three core cost drivers in Adult Social Care:
- 3.4.1 Demand - the number of packages of care can be volatile in a number of areas. Learning disability services (including autism) have seen significant growth in activity over recent years and continue to be under pressure going forward, particularly as children in care transition to adulthood. Devon has an above average elderly population when compared nationally, which is forecast to continue increasing and therefore could risk additional pressure on services. The 2020/21 budget has been planned on the basis of the most recent volume data available at the time of preparation, with estimates made for anticipated growth in demand for services next year and the effects of planned savings strategies.
- 3.4.2 Cost of care - the unit cost for packages of care is generally continuing an upward trajectory (having increased by c. 8% over the last year) but can be volatile and is dependent on market conditions. On 30th December 2019 Government announced that the National Living Wage (NLW) will increase by 6.2% in April. NLW is the principal driver of price inflation in the care markets because it impacts directly on the price of labour. In Devon, NLW is now estimated to add c. £9.4 millions to the cost of adult social care packages in 2020/21. Workforce recruitment and retention (both for social workers and in the care provider markets) continues to be a risk because a shortage of care workers drives up unit costs of care packages. The possibility of a 'no deal' Brexit at the end of 2020 and uncertainty regarding the structure of a future UK immigration policy scale are risks which may exacerbate problems with the labour supply. The latest average unit rates (uplifted for inflation) have been used during budget planning.
- 3.4.3 Acuity and Complexity - the acuity (intensity of support required) and complexity (number of conditions impacting on individuals) is increasing with our ageing population. This means that the support needed for each individual is (on average) greater year on year. As an example of this the average personal care package in the last year has increased from 10 to 12 hours per week.

- 3.5 The Adult Care and Health budget includes £35.1 millions of funding from the BCF which contributes directly to the provision of social care services, and a further £4.8 millions which contributes to joint health and social care arrangements. The Adults budget also includes the continuation of the supplementary Improved Better Care fund grant of £8.6 millions. This grant is designed to be spent on improving the overall health and social care system and is subject to joint agreement with NHS partners. The total pooled budget for the BCF is currently planned to be in the region of £97 millions for 2020/21.
- 3.6 Throughout the budget planning process the core guiding principle has been to ensure that clients are supported in a safe care setting that most effectively maximises their independence.

4. Service Specific Budget Issues - Public Health

- 4.1 The Public Health grant remains ring fenced for 2020/21. The value of the grant for 2020/21 has not yet been confirmed. It has been indicated that Local Authorities should expect a 1.7% inflation increase and a 1% increase for additional duties related to HIV prevention. There has been no further update since the letter issued by Public Health England on 21 December 2017 that noted the ring-fencing should still be removed beyond 2020 subject to the assurance arrangements between Public Health England and the Department of Health.
- 4.2 To achieve a balanced budget contract savings and reductions in various demand led service areas have been redirected to meet growing pressures within the Sexual Health contract. The Public Health earmarked reserve will continue to be utilised to manage small cost pressures on the 2020/21 grant.
- 4.3 As noted last year responsibility for delivering the 0-19 Public Health Nursing Service (PHN) transferred to the Authority on 1 April 2019. Children's Services are the operational provider of the service which is funded by Public Health who act as the commissioner. The service is fully operational and is now undergoing a transformational review to ensure best value is being achieved against available funding.
- 4.4 The Public Health budget will also be included in the papers for the Corporate Infrastructure and Regulatory Services Scrutiny Committee which is meeting on 28th January.

5. Capital Programme

- 5.1 The Council's capital programme has been produced to maximise investment in the County's infrastructure and assets and to support service delivery and priorities.
- 5.2 2020/21 sees the addition of a £4.3 millions project to procure a new system, to support Adult Care and Integrated Finance, together with contract management and brokerage.
- 5.3 The existing programme contains the Disabled Facilities Grant scheme; these sums will be part of the Better Care Fund and administered by the Devon District Councils.
- 5.4 Extra Care Housing – a provision of £7.950 millions has been in the capital programme for nine years but has not been spent. To ensure the overall affordability of the current and future capital programme it is recommended that this scheme be removed whilst options are reassessed. This will enable the corporate funding to be used to fund other priority schemes. The capital programme

and the schemes within it are regularly assessed to ensure that they are in line with the Council's priorities. In future years, if plans are developed in this area that advance the Council's strategic aims and which require corporate funding, then provision can again be made, within the capital programme.

