



City of Westminster

**Budget & Performance Task Group**

**Day 2 – Tuesday 17<sup>th</sup> October 2017**



City of Westminster

# Budget & Performance Task Group

## Policy, Performance and Communications

17<sup>th</sup> October 2017

Julia Corkey

Executive Director

## ***Executive Summary***

- In 2017/18 Policy, Performance and Communications had a net controllable budget £7.664m of which gross controllable income budget was £9.385m and gross controllable expenditure budget was £17.049m.
- The projected outturn variance for 2017/18 is a surplus of £0.820m.
- There are no budget pressures for 2018/19.
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £0.250m for 2018/19.

## ***2018/19 Key Issues***

- The advertising and events market may become a more challenging environment and issues such as Brexit may have an impact on the level of income that can be achieved.

## ***Policy, Performance and Communications Budget 2017/18***

The key controllable service area budgets for 2017/18 are broken down as follows:

<b>Service Area</b>	<b>Income £m</b>	<b>Expenditure £m</b>	<b>Net Budget £m</b>
Cabinet Secretariat and Member Services including ward budgets	-	1.609	1.609
Communication and Campaigns	(2.519)	2.519	-
Corporate Strategy and Transformation	-	0.970	0.970
City Promotions, Events and Filming	(3.001)	1.307	(1.694)
Digital and Customer Services	-	1.850	1.850
Evaluation and Performance	-	1.430	1.430
Policy and Strategy	(0.831)	2.478	1.648
Cross River Partnership hosted by WCC	(3.034)	3.034	-
Voluntary Sector Support	-	1.852	1.852
<b>TOTAL Controllable Budget 2017/18</b>	<b>(9.385)</b>	<b>17.049</b>	<b>7.664</b>

Budgets do not include corporate costs and recharges

# **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (1)**

*Information on the key savings initiatives is provided below:*

- **Voluntary sector support (£0.200m):** removal of the historic £200k under spend on the Voluntary Sector Budget held by PPC. There will be no change to service levels as a result of this. There is full provision within the remaining budget to fully fund all current and planned services.
- **Other Policy, Performance and Communications savings (£0.050m):** undertake a review of the non pay budgets within the Policy, Performance and Communications directorate. There will be a key focus on assessing the current spend within supplies and services. The aim will be to reduce consumption by further enhancing the challenge on all procurement and achieve better value for money.

## ***2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (2)***

The directorate is therefore proposing the following initiatives to support balancing the 2018/19 budget.

<b>Key Initiatives</b>	<b>£m</b>
Voluntary sector support	0.200
Other Policy, Performance and Communications savings	0.050
<b>Total</b>	<b>0.250</b>

## ***2018/19 Budget Pressures***

There are no budget pressures for 2018/19.



## ***Policy, Performance and Communications Budget 2018/19***

The key controllable service area budgets for 2018/19 are broken down as follows:

<b>Service Area</b>	<b>Income £m</b>	<b>Expenditure £m</b>	<b>Net Budget £m</b>
Cabinet Secretariat and Member Services including ward budgets	-	1.606	1.606
Communication and Campaigns	(2.519)	2.519	-
Corporate Strategy and Transformation	-	0.968	0.968
City Promotions, Events and Filming	(3.001)	1.294	(1.707)
Digital and Customer Services	-	1.836	1.836
Evaluation and Performance	-	1.427	1.427
Policy and Strategy	(0.831)	2.463	1.632
Cross River Partnership hosted by WCC	(3.034)	3.034	-
Voluntary Sector Support	-	1.652	1.652
<b>TOTAL Controllable Budget 2017/18</b>	<b>(9.385)</b>	<b>16.799</b>	<b>7.414</b>

Budgets do not include corporate costs and recharges

# ***Consultations on 2018/19 proposals***

No public consultations required.



## ***2018/19 Capital Expenditure***

- **Events And Filming (£0.050m):** to support the development of a new system to improve process efficiency and build staff capacity. The additional capacity will be used to generate £0.100m of income for the Council which is built into 2018/19 revenue budgets.



City of Westminster

# Budget & Performance Task Group

## West End Partnership

17th October 2017

Ed Watson

Executive Director

## *Executive Summary*

- The West End Partnership is a major programme of activity that will enhance the West End and maintain London's position as a leading global city and location of choice for internationally mobile businesses and talent.
- The majority of the budget in 2018/19 relates to the Oxford Street District project, whose aim it to make it the worlds best outdoor retail experience.
- The Council is awaiting a decision from Central Government on funding of the WEP programme overall particularly the transformation of the Oxford Street District and the Strand/Aldwych project. Full Business Cases (FBC) have been submitted to CLG/Treasury with a very positive Business Case Return.
- The gross expenditure budget for 2017/18 is £12.866m and income of £5.678m, giving a net budget of £7.188m.
- The gross 2018/19 gross budget is £59.534m with income of £52.331m, giving a net budget of £7.203m.
- The gross 5 year capital budget is £426.876m, with income of £394.171, giving a net budget of £32.705m. These are inclusive of WEP projects included in CMC.

