

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

23 January 2020

Present:-

Councillors S Randall-Johnson (Chair), H Ackland (Vice-Chair), M Asvachin, P Crabb, R Peart, S Russell, P Sanders, A Saywell, R Scott, J Trail, N Way and C Wright

Apologies:-

Councillors J Berry, A Connett, P Twiss and J Yabsley

Members attending in accordance with Standing Order 25

Councillors A Dewhurst and A Leadbetter

* **164** **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* **165** **Public Participation**

There were no oral representations from members of the public.

* **166** **Budget 2020/21 and Capital Programme for 2020/21 to 2024/25'**

(Councillor A Leadbetter attended in accordance with Standing Order 25(1) and spoke to this item in regard to Health and Adult Care budget proposals).

The Committee welcomed the proposed budget for the 2020/21 financial year which was being scrutinised by individual Scrutiny Committees.

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 would 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 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/20/03) on the 2020/21 Budget which included sections on the Provisional Local Government Settlement made by Government and the budget targets set by the Cabinet for each service area which included inflation, commitment and savings. The Report also detailed the proposed medium-term capital programme for the Adult Care and Health and how it was funded.

The Cabinet, at its meeting of 11th December 2019, had set Revenue Budget targets for 2020/21 which totalled £529,974 millions. 2019/20 had been the last year of the four-year Local Government Financial Settlement and 2020/21 was hoped to be the first year of a new

multi-year settlement that would contain the outcome of the Fairer Funding Review, the Business Rates reset and 75% or 100% Business Rates Retention, but this had not happened. In September, the Chancellor announced a one-year Spending Round (badged as a 'Roll-forward' for Local Government) but it did contain some proposals for additional funding including the SR19 Social Care Support Grant, Schools funding and SEND High Needs Block. The Fairer Funding Review along with both the Business Rates reset and Retention plans were delayed until at least 2021/22.

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. This was as expected and gave an opportunity to increase the Spending Targets that were previously set. The settlement was for one year only. The targets were revisited by the Cabinet on 15th January 2020.

In relation to Council Tax, the referendum limit was 2% with social care authorities allowed a 2% social care precept. The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) had all increased by 1.63%, in line with the September 2019 CPI inflation figure. The Revenue Support Grant had increased in line with the Business Rates Retention system (+1.63%) and in relation to the Social Care Support Grant and Improved Better Care Fund, the provisional settlement confirmed the previously proposed national amounts and allocation methodologies. The national allocation of £81m and methodology for distribution of the Rural Services Delivery Grant remained unchanged from 2019/20 and there were no new business rates pilots for 2020/21.

The increased Revenue Spending Targets for 2020/21 now totalled £541.2 millions which represented an increase of £11.3 millions on the December Targets and an increase of £43.1 millions or 8.7% on 2019/20.

The target budget for Adult Care and Health had increased by £7.7 millions, for Children's Services an increase of £2.5 million. The increased Targets also included £60,000 for additional legal support within Corporate Services and £1 million within Highways, Infrastructure and Waste to help with drainage issues on the Highway network.

The target budget for Adult Care and Health was £260.258 millions, a net change of £23.714 millions or 10.0%. For Children's Services, this was £146.845 millions, the net change being £11.538 millions (8.5%). Community Health, Environment & Prosperity was £39.713 millions, with the net change of £925,000 or 2.4%. For Corporate Services £37.160 millions, a net increase of £2,479 millions (7.1%) and in relation to Highways, Infrastructure Development & Waste £57.508 millions, an increase of £2.790 millions (5.1%).

Although the final settlement would not be received until late January or February, the risk of the figures being very different was low.

The Committee were reminded that its consideration of the draft Adult Care and Health and Public Health Services' budgets were just part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet on 14th February 2020 formulating a budget for consideration by the County Council on 20 February 2020.

The Chief Officer for Communities, Public Health, Environment and Prosperity (for Public Health) and the Chief Officer for Adult Care and Health commented on the likely implications of the 2020/21 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 in Adult Care and Health budget savings were required in respect of Older People placement costs, supporting people with disabilities, staffing and agency spend, management and support reductions and robust management of demographic and demand pressures. The target budget for Public Health

was show as zero because it was predominately funded by a ring-fenced Government grant which had been budgeted at £28.159 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 before the Committee referred to the Budget 2020/21 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: <https://www.devon.gov.uk/impact/budget-2020-2021/>) for the attention of Members so they were aware of the equality impact assessments undertaken as part of the budget's preparation, that any risk assessments and projections were adequate and the evidence supported the assumptions made in the formulation of the budget. Also bearing in mind that the preparation of Impact Assessments was a dynamic process and that individual assessments for specific proposals may need to be 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.

The Report contained the detailed budget proposals Public Health (predominantly funded by a ring-fenced grant from the Department of Health) and 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 Adult Care and Health Service base budget was £260.258 (an increase of 10 % from 2019/20) and included inflation and pressures of ££28.772 m and required savings and income initiatives of £5.058 millions. The Public Health budget was zero but the gross expenditure budget totalled £28.714 millions (provisional).

(a) Public Health: Specific Issues

This budget remained ring-fenced and the value of the grant had not been confirmed. The Public Health grant remained 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 had been no further update since the letter issued by Public Health England on 21st 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.

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 would continue to be utilised to manage small cost pressures on the 2020/21 grant.

As noted last year responsibility for delivering the 0-19 Public Health Nursing Service (PHN) transferred to the Local Authority on 1st April 2019. Children's Services were the operational provider of the service which was funded by Public Health who acted as the commissioner. The service was fully operational and was now undergoing a transformational review to ensure best value was being achieved against available funding.