6. Equality Impact Assessment

- 6.1 Under the Equality Act 2010, the County Council has 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. This duty applies to the eight 'protected characteristics' of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Where relevant, Impact Assessments are carried out to consider how best to meet this duty, which includes mitigating against the negative impact of service reductions.
- 6.2 The Equality Act 2010 and other relevant legislation does not prevent the Council from taking difficult decisions which result in service reductions or closures for example, it does however require the Council to ensure that such decisions are:
- Informed and properly considered with a rigorous, conscious approach and open mind.
 - Taking due regard of the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.
 - Proportionate (negative impacts are proportionate to the aims of the policy decision).
 - Fair
 - Necessary
 - Reasonable, and
 - Those affected have been adequately consulted.
- 6.3 The impact assessment for the 2020/21 budget is published at <https://www.devon.gov.uk/impact/budget-2020-2021/>

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County Treasurer

Chief Officer for Adult Care
and Health

Chief Officer for
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Electoral Divisions : All

Local Government Act 1972

List of Background Papers

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Background Paper Date File Ref

Nil

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Leadership Group Commentary

2019 – a year dominated by Brexit and political unease, culminating in December’s General Election - have all added to an unprecedented level of financial uncertainty for local government.

The Provisional Local Government Settlement, announced in December, marked the end of a four-year settlement to a one-year spending round, which will potentially make longer term financial planning trickier for local government.

Adult and children’s service in particular are experiencing significant financial pressures, with a shortfall in grant funding related to Special Educational Needs and Disabilities a major concern for this year and into the future.

Against this backdrop of financial uncertainty coupled with growing demand for services, our Cabinet has agreed a budget that will see a rise of 8.7 per cent in spending on children’s services, adult care, health and roads.

In total, our spending is due to rise by £43.1 millions from £498.1 millions in 2019/20 to £541.2 millions in 2020/21.

The Council remains the largest local authority in the south west, working with our partners and communities to ensure the people of Devon live their lives well and receive the support they need, at the right time and in the right way.

Our politicians continue to fight Devon’s corner, to get the voice of residents heard at a national level as we strive for fairer funding for Devon, the south west and the local government community.

And with the UK due to leave the EU this year, the Council is doing everything it can to make sure we as ready as we can be, together with our partners, to respond to the outcomes and ensure our communities and businesses are supported and continue to thrive, and make the most of any opportunities presented by Brexit.

It’s a complex financial situation but by making the most of our experience, professionalism, dedication, initiative and care, we are determined to ensure the very best for the people of Devon.

Adult Care and Health

How the 2020/21 Budget has been built up

	2019/20 Adjusted Budget	Changes	2020/21 Outturn Budget
	£'000	£'000	£'000
Adult Care Operations and Health	211,089	21,832	232,921
Adult Commissioning and Health	25,455	1,882	27,337
Total	236,544	23,714	260,258
			Change
			£' 000
Reasons for changes in Revenue Budget			
Technical and Service Changes			
Inflation			10,278
Adult Services demographic and demand pressures			18,173
Net cost of additional investment in contract and market management			321
			28,772
Savings Strategies			
Efficiencies in Older People placement costs			(500)
Supporting people with disabilities to live more independently and to reduce their dependence over time			(1,843)
Target reduction in staffing and agency spend/Extension of vacancy management			(160)
Management and Support reductions			(203)
Robust management of demographic and demand pressures			(2,352)
			(5,058)
Total			23,714

Analysis of Total Expenditure 2020/21

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Adult Care Operations and Health	306,137	(21,172)	(52,044)	0	232,921
Adult Commissioning and Health	30,321	(2,376)	(608)	0	27,337
Total	336,458	(23,548)	(52,652)	0	260,258

Adult Care Operations and Health

2019/20 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2020/21 Outturn Budget £'000	2020/21 Net Changes £'000
Disability Services					
1,995	Day Opportunities	2,168	(1)	2,167	172
18,352	Direct Payments	23,268	(2,911)	20,357	2,005
33,779	Enabling/Other	38,078	(314)	37,764	3,985
2,230	Nursing Care	2,550	(287)	2,263	33
7,943	Personal Care	11,947	(3,504)	8,443	500
30,075	Residential Care	35,788	(3,382)	32,406	2,331
94,374		113,799	(10,399)	103,400	9,026
8,621	Improved Better Care Fund	8,621	0	8,621	0
In House Services					
4,205	Day Opportunities	4,290	(17)	4,273	68
4,065	Reablement and Community Enabling	5,393	(899)	4,494	429
3,798	Residential Care	3,650	0	3,650	(148)
12,068		13,333	(916)	12,417	349
Older People					
931	Day Opportunities	1,032	(20)	1,012	81
5,456	Direct Payments	8,657	(2,586)	6,071	615
2,802	Enabling/Other	3,818	(629)	3,189	387
13,336	Nursing Care	24,502	(7,249)	17,253	3,917
13,348	Personal Care	27,218	(14,365)	12,853	(495)
35,301	Residential Care	76,486	(33,558)	42,928	7,627
71,174		141,713	(58,407)	83,306	12,132
24,132	OP&D Care Management	27,946	(3,494)	24,452	320
720	Workforce Development	725	0	725	5
211,089		306,137	(73,216)	232,921	21,832