## 2018/19 Capital Expenditure (1)

The net capital expenditure forecast for 2017/18 is £5.553m. The capital expenditure proposed for 2018/19 is £52.403m and is broken down below:

Capital Programme	2017/18 Forecast Net Outturn £m	2018/19 Gross Expenditure £m	2018/19 Income £m	2018/19 Net Budget £m	5yr Net Budget £m
Oxford Street Transformation	2.243	38.902	(38.902)	-	-
Strand/Aldwych	0.200	1.238	(1.238)	-	2.125
Cross Cutting Themes	1.813	9.263	(8.131)	1.132	8.892
WEP General	1.297	3.000	-	3.000	15.000
<b>WEP Capital Programme</b>	<b>5.553</b>	<b>52.403</b>	<b>(48.271)</b>	<b>4.132</b>	<b>26.017</b>

## 2018/19 Capital Expenditure (2)

In addition to the projects from the previous slide, the following WEP projects are reflected in the CMC capital programme. These have been approved and are moving into delivery :

Capital Programme	2017/18 Forecast Net Outturn £m	2018/19 Gross Expenditure £m	2018/19 Income £m	2018/19 Net Budget £m	5yr Net Budget £m
Hanover Square	-	4.570	(2.450)	2.120	6.690
Bond Street	1.635	2.561	(1.610)	0.951	-
<b>Sub Total of WEP Projects in CMC</b>	<b>1.635</b>	<b>7.131</b>	<b>4.060</b>	<b>3.071</b>	<b>6.690</b>
<b>Total WEP Capital Programme (Incl. CMC Projects)</b>	<b>7.188</b>	<b>59.534</b>	<b>(52.331)</b>	<b>7.203</b>	<b>32.705</b>

The total forecast net outturn for WEP (including projects in CMC) is £7.188m. Capital expenditure proposed for 2018/19 (including projects in CMC) is £59.534m.

## ***2018/19 Key Issues***

- The WEP programme includes assumed funding from Central Government, and this is matched by private and public sector funding.
- A decision on the WEP funding is expected as part of the 2017 Autumn Statement. It is expected that the funding mechanism will either be Tax Increment Financing (TiF) or grant.
- Should funding not be forthcoming, or significantly lower than expected then the Council and the West End Partnership will have to explore alternative options.





City of Westminster

**Budget & Performance Task Group**  
**17<sup>th</sup> October 2017**  
**Children's Services**

Melissa Caslake  
Executive Director

## ***Executive Summary***

- In 2017/18 Children's Services was allocated a gross controllable expenditure budget of £139.267m and a gross income budget of £107.851m (net controllable budget £31.416m)
- The projected outturn variance for 2017/18 is a deficit of £0.108m as of period 5.
- The budget envelope for 2018/19 contains pressures of £0.123m
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £2.937m for 2018/19

## **2018/19 Key Issues**

- Transition from a Tri-Borough to Bi-Borough model for Children's Services
- National Funding Formula implementation for Schools including both Schools and high needs funding
- Special Educational Needs: increased numbers of young people receiving an Education, Health and Care (EHC) Plan and home to school travel assistance due to the extension of the age range to 25
- Legislative Pressures on Placement Costs (Homeless 16-18 Year Olds, UASC and Care Leavers)
- Ensuring that children remain safe and the excellent standard held by Family Services (Outstanding Ofsted grading) is not allowed to slip
- Partners In Practice/ Centre for Social Work (Sustainability)

## ***Children's Services Budget 2017/18***

The key controllable service area budgets for 2017/18 are broken down as follows:

<b>Service Area</b>	<b>Income £m</b>	<b>Expenditure £m</b>	<b>Net Budget £m</b>
Family Services and Safeguarding	(6.426)	26.891	20.465
Commissioning	(15.346)	18.357	3.011
Education	(16.189)	22.318	6.129
Finance and Resources	(0.574)	5.382	4.808
Schools Funding	(1.032)	(1.965)	(2.997)
Schools	(68.284)	68.284	-
<b>TOTAL Controllable Budget 2017/18</b>	<b>(107.851)</b>	<b>139.267</b>	<b>31.416</b>

Budgets do not include corporate costs and recharges

# **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (1)**

*Information on the key savings initiatives is provided below:*

➤ **Commissioning Contracts (£0.467m):**

- Perfect Pathways – review of specialist intervention services (**£0.205m**)
- Contract re-procurement and contract savings (**£0.142m**)
- Full year effect of staffing restructure and further review (**£0.120m**)

➤ **Income Generation, Traded Services and Education (£1.155m):**

- Funding and Income Opportunities through increased trading and other income opportunities (**£1.025m**)
- Staffing opportunities and overhead efficiencies (**£0.080m**)
- Home to school transport demand pressure mitigation - An improved offer of independent travel training (**£0.050m**)

➤ **Resources and Management (£0.550m):**

- Uncommitted third party expenditure budget and release of budget following successful mitigation of pressures (**£0.375m**)
- Management savings from Bi-Borough staffing structures (**£0.175m**)

## ***2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (2)***

*Information on the key savings initiatives is provided below:*

➤ **Other Family Services Savings (£0.315m):**

- Service Reviews - Restructures (**£0.075m**)
- Placement cost reduction and Third Party contributions to care placements (**£0.240m**)

➤ **Reshape 0-19 Service Model (£0.450m):**

- Reshape 0-19 preventative service offer through joint commissioning programme with Public Health
- Phase 1: efficiency on Health Visiting contracts

## ***2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (3)***

The directorate is therefore proposing the following initiatives to support balancing the 2018/19 budget. These total £2.937 million.

