

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

25 January 2018

Present:-

Councillors S Randall-Johnson (Chair), H Ackland, J Berry, P Crabb, R Gilbert, B Greenslade, R Peart, R Scott, P Twiss, N Way, C Whitton, C Wright and J Yabsley

Apologies:-

Councillors S Russell, P Sanders, J Trail and P Diviani (Devon Councils).

Members attending in accordance with Standing Order 25

Councillors A Dewhurst, R Croad, J Hart and A Leadbetter

* **33** **Minutes**

RESOLVED that the Minutes of the meeting held on 21 November be signed as a correct record.

* **34** **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* **35** **Public Participation**

There were no oral representations from members of the public.

* **36** **Budget 2018/2019 and Capital Programme for 2018/19 to 2022/23**

(Councillors Croad and Leadbetter attended in accordance with Standing Order 25 (1) and spoke to this item at the invitation of the Committee and Councillor Dewhurst attended and spoke in accordance with SO (2))

The Committee noted that the proposed budget for the 2018/19 financial year would be scrutinised by individual Scrutiny Committees, with an overview of those issues arising being further debated by the Corporate Infrastructure and Regulatory Services Committee as well as draft budget proposals within the Committees own remit, providing an opportunity for Members to comment on proposals for the Council's Budget in its entirety and also the Chairs of both the Children's Scrutiny Committee and Health and Adult Care Scrutiny Committee attending and presenting, as required.

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/18/02) on the 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 medium-term capital programme for the Adult Care and Health Service and how it was funded.

The Cabinet, at its meeting of 13th December 2017, had set Revenue Budget targets for 2018/19 which totalled £477.391 millions. This included funding for budget pressures of £28.593 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 £20.842 millions were required to set a balanced budget. The target for Adult Care and Health also included £10.148 millions in relation to the One-off Improved Better Care Fund grant announced by the Chancellor in March 2017.

The announcement by Government on the Local Government Finance Settlement for 2018/19 was made on the 19th December 2017. The 2016/17 local government finance settlement previously announced Core Spending Power figures for the four year period of 2016/17 to 2019/20 and the Provisional Settlement for 2018/19 confirmed the Core Funding figures was at the expected level of £115.2 millions. There had however been other changes in relation to the proposal to reduce the Rural Services Delivery Grant in 2018/19 from £65m to £50m which was now not going ahead, with the grant remaining at the current level. Government had also decided not to go ahead with proposed changes to the New Homes Bonus Scheme and there was a change to the annual Business Rates inflationary increase from Retail Price Index (RPI) to Consumer Price Index (CPI), effective from 2018/19, meaning a reduction to Business Rates received by Local Authorities as part of Core Funding.

The Committee were reminded that its consideration of the Adult Care and Health Services and the Public Health budget proposals were just part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet on 9 February 2018 formulating a budget for consideration by the County Council on 15 February 2018.

The County Treasurer, Chief Officer of Adult Care and Health Services, the Head of Adult Commissioning and Health, Head of Adult Care Operations and Health; and the Deputy Director of Public Health commented on the likely implications of the 2018/19 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.

The Report also contained the detailed budget proposals for the Public Health and Adult Care and Health Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services.

The Public Health base budget was £418,000 and included inflation and pressures and required savings and income initiatives of £382,000.

The Adult Care and Health base budget was £227.851 millions (an increase of £13.082 millions or 6.1% from 2017/18), and included inflation and pressures of £11.337 millions and required savings and income initiatives of £8.403 millions.

The Report now before the Committee also referred to the Budget 2018/19 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/published/budget-impact-assessment-201819/>), 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 necessarily have 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:

Public Health

- Public Health was predominantly funded by a ring-fenced grant from the Department of Health and Social Care which was reduced by £726,000 or 2.6% for 2018/19 and further grant reduction of 2.6% had been confirmed for 2019/20. This currently represented £36/head in Devon for public health (the 6th worst of all upper tier authorities);
- a programme of procurement was being undertaken during 2017/18 to enable service demands to be met from the reducing ring-fenced grant;
- impacts on local services from the proposed reductions in Children 5-19 Public Health programmes (£818,000) and Community Safety, Violence Prevention and Social Exclusion (£46,000) (which was part funded by the Police and Crime Commissioner) and actions of officers to mitigate risk;
- saving requirements in the Children 5-19 Public Health programmes (£818,000) and the impact on the Public Health Nursing Service (0-19 provision) with the loss of 30 Full Time Equivalents (from 200 (FTEs) to 170) within the Integrated Children's Services contract, as part of the negotiated reduction in the contract value for this service;
- re-tendering of substance misuse support service, domestic and sexual violence support and prevention services and the sexual health services which gave rise to £450,000 of savings for 2018/19;
- the impact of the proposed cuts in the Public Mental health budget (£223,000) in terms of the prevention agenda;
- additional grant funding secured to the main Public Health grant including funding for a Healthy New Town programme (Cranbrook), and funding from the Big Lottery to support a Pre-Diabetes intervention; and
- the service's role as part of the Sustainability Transformation Plan for Devon, working with key partners, including NHS England.

Adult Care and Health

- the demand led and unit cost pressures across all types of services;
- increased Learning Disability care packages with higher number of young people transitioning to adult care;
- demographic pressures which may translate to 225 new individuals needing packages of care in the next financial year;
- notwithstanding the demographic and winter pressures the stabilisation of care home placements with effective reablement and home support, through the Living Well at Home initiative for example in North Devon, planned to be rolled out to other areas;
- good market sufficiency across Devon of social care markets notwithstanding some local difficulties and the positive rating from the Quality Care Commission, through effective commissioning and monitoring;
- the impact of the proposed £4.5 millions reduction in Personal Care mitigated by improved reablement and home care packages;
- initiatives with key partners to address work force issues in recruitment and retention of staff;
- improving integrated working to achieve timely discharge from hospital;
- provision for the Barnstaple Hub within the proposed Capital Programme; and
- the Better Care Fund arrangements noting that the one-off improved funding after 2019/20, would be ceasing although it was anticipated that core BCF funding would increase but this was not assured.

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

RESOLVED that the provisional financial settlement and its impact on spending targets on the proposed Public Health and Adult Care and Health Services budgets for 2018/19 be noted and that issues and/or observations set out below be drawn to the attention of the Cabinet meeting on 9 February 2018:

(a) that the Cabinet continue to press Government through Devon MPs for a fair funding allocation for Devon for Public Health in recognition of the importance of the prevention agenda;

(b) that the Committee draws to Cabinet and Devon's MPs attention its grave concern about the impact of the cuts to the public health budget in particular:

(i) the loss of 30 FTE health visitors from public health nursing;

(ii) the anticipated significant impact to young people's mental health from the £223,000 reductions in spend on Public Mental Health at a time when anxiety and depression is increasing; and

(c) that the Cabinet be requested to support an allocation of money from the Sustainability and Transformation Partnership to continue to support Public Mental Health;

(d) that this Committee welcomes the additional monies of £10.148 millions from the Better Care Fund but records concerns about the longevity of this funding beyond 2020;

(e) that the proposed medium-term Capital Programme funding proposals be noted.

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

The Meeting started at 10.30 am and finished at 12.25 pm