Analysis of changes:	£'000
Technical and Service Changes	
Demographic and other growth in demand	17,000
Inflation	9,593
	26,593
Savings strategies	
Efficiencies in Older People placement costs	(500)
Supporting people with disabilities to live more independently and to reduce their dependence over time	(1,749)
Target reduction in staffing and agency spend/Extension of vacancy management	(160)
Robust management of demographic and demand pressures	(2,352)
	(4,761)
Total	21,832

Service Commentary

Adult Care Operations and Health is the operational social care service which offers advice, information and signposting as well as assessment, support planning and reviews for older people and working age adults with learning disability, autism, physical disabilities with eligible social care needs. It also arranges care, largely from the independent sector, for either short-term interventions or long-term care on a personalised basis. It undertakes statutory safeguarding responsibilities for vulnerable adults. The staff undertaking these functions – including professionally qualified social workers and occupational therapists – are co-located and co-managed with community based NHS staff.

Additionally, it provides those adult social care services we continue to deliver directly rather than commission from the independent sector. These include a number of different establishments throughout the county which provide services to Older People and people with Disabilities.

Included in the Operations budget is the continuance for a further year of £8.621 millions from the improved Better Care Fund which was announced in October 2019. The deployment of this is subject to joint agreement with NHS partners and is for the benefit of health and social care overall.

The Budget also includes £35.138 millions of Better Care Fund funding which contributes directly to the provision of social care services. In addition there is a direct contribution to specific projects of £2.941 millions and other income from health of £1.838 millions.

Key challenges to operations include management of volume and price pressures, which are fundamental to the financial sustainability of the budget, and delivery of the operational change required under the Promoting Independence programme, particularly across working age adults, residents with disabilities and autism which has seen continuing demand pressure in the last year.

The resilience, capability and capacity of the social care workforce, both internal and provider, especially the registered social work component, is an area of risk. This is subject to active consideration in relation to current and growing level of demand, complexity of need and acuity of the people we serve, to ensure an ability to deliver a responsive and effective service.

Service Statistics and Other Information

		Number of people budgeted to receive service		
		Average through Year		
		2019/20	Change	2020/21
Reablement (across all client groups)	Service Users	3,057	93	3,150
These are new people expected to go through the reablement process				
Disability Services (incl. Autistic Spectrum)				
Day Opportunities	Service Users	254	(3)	251
Direct Payments	Service Users	1,440	62	1,502
Enabling	Service Users	1,472	89	1,561
Nursing Care (including Respite)	Service Users	49	(1)	48
Personal Care	Service Users	833	32	865
Residential Care (including Respite)	Service Users	610	6	616
Older People and Disability - In house				
Day Opportunities	Service Users	169	(69)	100
Residential Care (including Respite)	Service Users	45	0	45
Older People				
Day Opportunities	Service Users	280	5	285
Direct Payments	Service Users	652	(7)	645
Enabling	Service Users	347	14	361
Nursing Care (including Respite)	Service Users	520	37	557
Personal Care	Service Users	2,598	(115)	2,483
Residential Care (including Respite)	Service Users	1,865	102	1,967

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Adult Commissioning and Health

2019/20 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2020/21 Outturn Budget £'000	2020/21 Net Changes £'000
Adult Commissioning and Health					
5,613	Centrally Managed Contracts	5,607	(400)	5,207	(406)
1,071	Policy, Performance and Involvement	1,171	0	1,171	100
2,465	Strategic Commissioning	3,449	(308)	3,141	676
1,463	Transformation	1,445	(20)	1,425	(38)
10,612		11,672	(728)	10,944	332
Mental Health Services					
3,830	Care Management	4,181	(396)	3,785	(45)
453	Day Opportunities	726	(175)	551	98
471	Direct Payments	664	(20)	644	173
5,246	Enabling/Other	6,599	(1,013)	5,586	340
85	Nursing Care	28	0	28	(57)
102	Personal Care	255	(74)	181	79
4,656	Residential Care	6,196	(578)	5,618	962
14,843		18,649	(2,256)	16,393	1,550
25,455		30,321	(2,984)	27,337	1,882