<b>Key Initiatives</b>	<b>£m</b>
Commissioning contracts	0.467
Income Generation, Traded Services and Education	1.055
Resources and Management	0.550
Other family services savings	0.415
Children's Transformation – Reshape 0-19 service model	0.450
<b>TOTAL</b>	<b>2.937</b>

## 2018/19 Budget Pressures

Estimated Pressures	£m
Home to School Transport	0.123
<b>TOTAL</b>	<b>0.123</b>

**Home to School Transport (£0.123m)** - Demand led volume changes and due to the extension of the age range to 25

There are additional emerging demand led pressures in the following areas which are being closely monitored and mitigation proposals developed:

- Emergency Duty Team (Adults and Children's)
- Court Directed Assessments
- Section 17 Family Assistance



## ***Children's Services Budget 2018/19***

The key controllable service area budgets for 2018/19 are broken down as follows:

<b>Service Area</b>	<b>Income £m</b>	<b>Expenditure £m</b>	<b>Net Budget £m</b>
Family Services and Safeguarding	(7.076)	26.676	19.600
Commissioning	(15.346)	17.890	2.544
Education	(17.114)	22.311	5.197
Finance and Resources	(0.574)	4.832	4.258
Schools Funding	(1.032)	(1.965)	(2.997)
Schools	(68.284)	68.284	-
<b>TOTAL Controllable Budget 2017/18</b>	<b>(109.426)</b>	<b>138.028</b>	<b>28.602</b>

Budgets do not include corporate costs and recharges

## ***Consultations on 2018/19 proposals (1)***

*The following consultations have been arranged in respect of 2018/19 proposals:*

<b>Proposal name</b>	<b>8.1 Perfect Pathways Commissioning</b>
<b>Value (£'000)</b>	205
<b>Consultation Period</b>	April 2017 – August 30 <sup>th</sup> 2017 – research and consultation period
<b>Status of consultation</b>	In progress
<b>Impact/amendments?</b>	Under review

## 2018/19 Capital Expenditure (1)

The net capital expenditure forecast for 2017/18 is £0.806m (gross £11.104m). The capital expenditure proposed for 2018/19 is £13.279m and includes the following major programme lines:

Capital Programme 2018/19	2017/18 Forecast Net Outturn £m	2018/19 Gross Expenditure £m	2018/19 Income £m	2018/19 Net Budget £m	5yr Net Budget £m
Secondary School Expansion Programme	-	12.320	(12.320)	-	-
Schools Estate Maintenance Programme	-	0.709	(0.709)	-	-
Non-Schools Estate Programme	0.806	0.250	-	0.250	1.250
<b>Total Capital Programme</b>	<b>0.806</b>	<b>13.279</b>	<b>(13.029)</b>	<b>0.250</b>	<b>1.250</b>

## **2018/19 Capital Expenditure (2)**

*Additional information on the key projects is provided below:*

**Secondary School Expansion Programme (£12.320m gross, £0m net):** In order to meet the projected rise in demand for secondary school places, four schools are being expanded to enable each school to offer an additional form of entry. The estimated cost of the programme is £18.100m, which commenced in 2015/16 and is due to be completed in 2018/19. It is funded by a combination of Department for Education grant, Section 106 receipts and contributions by Schools.

**Schools Estate Maintenance Programme (£0.709m gross, £0m net):** Maintenance of the schools estate is required in order to maintain a suitable and effective learning environment, and to preserve the value of the Council's assets. The current programme consists of various minor works across the estate, as well as two major heating and distribution projects. The programme is wholly funded by Department for Education grant.

**Non-Schools Estate Maintenance Programme (£0.250m gross, £0.250m net per annum):** The Council delivers and commissions children's services from a wide variety of properties, and this programme enables the Council to maintain these properties in a state of repair required under lease covenants, and also to carry out targeted investment in line with service delivery strategies. The major project in this programme is the Bessborough Children's Hub, which is delivering building refurbishment works in order to accommodate additional Children's Centre services, and to enhance joint service delivery with partner organisations such as the NHS. As these works do not attract grant funding, the programme is funded by the Council's own balances.