The Public Health budget would also be included in the papers for the Corporate Infrastructure and Regulatory Services Scrutiny Committee which was meeting on 28th January 2020.

(b) Adult Care and Health (Specific Issues)

The Adult Care and Health budget included £35.1 millions of funding from the Better Care Fund which contributed directly to the provision of social care services, and a further £4.8

millions which contributed 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 was designed to be spent on improving the overall health and social care system and was subject to joint agreement with NHS partners. The total pooled budget for the BCF was currently planned to be in the region of £97 millions for 2020/21.

Throughout the budget planning process the core guiding principle was to ensure that clients were supported in a safe care setting that most effectively maximised their independence.

The Chief Officer, Associate Director of Commissioning and Head of Operations and Health referred to demand and unit cost pressures across all service types, market sufficiency, legislative changes, work force issues (both internally and externally in the health and care sectors), children transitioning to adults and autism demands. The savings strategies were primarily aimed at supporting people with disabilities to lead their lives more independently, moving away from institutional based settings. Other risk assessments to achieving the planned savings were outlined in the Report.

(c) Specific issues

Specific issues and observations arising from the current budget proposals raised by Members in discussion with Officers at the meeting included the following:

(i) Public Health

- increasing demand on services remained a challenge in a background of past budget reductions over the previous 5 years and that the final settlement for 2020/2021 had as yet not been received from Public Health England;
- Devon County Council's Public Health budget remained the 6th lowest (per capita) of all (Public Health) local authorities and despite this health outcomes in the County were good with a higher than average life expectancy (where the weighting was higher than that for rurality);
- there remained the possibility that in future years additional responsibilities may be placed on Public Health (primarily from PH England) relating to, for example, pre-exposure HIV programmes and there was no certainty that this additional role would be fully funded;
- Public Health Nursing had now moved to Devon County Council's Children's Services from 2019 (with Public Health commissioning) and a detailed cost analysis was currently underway with the objective of achieving a full staffing complement for the Service for School Nursing and Health Visitors and that the County Council was making additional funds available should it be required;
- other than the Public Health Nursing and the 'One Small Step' initiative no other major change in the commissioning programme was planned and budgets had been prepared in accordance with expected demand;
- demand pressures remained in the budget lines relating to Sexual Health (and access was now better managed) and Substance Misuse where the Alcohol services were particularly stretched and was a growing problem;
- there was less uptake of NHS Health checks and Smoking and Tobacco services; and
- overall the Budget focused on treatments rather than prevention and early intervention because of demand pressures and commissioning requirements.

(ii) Adult Care and Health

- the 10% uplift in the budget was welcomed and there had been no changes to threshold or eligibility service thresholds;
- budget pressures related to demography and demand and unit cost (care staff wage (National Living Wage) increases for example and the increasingly competitive labour market with almost full employment;
- there were particular pressures in regard to working age adults with disabilities (including autism) and from transition from children to adults with complex and high acuity needs;

- the 'Proud to Care' initiative to help address recruitment of care and health staff across all sectors,
- the strategic objective of promotion of independence of clients across all placements of which the housing strategy was an example;
- the implications for work force planning and recruitment arising from 'Brexit' remained uncertain;
- the Improved Better Care Fund (iBCF) allocation of £8.6m millions on which more information was requested in regard to a detailed breakdown noting that £3.6 millions was derived from the former Winter Pressures grant and the remainder for other services; and at this time, it was not known whether iBCF funding would continue in future years;
- more information was requested about the budget line relating to House Day opportunities;
- the expected publication of the Green Paper on Adult Social Care Funding remained outstanding and should provide clarity about future funding; and
- other uncertainties remained in regard to the final settlement and collection rates from the District/Borough councils for example.

It was **MOVED** by Councillor P Sanders, **SECONDED** by Councillor C Wright, and

RESOLVED that the Budget 2020/21, provisional financial settlement and its impact on spending targets and on the proposed Adult Care and Health Services and Public Health budgets for 2020/21 and the issues and/or observations set out above be noted and the Cabinet meeting on 14th February 2020 be requested to:

(a) welcome and support:

- (i) the 10% increase to the Adult Care and Health budget this year in recognition of the sustained increase in demand; and
- (ii) thank the Officers for their endeavours in the effective running of the service.

(b) record concern and ask (the Cabinet):

- (i) to satisfy itself that based on the provisional nature of the Public Health settlement that sufficient funds are in place to ameliorate any shortfall in funding and that the budget savings across the Health and Adult Care budget are achievable;
- (ii) to call for financial consideration to support the Prevention work made possible through significant partnership arrangements with and between Districts, the third and voluntary sector and the NHS;
- (iii) ask for greater clarity over the breakdown of figures in the budget papers, for example, opportunities from the Better Care Fund showing the support given to the third sector; and
- (iv) to put pressure on Central Government to:
 - (A) overhaul the budget setting process for Local Authorities, and move to four-year finance settlements to support financial certainty and longer-term planning;
 - (B) give clarity over settlement figures as soon as possible and in future as far in advance as possible to enable effective service planning;
 - (C) appreciate the insufficient funding to cover prevention and early intervention in substance misuse, particularly alcohol, and specifically ask that in the event there is additional funding in the settlement this be dedicated to prevention work with substance misuse, particularly alcohol;

- (D) increase the Public Health Grant to enable a return to a focus on prevention, and
- (E) account on promises and make it aware of the impact of policies namely:
 - (1) adequately resourcing additional responsibilities that may arise from the Prevention White Paper; and
 - (2) recording concern about the proposed points-based immigration system impact upon recruitment in Health and Adult Care;
- (F) publish, without further delay, the Green Paper on Adult Social Care.

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

The Meeting started at 10.30 am and finished at 12.10 pm