Analysis of changes:

£'000

Technical and Service Changes

Demographic and other growth in demand in Mental Health	1,173
Inflation	685
Net cost of additional investment in contract and market management	321
	2,179

Savings Strategies

Management and support reductions	(203)
Supporting people with mental health needs to live more independently	(94)
	(297)

Total	1,882
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Service Commentary

Commissioning staff work with NHS colleagues to assess the strategic health and social care needs of the Devon population. This then shapes the care provider markets from which Devon County Council purchases most of its adult social care services to ensure that the right preventive, short-term and longer-term services are available to those with eligible needs at the time they are needed, and at prices which are affordable within the Council's social care budgets. This is undertaken by working with the Care Quality Commission to assure and improve their quality along with managing contractual provider relationships to ensure their delivery, and consultation with carers and families.

The commissioning function is also responsible for commissioning arrangements for support to carers, for the care management of people with mental health needs (working with the Devon Partnership Trust), and for the coordination of activity and governance of the statutory Safeguarding Adults Board as well as for the oversight of Centrally Managed Contracts including homelessness support and service user representation.

The key challenges for Adult Commissioning and Health will be to lead on integrating the commissioning of services, aligning priorities and workplans including with health partners and district councils, whilst at the same time continuing to manage relationships with independent and voluntary sector providers which are under pressure, particularly in personal care and residential markets. The commissioning function has recently taken back the lead provider role for arranging the provision of personal care in some parts of Devon.

The Policy, Performance and Involvement function comprises the Management Information Team responsible for commissioning intelligence, statutory returns and surveys, internal performance management, and involvement in sector-led improvement; the Policy Team responsible for commissioning and operational policy development and strategic planning; and the Involvement and Policy Team responsible for engaging the users of our services and their carers, and ensuring we are considering their diverse needs, in everything we do.

The Transformation team drives the complex changes required to improve services and which supports the delivery of the service improvement and budget savings strategies across services to people of all ages, in addition to business change in response to a constantly changing regulatory environment.

The commissioned Mental Health function provided through a Section 75 agreement with the Devon Partnership Trust continues its transformation programme to improve the efficiency of existing services and support people to live as independently as possible, whilst ensuring that those most in need of care are looked after in the most appropriate way for their needs.

Service Statistics and Other Information

		Number of people budgeted to receive service Average through Year		
		2019/20	Change	2020/21
Mental Health Services				
Day Opportunities	Service Users	12	10	22
Direct Payments	Service Users	83	26	109
Enabling	Service Users	561	42	603
Nursing Care (including Respite)	Service Users	4	(3)	1
Personal Care	Service Users	20	10	30
Residential Care (including Respite)	Service Users	151	20	171

Public Health

How the 2020/21 Budget has been built up

	2019/20 Adjusted Budget	Changes	2020/21 Outturn Budget
	£'000	£'000	£'000
Public Health	0	0	0
Total	0	0	0

Reasons for changes in Revenue Budget	Change £' 000
Technical and Service Changes	0
Savings Requirements	0
Total	0

Analysis of Total Expenditure 2020/21

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Public Health	28,714	(28,385)	(37)	(292)	0
Total	28,714	(28,385)	(37)	(292)	0

Public Health

2019/20 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2020/21 Outturn Budget £'000	2020/21 Net Changes £'000
Public Health					
2,149	Children 5-19 Public Health Programmes	2,184	0	2,184	35
959	Comm Sfty, Violence Prvntn and Social Excl	964	0	964	5
58	Health At Work	59	0	59	1
113	Health Protection	116	0	116	3
8,097	Mandated 0-5 Children's Services	8,228	0	8,228	131
79	National Child Measurement Programme	80	0	80	1
458	NHS Health Check Programme	459	0	459	1
396	Obesity	630	(206)	424	28
526	Other Public Health	586	(37)	549	23
278	Physical Activity	182	0	182	(96)
288	Public Health Expert Advice	292	0	292	4
(27,508)	Public Health Income	0	(28,159)	(28,159)	(651)
134	Public Mental Health	290	(151)	139	5
6,227	Sexual Health	6,854	0	6,854	627
1,193	Smoking and Tobacco	1,159	0	1,159	(34)
5,430	Substance Misuse	5,470	0	5,470	40
1,123	Support Services	1,161	(161)	1,000	(123)
0		28,714	(28,714)	0	0