City of Westminster

# **Budget & Performance Task Group**

## **17<sup>th</sup> October 2017**

### **Adult Social Care**

Rachel Wigley

Director of Finance and Resources

## ***Executive Summary***

- In 2017/18 Adult Social Care was allocated a gross controllable expenditure budget of £112.387m and a gross income budget of £52.285m (net controllable budget £60.102m)
- The projected outturn variance for 2017/18 at P5 is a surplus/deficit of £Nil.
- The budget envelope for 2018/19 contains pressures of £3.986m
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £7.839m

## ***2018/19 Key Issues***

- Demographic growth and an increasingly ageing population
- Increase in acuity and complexity of needs
- Workforce challenges, pressures and increasing costs due to the introduction of the living wage
- Customer journey and service re-design
- Reduced opportunities for commissioning and contract efficiencies
- Fragile state of the care market
- Focusing on preventative activities including cross-council focus
- Working more closely with Health partners on integration and service transformation. There is a National expectation that full integration has been achieved by 2020 as part of the NW London Sustainability and Transformation Plan
- Pressures in homecare linked to prevention of unnecessary hospital admissions and safe and timely discharge

## Adults Social Care Budget 2017/18

The key controllable service area budgets for 2017/18 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Assistive Equipment and Technology	(1.294)	2.123	0.829
Commissioning and Service Delivery	(1.942)	6.539	4.597
Information and Early Intervention	(1.697)	1.722	0.025
Costs of assessment and care management process	(4.412)	11.878	7.466
Learning Disability Support	(7.803)	20.773	12.970
Mental Health Support	(4.815)	11.026	6.211
Physical Support	(26.764)	47.712	20.948
Sensory Support	(0.022)	0.090	0.068
Social Support	-	0.834	0.834
Support with Memory and Cognition	(3.536)	9.690	6.154
<b>TOTAL BUDGET 2017/18</b>	<b>(52.285)</b>	<b>112.387</b>	<b>60.102</b>



# **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (1)**

*Information on the key savings initiatives is provided below:*

- **A - Promoting well being, prevention and independence to manage care package costs (£0.450m):** - Consists of using Assistive Technology and other preventative services to reduce new and increasing demand for home care for older people. Involves social worker training and development, a pilot to improve review practices, continuing work to improve the targeting and effectiveness of commissioned prevention services and development of the health hub service offer
- **B - Alternative delivery vehicle including Commercial Trading (£0.100m):-** Consists of exploring alternative delivery vehicles (ADVs) for our in-house services, starting with a phase of review market testing and development. Potential opportunities include assessment and care management services and expansion of our niche in-house services like our Learning Disability flexible response service which works to reduce challenging behaviour
- **C Joint commissioning with health to deliver shared demand and costs management (£0.320m):-** Consists of the continued development of demand and shared costs management with health through the evolution of joint commissioning plans in key service areas. Shared priorities include reducing acute care and managing discharge pressures, mental health recovery and the timeliness of continuing health care assessments. Delivery of these plans will be a further step toward a fully integrated health and social care system underpinned by an accountable care partnership

## ***2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (2)***

*Information on the key savings initiatives is provided below:*

➤ **D - Review care pathways and re-commission key services (£0.630m):**

Consists of two closely interconnected opportunities:

- Reviewing and improving care pathways across service user groups with a view to improving opportunities for choice, independence and control with a significant focus on alternative housing solutions.
- Four major service re-commissions covering a major portfolio of services (Learning Disability accommodation and support, Mental Health accommodation and support, extra care housing, and day care services) to re-design the services to promote independence and personalised services.

➤ **E - Improved transition and promoting independence (£0.200m):-** Consists of delivering the “Preparation for Adulthood” project with Children’s services to strengthen transition management work. Preparation of young people will begin at age 14 to enable transition to the most appropriate care and support arrangements as adults and thereby facilitate their ability to live as independently as possible, in good health, with strong relationships and promising life chances

## **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (3)**

*Information on the key savings initiatives is provided below:*

- **F - Joint Commissioning, capitated budgets & accountable care partnerships (£0.200m):-** This proposal aspires to deliver integrated commissioning, population level health and care management, capitated budgets and accountable care. We will be taking a whole systems approach to commissioning by population group, using a mix of capitated and bundled payment mechanisms to incentivise increased productivity and prevention across the care system
  
- **G - Integrated front door with Health and digital by default (£0.040m):-** Consists of an integrated “front door” that comprises a cutting edge digital platform and, where needed, a telephone service that is multi-disciplinary and led by experts. The aim is to move to ‘digital by default’ for the public; a good online presence, which is easy to navigate, and will direct more potential service users to directly access local prevention services
  
- **H - Asset Based Commissioning of prevention services (£0.100m):-** Consists of a complete review of the Council’s ASC Front Door and Targeted Prevention Service Portfolio to maximise the value that community assets (including family, personal finance, buildings, businesses and volunteering) can play in delivering services with a view to substantially extending its value so as to enable a reduced level of spend.

## **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (4)**

*Information on the key savings initiatives is provided below:*

- **I - Remodel In-House service Portfolio (£0.150m):-** Consists of an in-depth value for money assessment of the council's in-house care and support service portfolio of services including day care, emergency response and LD employment services. The review is being undertaken to assess any remaining opportunities to improve efficiency and the long term market position of in-house services.
  
- **J - Direct Payments as first choice (£0.100m):-** Consists of a move to make Direct Payments (DP's) as the first choice option for the management of Personal Budgets. This means putting DPs at the front and centre of marketing, communications and care management.
  