Analysis of changes:

£'000

Technical and Service Changes

0

Savings Strategies and Revised programmes

Public Health income - Public Health grant	(723)
Public Health income - Reduced secondment income	72
Children's service - Inflationary increases	166
Sexual Health - Legacy work	72
Sexual Health - Increased demand and inflationary pressures	287
Sexual Health - New duty for HIV prevention	268
Substance misuse - Net of increased demand and contract savings	40
Support Service - Reduced management and support cost	(123)
Various reduced demand and contract savings	(59)

0

Total

0

Service Commentary

Public Health is predominantly funded by a ring-fenced grant from the Department of Health.

From a commissioning perspective, there have only been two changes in 2019-20: Public health nursing services moved to Devon County Council's Children's Services from April 2019 and the "One Small Step" lifestyle advice service is now managed by a new provider, EveryoneHealth. Increasing demand for services funded by the public health ring-fenced grant continues to be a challenge.

Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2019/20 Estimate	Change	2020/21 Estimate
Local opiate clients in treatment	Individuals	1,235	55	1,290
Local non-opiate clients in treatment	Individuals	408	2	410
Local alcohol clients in treatment	Individuals	838	(138)	700
Genito-urinary medicine patients treated	Individuals	29,597	3,822	33,419
Contraception services accessed	Individuals	32,121	1,943	34,064

Grants Paid to External Organisations

2019/20 £000	Service and Grant Title	2020/21 £000
	Adult Care Operations & Health	
	6 Ottery Help Scheme	6
	7 Assist Teignbridge	7
	15 Tavistock Area Support Services	15
	12 Blackdown Support Group	12
	23 Age Concern Barnstaple	25
	31 The Olive Tree Association	32
	94	97
	Adult Commissioning and Health	
	27 Recovery Devon	27
	38 Bridge Collective open access MH support	38
	15 Connections open access MH support	15
	25 Exeter CVS First step project open access MH support	25
	105	105
	199 Total	202

2019/20 £000	Service and Grant Title	2020/21 £000
	Public Health	
	0 Total	0

Staffing Data for 2020/21

	2019/20	Changes FTEs	2020/21		Total FTEs
	Adjusted Total FTEs		Revenue Funded FTEs	Externally Funded FTEs	
Adult Care Operations and Health	1,029	23	925	127	1,052
Adult Commissioning and Health	164	16	172	8	180
Adult Care and Health	1,193	39	1,097	135	1,232

Adult Commissioning and Health includes 73 assigned to Devon Partnership Trust

Explanation of Movements

Adult Care Operations and Health

TUPE of Devon direct delivery	11
Mental Capacity Act Practice Lead	1
Posts externally funded from IBCF / BCF	6
TUPE of personal care brokers	5
	23

Adult Commissioning and Health

Mental Health efficiency	(1)
Investment in contract and market management	16
Investment in transformation capacity	1
	16

Total	39
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	2019/20	Changes FTEs	2020/21		Total FTEs
	Adjusted Total FTEs		Revenue Funded FTEs	Externally Funded FTEs	
Public Health	36	(1)	0	35	35
Public Health	36	(1)	0	35	35

Explanation of Movements

Public Health

Externally Funded grant - Healthy New Towns	(1)
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Total	(1)
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Adult Care and Health - Risk Assessment

Service	Budget 2020/21 £'000	Risk and Impact	Mitigation
Demand for packages of care (across all service types)	199,314	<p>Demand for the number and intensity of packages of care can be volatile in a number of areas. Learning Disability services (including autism) have seen significant growth in activity over recent years and continues to be under pressure going forward, particularly as children in care transition to adulthood.</p> <p>Devon also has an above average elderly population when compared nationally, which is forecasted to continue increasing.</p> <p>If our assumptions of demand are not correct the financial risk will vary with average packages ranging from £10,000 per year for personal care to £51,000 per working age residential placement. The most expensive package is currently £245,000 per year.</p>	<p>The 2019/20 budget has been planned on the basis of the most recent volume data available at the time of preparation, with estimates made for anticipated growth in demand for services next year, and the effects of planned savings strategies.</p> <p>A core principle is to promote independence of individuals where ever possible by supporting people to live well in their own homes and to prevent reliance on ongoing care wherever possible by earlier intervention and reablement, including reassessing the proportion of care spent on short term recovery services to target resources most effectively.</p>
Unit cost pressure (across all service types)	199,314	<p>There are price pressures on all commissioned services arising from inflationary factors (increased National Living Wage for example) and labour supply issues. Parts of Devon are at full employment and the care sector is competing for labour with other industry sectors.</p> <p>An average £10 per week change in residential placement costs (current average weekly rate paid is £703) will increase costs by circa £1.4 millions and a £1 per hour increase in personal care rates (current average rate</p>	<p>The budget is based on actual unit costs as at the time of budget preparation, and is inflated for forecast prices changes.</p> <p>Detailed unit costs are monitored on a monthly basis by managers. There is an escalation process in place for approval of high cost packages.</p> <p>Lobbying of central government to provide for sustainable funding for social care in the long awaited Green Paper.</p>