- **K - Forensic Needs and payment analysis (£0.100m):-** Consists of continuing work to resolve a number of system weaknesses that lead to avoidable costs including; ensuring invoicing and payments are aligned to care and support services provided, switching off short term care packages, completing financial assessments in a timely manner, returning direct payments that have not been used and controlling new and increasing packages of care.

## **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (5)**

*Information on the key savings initiatives is provided below:*

- **L - E-Market dynamic purchasing system (£0.050m):-** Consists of establishing a web based portal system that enables staff and customers to navigate the market, extending choice, competition, and transparency of how costs compare.
- **M - Realising the full efficiency benefits of integrated Learning Disabilities and Mental Health Services (£0.150m):-** Consists of increasing the level of integrated working with Health through the joint assessment, review and system administration which would allow for a critical mass of ASC care management work, particularly reviews, to be delivered by Health professionals and/or providers.
- **N - Integrated back office functions with Public Health and Health (£0.250m):-** The aim of this proposal is to integrate back-office functions across ASC, Public Health and Health. This is consistent with other integration initiatives as ASC and Health partners have an ambition to establish a fully integrated health and social care system by 2020
- **O - Review of workforce costs (£0.150m):-** Consists of a strategic review to consider all opportunities for reducing the total staffing bill will be undertaken with an ambition to achieve a total reduction in costs of 2%-4% against the total.

## **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (6)**

*Information on the key savings initiatives is provided below:*

- **P - Delivery of Differential Charging Priorities (£0.250m):-** Consists of a programme to introduce a range of new charging priorities that relate to differential (higher grade services) and new market opportunities for increased income generation. ASC have set a minimum target contribution based on a range of potential opportunities that have been identified.

### **Initiatives to directly fund growth :**

- **Q - Adult Social Care Levy (£1.003m):-** This represents the discretionary precept based levy which is used to fund pressures in Adult Social Care.
- **R - Increase in iBCF grant (£3.596m):-** This is the increase over and above the 2017/18 allocation of the improved Better Care Fund (iBCF) grant which is to be used on a ring-fenced basis to meet adult social care needs and support the integration work between the NHS and Social Care Services. We will use it to fund:- the loss of the 'one off' 2017/18 Social Care Grant of £1.329m; the Health Integration Fund of £2.035m; contract & placement pressures totalling £0.232m as detailed on slides 13 and 15 (Homecare £0.048m; Sanctuary Contract £0.024m; No Recourse to Public Funds £0.051m; residential and nursing spot placements £0.109m)

## ***2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (7)***

The directorate is therefore proposing the following initiatives to support balancing the 2018/19 budget. These total £7.839 million.

<b>Key Initiatives (section 1 of 2)</b>	<b>£m</b>
A - Promoting well being, prevention and independence to manage care package costs	0.450
B - Alternative delivery vehicle including Commercial Trading	0.100
C - Joint Commissioning with health to deliver shared demand and costs management	0.320
D - Review Care Pathways and re-commission key services	0.630
E - Improved transition and promoting independence	0.200
F - Joint Commissioning, capitated budgets and accountable care partnerships	0.200
G - Integrated front door with Health and digital by default	0.040
H - Asset Based Commissioning of prevention services	0.100

## 2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (8)

Key Initiatives (section 2 of 2)	£m
I - Remodel In-House service Portfolio	0.150
J - Direct Payments as first choice	0.100
K - Forensic Needs & payments analysis	0.100
L - E Market dynamic purchasing systems	0.050
M - Realising the full efficiency benefits of integrated LD & MH services	0.150
N - Integrated back office functions with Public Health and Health	0.250
O - Review of workforce costs	0.150
P - Delivery of differential charging priorities	0.250
<b>Initiatives to directly fund growth :</b>	
Q – Adult Social Care Levy	1.003
R – Improved Better Care Fund (iBCF)	3.596
<b>TOTAL</b>	<b>7.839</b>



## 2018/19 Budget Pressures (1)

Estimated Pressures	£m
Pensions auto enrolment	0.390
Homecare rate rises, Sanctuary contract increase, Asylum pressures, Spot placements	0.232
Reversal of Adult Social Care support grant from 2017/18	1.329
Health Integration Fund (iBCF new monies)	2.035
<b>Total</b>	<b>3.986</b>
In addition to the above, the following pressures have been allowed for in the original estimated gap:	
Demographic pressures	1.048
Children with learning disabilities transitioning into adults services	0.630

## **2018/19 Budget Pressures (2)**

- **Pensions auto enrolment (£0.390m):** Under the Pensions Act 2008, every employer in the UK must put certain staff into a pension scheme and contribute towards it. This is called 'automatic enrolment' and creates a pressure on the Adults Social Care budget. This began in January 2017 in the social care sector as a mandated 1% contribution by both employee and employer. In January 2018 it will rise to 2% for both parties and to 3% in January 2019. The modelled impact is for the 1% change to 2% in 2018/19.
- **Homecare rate rises, Sanctuary contract increase, Asylum pressures, Spot placements (£0.232m):** This comprises £0.048m for increases in homecare rates to retain quality staff; £0.024m for annual price inflation on the Sanctuary contract for the provision of care at Carlton Dene and Westmead residential homes; £0.051m for demographic pressures on customers who have no recourse to public funds (NRPF) and are therefore unable to access the public funding systems to provide for their care when assessed as being Care Act compliant or in receipt of after-care under Section 117 of the Mental Health Act; and £0.109m for the anticipated price increase on spot purchased nursing and residential beds during the year.