		paid is £18.64) will cost £1.8 millions.	
Market sufficiency	199,314	<p>The Council has a statutory duty under section 5 of the Care Act 2014 to ensure the sufficiency of social care markets in Devon.</p> <p>The sufficiency of locally available good quality care at an affordable price is a risk in a number of areas of the county. This is linked to risks in the labour market attributable to Devon's relatively high employment, low pay economy.</p> <p>As a result, Personal Care commissioned volumes are contained. This has a current favourable financial effect, but an adverse effect in care home placement budgets and potentially NHS system budgets. If sufficiency could be restored, there is an estimated financial risk to social care budgets in the region of £2 million annually.</p>	<p>Commissioners monitor the market to identify areas of poor sufficiency so that operational plans can be prepared including interventions if necessary.</p> <p>Focussed work with providers facing most difficulties to improve their approach, learning from the best practice of others.</p> <p>Use of iBCF funding to incentivise care worker recruitment and retention, with a focus on the areas where provision is most challenged.</p>
Legislative change	260,258	<p>The new government has indicated reforming of social care and a national disabilities strategy, along with prioritisation of the NHS.</p> <p>Legislative changes may very well come with financial implications for social care budgets and it is important that should this transpire, changes are fully funded by government as new burdens.</p> <p>New Liberty Protection Safeguards, will replace existing Deprivation of Liberty Safeguards in Spring 2020. This new legislation may well broaden the scope and responsibility of the Council in its duties as 'responsible body' for deprivations of liberty in a social care setting.</p>	<p>Monitoring of the new government's legislative programme and working with our partners in national bodies such as the LGA and the Association of Directors of Adult Social Services in order to lobby government and ensure effective consultation.</p> <p>Sector guidance will be carefully reviewed and we will work with our partners across the health and social care system to understand and implement reforms safely and effectively.</p>
Social care workforce	40,968	This affects both the internal DCC social care workforce, and the far larger care workforce	Success in recent years has relied upon direct support for qualifications, and