## **2018/19 Budget Pressures (3)**

- **Reversal of Adult Social Care support grant from 2017/18 (£1.329m):** This one off Adult Social Care grant in 2017/18 was utilised to fund pressures in placements and packages of care which will be funded in 2018/19 by the increase in the iBCF Fund per below
- **Health Integration fund (£2.035m):** to support integrated services and Transformation projects with the NHS and to develop future savings for both the LA and the NHS by way of investment in the Delayed Transfer Of Care (DTCO) High Impact Change Model. This is funded by the increase in the iBCF Grant.
- **Demographic pressures (£1.048m):** caused by a growing population and people living longer, calculated as 1.47% of the Adults' placement budgets.
- **Children with learning disabilities transitioning into adults services (£0.630m):** first year costs of children with disabilities becoming Adult Social Care customers partway through the year and the full year impact of second year transition.

## **2018/19 Budget Pressures (4)**

### **Sustainable Transformation Programme (STP) – further information**

- The Sustainability Transformation Programme (STP) describes shared ambition across the NHS and Local Government to create an integrated health and care system that enables people to live well and be healthy. The Council lies within the North-West London region with 7 other Local Authorities (LAs) and 8 Clinical Commissioning Groups (CCGs). It is an NHS led process and a draft plan of NW London's STP vision was developed with involvement from commissioner, provider, local government and patient representative groups. The plan recognises funding pressures and identify delivery areas to bridge any gap. The key driver for the NW London STP plan is to improve health and wellbeing, enhance clinical outcomes and achieve financial sustainability.
- Funding restrictions from NHS England on the STP, have required CCGs and LAs to rethink the scope of the original plans, and instead develop local programmes for efficiencies and savings. These local programmes will be setup throughout the North-West London area. The impact from STP plans on local authorities is something that is continuously assessed. Indicatively, there will be an increased burden on social care services provided by local authorities but offset by funding to be devolved from the NHS.
- The Joint Health and Care Transformation Group has been setup to oversee the STP plan and approve/decline proposed business cases.

## Adults Social Care Budget 2018/19

The key controllable service area budgets for 2018/19 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Assistive Equipment and Technology	(1.294)	2.048	0.754
Commissioning and Service Delivery	(1.942)	8.564	6.622
Information and Early Intervention	(1.697)	1.582	(0.115)
Costs of assessment and care management process	(4.512)	11.878	7.366
Learning Disability Support	(7.803)	19.893	12.090
Mental Health Support	(4.815)	11.026	6.211
Physical Support	(29.281)	45.757	16.476
Sensory Support	(0.022)	0.090	0.068
Social Support	-	0.885	0.885
Support with Memory and Cognition	(3.536)	9.428	5.892
<b>TOTAL BUDGET 2018/19</b>	<b>(54.902)</b>	<b>111.151</b>	<b>56.249</b>

## ***Consultations on 2018/19 proposals (1 of 3)***

*The following consultations have been arranged in respect of 2018/19 proposals:*

<b>Proposal name</b>	B - Alternative delivery vehicle including Commercial Trading
<b>Value (£'000)</b>	100
<b>Consultation Period</b>	Nov 2017 – Dec 2017
<b>Status of consultation</b>	Pending
<b>Impact/amendments?</b>	N/A

<b>Proposal name</b>	D - Review Care Pathways and re-commission key services
<b>Value (£'000)</b>	630
<b>Consultation Period</b>	Oct 2017 – Dec 2017
<b>Status of consultation</b>	Pending
<b>Impact/amendments?</b>	N/A

## ***Consultations on 2018/19 proposals (2 of 3)***

*The following consultations have been arranged in respect of 2018/19 proposals:*

<b>Proposal name</b>	H - Asset Based Commissioning of prevention
<b>Value (£'000)</b>	100
<b>Consultation Period</b>	Oct 2017 – Dec 2017
<b>Status of consultation</b>	Pending
<b>Impact/amendments?</b>	N/A

<b>Proposal name</b>	I - Remodel In-House service Portfolio
<b>Value (£'000)</b>	150
<b>Consultation Period</b>	Oct 2017 – Dec 2017
<b>Status of consultation</b>	Pending
<b>Impact/amendments?</b>	N/A

## ***Consultations on 2018/19 proposals (3 of 3)***

*The following consultations have been arranged in respect of 2018/19 proposals:*

<b>Proposal name</b>	N - Integrated back office functions with Public Health and Health
<b>Value (£'000)</b>	250
<b>Consultation Period</b>	To be confirmed as this is dependent on ending of Tri-borough arrangements and move to bi-borough working. Changes. Has to be delivered by December 2017.
<b>Status of consultation</b>	N/A
<b>Impact/amendments?</b>	N/A



## 2018/19 Capital Expenditure (1)

The net capital expenditure forecast for 2017/18 is £Nil (gross £0.770m). The capital expenditure proposed for 2018/19 is £Nil and includes the following major programme lines:

Capital Programme 2018/19	2017/18 Forecast Net Outturn £m	2018/19 Gross Expenditure £m	2018/19 Income £m	2018/19 Net Budget £m	5yr Net Budget £m
Framework-I upgrade to Mosaic	-	0.150	(0.150)	-	-
Lupus Street	-	0.327	(0.327)	-	-
People First Website	-	0.100	(0.100)	-	-
Health Integration	-	0.100	(0.100)	-	-
Mobile Working	-	0.100	(0.100)	-	-
<b>Total Capital Programme 2018/19</b>	-	<b>0.777</b>	<b>(0.777)</b>	-	-

## 2018/19 Capital Expenditure (2)

*Additional information on the key projects in 2018/19 is provided below:*

**Framework-I upgrade to Mosaic (£0.150m gross, £net Nil):** This is a key component in meeting ASC's statutory responsibilities under the Care Act 2014. It will increase the range of choice available to our customers, enable them to have a greater degree of control over their care and provide a digital platform to allow them to exercise it, in line with the City of Choice goals set out in the City for All Strategy.

In addition the system will also provide the base for working with health partners to develop a shared care record to meet the vision of a fully integrated, health and social care delivery system as articulated in the North West London Sustainability and Transformation Plan (STP). The gross budget of £0.150m is fully funded from capital grants with works scheduled for completion in 2020/21 (5 years in total). The net capital budget requirement is £Nil.

**Lupus Street (£0.327m gross, £ net Nil):** The proposal is to remodel the existing building to provide a six (6) bedded residential property which will be used to deliver an intermediate care service that will house and treat, for a short period, residents who have been assessed as having Serious Mental Health (SMI) support needs. In addition it will enable people in Westminster who have entered, or are at risk of entering a mental health crisis to swiftly access support appropriate to

## **2018/19 Capital Expenditure (3)**

*Additional information on the key projects in 2018/19 is provided below:*

their level of need and those who are experiencing a mental health crisis to be supported and remain living in the community. The gross budget of £0.327m is fully funded from capital grants with works scheduled for completion in 2018/19. The net capital budget requirement is £Nil.

**People First Website (£0.100m gross, £ net Nil):** This will enable service users to retain their independence by providing a mechanism for an individual to complete activities relating to their needs themselves or in a supported manner. This portal will not only encourage people to self-assess but also allow them to view and interact with information held within the council's social care system. The gross budget of £0.100m is fully funded from capital grants with works scheduled for completion in 2018/19. The net capital budget requirement is £Nil.

**Health Integration (£0.100m gross, £ net Nil):** This project will specifically facilitate the development of interoperability between Mosaic, a Care Information Exchange and our largest Health Partners (SystemOne) in anticipation of pan-London and national integration. The gross budget of £0.100m is fully funded from capital grants with works scheduled for completion in 2018/19. The net capital budget requirement is £Nil.

## **2018/19 Capital Expenditure (4)**

**Mobile Working (£0.100m gross, £ net Nil):** This project draws on technologies widely available in the market place (i.e. iPAD's and email) and adds additional functionality that is specific to front line staff and our service users. The gross budget of £0.100m is fully funded from capital grants with works scheduled for completion in 2018/19. The net capital budget requirement is £Nil.

**The following projects are managed within the Growth, Planning and Housing capital budget, and make a material contribution to delivering the strategic aims of Adult Social Care:**

**Beachcroft House (£13.976m gross), Carlton Dene (£2.450m gross) and Westmead (£1.100m gross):** These schemes are managed by the Major Projects team in Growth, Planning and Housing, but will provide a benefit to Adults Social Care. These developments will increase specialist housing services in the City by providing care beds, extra care, and supported living accommodation services. This provision of flexible appropriate supported living services within the borough helps meet our obligations under the Care Acts the Adults Social Care commissioning strategy.



City of Westminster

# Budget & Performance Task Group

## 16<sup>th</sup> October 2017

### Public Health

Mike Robinson

Director of Public Health

## ***Executive Summary***

- In 2017/18 Public Health received a grant budget of £32.075m which was reduced by a transfer to CCG of £0.832m for services retained by the NHS. s113 income was budgeted at £2.843m.
- The projected outturn for 2017/18 is a planned deficit of £3.416m which is to be drawn down from the PH reserve. The anticipated use of this reserve is £2.288m less than the budgeted £5.704m.
- 2018/19 budget assumes full use of the ring-fenced grant of £31.241m. The level of grant is to be reduced by £0.834m (2.6%) compared with 2016/17, based on the Department of Health cuts announced in December 2016.
- 2018/19 budgeted expenditure is £1.023m higher than income and this deficit is proposed to be drawn down from PH reserves.