		<p>employed by our commissioned providers in Devon.</p> <p>Internally, recruitment to roles which require professional qualifications is challenging. This is common across health and care professions both nationally and in the south west (for social work, OT, AMHP and team manager roles). In some instances, pay and conditions in DCC do not compare well with competitors.</p> <p>Investment in workforce capacity and skill-mix is insufficient to meet the (changing) nature and intensity of demand. Most particularly complex work in areas of autism, disability, Mental Capacity, DoLS, dementia and transition. There is a significant risk that failure to plan ahead for substantive capacity will de-stabilise delivery of functions.</p> <p>Externally, commissioned providers face recruitment and retention challenges in respect of care workers. There is a specific challenge in the recruitment of nurses affecting the nursing home sector.</p> <p>External workforce issues risk impacting on unit costs and market sufficiency as supply and costs are interlinked.</p> <p>The risk of a Brexit 'no deal' at the end of December 2020 is a major risk to both areas of the workforce as the uncertainty could deter job applications from EU nationals. Additionally, there is a related risk that a new immigration system operating on a points basis, does not prioritise lower paid social care roles.</p>	<p>recruiting and supporting newly qualified professional staff. This requires forward planning, sustained investment and action to meet requirements at least three years ahead.</p> <p>Workforce growth in recent years has been driven by short-term investment and targeted (invest to save) initiatives.</p> <p>The Council has led the 'Proud to Care' campaign now working regionally to promote health and care as a positive career and develop career pathways across the sector.</p> <p>However risks have increased since 12 months ago, exacerbated by a loss in attractiveness of working in the UK due to depreciation in the value of Sterling and ongoing concerns over the Brexit process.</p> <p>Ongoing monitoring of government's legislative programme, along with raising issues nationally via the LGA, ADASS and other networks.</p>
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Children transitioning to Adults	103,400	On average, around 180 young people tend to come of age each year and require ongoing support as adults. Required levels of support vary enormously. This makes financial planning difficult. Furthermore, in recent years there has been a trend of increasing volumes of very high cost children's care packages and therefore there is a risk that demand and cost from transitions into adult services outstrips the budget available.	A dedicated multi-disciplinary team has been created to work across Children and Adults services in order to improve information sharing and to work towards transitions planning at an early stage.
Autism demand	4,976	Autism diagnosis rates and demand for care services has increased sharply in recent years and there is a risk that these trends continue.	A new autism team was set up last year, specialising in planning and assigning the most appropriate packages of care to people who need them, and ensuring that the impacts of new cases are phased in a controlled manner over the course of the year.
Sleep in nights National Living Wage	46,539	The Court of Appeal ruled in 2018 that National Living Wage did not apply. The case is now due to be heard in the Supreme Court in early 2020 with judgment expected later in the year, which could reverse the Court of Appeal's judgment and trigger back pay claims against providers, threatening market stability. Adverse impacts in the provider market could add cost to commissioning budgets in the region of up to £1million.	Historic purchasing of sleep in based services has been analysed and risk exposure estimated. Commissioners liaise closely with providers to find ways to manage risk and provider failure. Lobbying of government that retrospective pay awards are funded.
Savings Strategies	5,058	Delivering savings continues to be challenging and has a variety of risks associated with delivery. The savings this year are primarily strategies to support people with disabilities, and people with Mental Health needs to live more independently, over time moving from institutional based settings to being supported to live their lives as	Savings plans have been developed as projects, with lead officers and supporting multi-disciplinary teams. A robust monitoring framework will be in place to track progress.

		independently as possible in a community.	
Provision of specialist dementia care		Specialist dementia care provision in the independent sector is under developed, posing a challenge to commissioners to develop a specialism of a market which is already under pressure overall.	Commissioners will work closely with key providers to shape the market, where possible, to accord to longer term commissioning strategies, and the requirements for future care.
Joint funding of complex care		A tighter application of eligibility for NHS Continuing Health Care can lead to demand for social care rising. This risks an increase in the number of complex packages which generally have a high individual unit cost.	Joint frameworks and relationships with CCG are well developed, including escalation and challenge where appropriate. Pooling of resources and risk are considered collectively with the NHS commissioners.
Mental Health and Disability repatriations	116,008	The Transforming Care Partnerships programme could result in individuals who are currently in NHS funded placements in hospitals around the country, being transferred back to a Devon care setting where there may be a requirement for adult social care support. There is a risk that placements made back into Devon will be at a higher cost, or a greater responsibility for funding will fall to social care budgets, or both.	Commissioners work with partners to identify and monitor repatriation of cases to ensure that the most appropriate and best value placements are secured in Devon, prioritising the most vulnerable cases first. Adult social care managers are engaged in the Transforming Care Partnership with CCGs and work together to forecast future service demands, and manage repatriations of cases in a sensitive and planned way.
NHS Contributions to Social Care (including Better Care Fund)	Total BCF pooled budget is currently expected to be in the region of £97 millions	The Council entered a pooled budget arrangement in 2015/16 with NHS Commissioners described nationally as the Better Care Fund (BCF). This pooled arrangement now includes £35.138 millions of direct support to DCC social care budgets. The financial challenges faced by all partners inevitably pose a risk to the short term deployment of resources,	A joint commissioning group comprising senior officers for each organisation and with detailed governance and specialist support is overseeing the operation of BCF. All partners are committed to working together to deal with similar challenges faced by each organisation and create integrated services. Strong professional relationships between the

		ultimately making more difficult the very changes that are necessary to overcome those financial challenges.	health and social care sectors have been developed over the past years both with CCGs and provider trusts including hospitals.
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Public Health - Risk Assessment

Service	Budget 2020/21 £'000	Risk and Impact	Mitigation
Public Health - Sexual Health	6,854	Demand-led service so actual numbers could vary significantly.	Due to grant reduction, activity will be capped and a financial recovery plan put in place.
Public health - Health checks	459	There is a risk to the PH budget if significantly more health checks are offered and taken up than forecast.	Engagement with the LMC and monitoring of activity at individual practice level.
Public Health Nursing	10,170	The resource available from Public Health England is insufficient to deliver national targets	The provider to use the available resource to achieve maximum Value for Money.