## **2018/19 Key Issues**

- Reduction in the Public Health Grant allocation from Central Government of 2.6% must be offset by service savings.
- The Bi-Borough operating model for public health, recently proposed, shifts the use of the Public Health Grant to joint work programmes between Public Health and other Council departments in order to optimise the use of the grant for improving population health.
- From 19/20, the ambition is for the Public Health Investment Fund to be allocated to these joint work programmes, which aim to deliver measurable improvements in a priority set of health issues. For the proportion of the £9m investment fund allocated to existing commitments in 18/19, PH will work with partner departments to optimise the use of this funding. For the remainder of the investment fund (not yet committed), funding will be aligned to new joint work programmes going forward.
- Complete the re-procurement and redesign of services to deliver agreed savings under the MTP. Develop proposals for integration and consolidation of services for contracts expiring during the MTP.
- Bi-borough and Tri-borough (i.e. social work-care management proposal) services continue to perform during transition period.

## ***Public Health Budget 2017/18***

The key service budgets for 2017/18 are broken down as follows:

<b>Service Area</b>	<b>Income £m</b>	<b>Expenditure £m</b>	<b>Net Budget £m</b>
Department of Health Grant	(32.075)	0	(32.075)
S113 Income	(2.843)	0	(2.843)
Dietetics funding return to NHS	0.832	0	0.832
Commissioned services	0	25.870	25.870
PH Investment Fund	0	9.041	9.041
Salaries and Overheads	0	3.695	3.695
Corporate Recharges	0	1.184	1.184
Transfers to/(from) reserves	(5.704)	0	(5.704)
<b>TOTAL Service Budget 2017/18</b>	<b>(39.790)</b>	<b>39.790</b>	<b>0</b>



## 2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (1)

Public Health has reduced costs through service redesign and re-procurements. Savings and reserves were pooled into an Investment Fund to finance public health outcome improvements.

Commissioned Services	2017/18 Budget £m	Contract / Grant Savings £m	2018/19 Budget £m
Substance Misuse	7.532	(1.880)	5.653
Sexual Health	6.966	(0.981)	5.986
Behaviour Change	2.699	(0.651)	2.048
Family and Children	8.569	(1.930)	6.640
Intelligence and Social Determinants	0.102	(0.052)	0.050
<b>Directorate Managed Contracts</b>	<b>25.870</b>	<b>(5.493)</b>	<b>20.377</b>
Public Health Investment Fund	9.041	0.009	9.050
<b>Total Commissioned Budgets</b>	<b>34.910</b>	<b>(5.484)</b>	<b>29.426</b>

## **2018/19 Transformation, Efficiencies, Financing and Commercial Proposals (2)**

Changes to the commissioned services are outlined below:

### ➤ Substance Misuse

Funds set aside to redesign services and to negotiate new contracts or extensions have been released amounting to £0.8m. As activity in the reoffending area has changed, budget savings of £0.3m is expected. Social work and care management resources have been moved into the restructured staffing budget saving £0.2m. Both the Core Drugs and Core Alcohol contracts were re-procured in April 2016 and the third year of savings have been factored into the 2018/19 budget.

### ➤ Sexual Health

Two thirds of the Sexual Health savings of £0.9m come from the Genito Urinary Medicine (GUM) services which benefited from tariff reductions. Contracts which were redesigned and consolidated into two lots starting from April 2017 explain the balance of the savings.

### ➤ Behavioural Change

Health Trainers is one of the services proposed to be moved into an integrated healthy lifestyles portfolio in 2018 /19. Contract price reductions were negotiated for the extension delivering about £0.6m in savings. Close to £0.1m was shaved from the cardiovascular risk management contract.

### ➤ Families and Children

Public Health has been working closely with Children's Services on the integrated family services model. Health Visiting and School Nursing deliver £1.3m of the savings in this area as they are prepared for transfer into the integrated model. Childhood obesity budget was reduced by £0.3m as a number of one-off projects have ended.

## Public Health Budget 2018/19

The key service budgets for 2018/19 are as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Department of Health Grant	(31.241)	0	(31.241)
S113 Income	(2.871)	0	(2.871)
Dietetics funding return to NHS	0.791	0	0.791
Commissioned services	0	20.377	20.377
PH Investment Fund	0	9.050	9.050
Salaries and Overheads	0	3.734	3.734
Corporate recharges	0	1.184	1.184
Transfers to/(from) reserves	(1.023)	0	(1.023)
<b>TOTAL Service Budget 2018/19</b>	<b>(34.344)</b>	<b>34.344</b>	<b>0</b>

## Public Health Reserves 2018/19

Public Health's reserve position is expected to change next year as shown below. There has been far less reliance on use of reserves to meet proposed operating expenditures or to finance investments.

Description	Amount £m
2017/18 Opening Balance	8.560
Proposed drawdown in 2017/18	(3.416)
<b>2017/18 Closing Balance</b>	<b>5.144</b>
Proposed drawdown in 2018/19	(1.023)
<b>2018/19 Closing Balance</b>	<b>4.121</b>

Assuming that the annual grant levels do not change from that advised by the Department of Health after 2019/20, Public Health expects to have sufficient reserves to meet its commitments until 2021/22.