Capital Programme

The following table details the medium term capital programme for this service and how that programme is being funded.

Project	*Total Scheme Approval £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Adult Commissioning and Health						
Adult Care & Health Business Support for Innovation	374	152	0	0	0	0
Adult Commissioning and Health Total		152	0	0	0	0
Adult Care Operations and Health						
Barnstaple Hub	3,000	1,000	939	0	0	0
Care Teams Accommodation & Equipment	201	80	70	50	50	0
Disabled Facilities Grant		7,267	7,267	7,267	7,267	7,267
Integrated Adult Care & Finance System		1,374	1,444	1,527	0	0
Technology for Care Homes	40	20	0	0	0	0
Works for Provider Services	411	100	100	87	50	0
Adult Care Operations and Health Total		9,841	9,820	8,931	7,367	7,267
Adult Care & Health Total		9,993	9,820	8,931	7,367	7,267
Financed by:						
Capital Receipts - General		2,374	2,383	1,527	0	0
External Funding - Grants		7,619	7,437	7,404	7,367	7,267
Total		9,993	9,820	8,931	7,367	7,267

* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2019/20 which may be deferred to 2020/21 or future years owing to changes in project delivery timescales.

Abbreviations

Abbreviations used within the budget for all Scrutiny reports:

ADASS	Association of Directors of Adult Social Services
AMHP	Approved Mental Health Professional
AONB	Area of Outstanding Nature Beauty
ASW RAA	Adopt South West Regional Adoption Agency
BACS	Bankers automated clearing services (electronic processing of financial transactions)
BCF	Better Care Fund - formerly known as the Integration Transformation Fund, a national arrangement to pool existing NHS and Local Government funding starting in
BDUK	Broadband delivery UK
Blk	Block
CCG	Clinical Commissioning Group
CCLA	Churches, Charities and Local Authorities
CIL	Community Infrastructure Levy
CIPFA	The Chartered Institute of Public Finance & Accountancy
CO	Carbon Monoxide
C of E	Church of England
CVS	Council of Voluntary Services
DAF	Devon Assessment Framework
DC	District Council
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DoLS	Deprivation of Liberty Safeguards
DPLS	Devon Personalised Learning Service
DSG	Dedicated Schools Grant
DYS	Devon Youth Services
EFA	Education Funding Agency
EH4MH	Early Help 4 Mental Health
EHCP	Education & Health Care Plans
ERDF	European Regional Development Fund
ESPL	Exeter Science Park Ltd
EU	European Union
FF&E	Fixtures, Fittings & Equipment
FTE	Full Time Equivalent
HIV	Human Immunodeficiency Virus
HMRC	Her Majesty's Revenue & Customs
HR	Human Resources
HRMS	Human Resources Management System

IBCF	Improved Better Care Fund - Additional grant funding to supplement the Better Care Fund
ICT	Information & Communications Technology
IID	Investing in Devon funds
INNOVASUMP	Innovations in Sustainable Urban Mobility plans for low carbon urban transport
IVC	In Vessel Composting
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGA	Local Government Association
LMC	Local Medical Committee
LTP	Local Transport Plan
MH	Mental Health
MRP	Minimum Revenue Provision
MTCP	Medium Term Capital Programme
MTFS	Medium Term Financial Strategy
MUMIS	Major Unforeseen Maintenance Indemnity Scheme
NEWDCCG	Northern, Eastern and Western Devon Clinical Commissioning Group
NFF	National Funding Formula
NHS	National Health Service
NLW	National Living Wage
NPIF	National Productivity Investment Fund
OP&D	Older People & Disability
OT	Occupational Therapist
PFI	Private Finance Initiative
PH	Public Health
PHN	Public Health Nursing
PSPB	Priority School Building Project
PTE	Part-time Equivalent (15 hours)
PWLB	Public Works Loans Board
REACH	Reducing Exploitation and Absence from Care or Home
ROVICs	Rehabilitation Officers for Visually Impaired Children services
RD&E	Royal Devon & Exeter Hospital
RPA	Rural Payments Agency
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCF	Southern Construction Framework - delivers construction capital projects to around 50 public sector clients
ScoMIS	Schools Management Information Service
SEND	Special Education Needs and Disability
SGO	Special Guardianship Order

STP	Sustainable Transformation Programme
TBC	To be confirmed
TUPE	Transfer of Undertakings (Protection of Employment)
UASC	Unaccompanied Asylum Seeking Children
UK	United Kingdom
VAWG	Violence against Women and Girls
VELP	Vehicle Equipment Loan Pool