

## To the Chair and Members of Cabinet

### 2017/18 Budget Updates

#### EXECUTIVE SUMMARY

1. The purpose of this report is to provide an update on 2017/18 budget changes; predominantly the additional £7.0m Improved Better Care Fund (iBCF) that was announced on the 2017 Spring Budget.
2. The additional funding announced since the 2017/18 budget was approved will help towards immediate budget pressures and supports one-off key activities including:
  - Utilising the additional Improved Better Care Fund allocation and increasing the Adult Social Care budgets to support:
    - i. Emerging pressures such as sleep-in nights and delayed transfers of care (DTC).
    - ii. Growing futures project which involves a multi-agency strategy for domestic abuse.
    - iii. Pause project working with the most vulnerable adult women to achieve better outcomes; improving health, housing and reducing the number of further pregnancies.
  - Additional funding to tackle homelessness and rough sleeping, in particular in our town centres.
  - Increasing the planning fees by 20% which will enable us to enhance our capacity and capability to deliver, improving the speed and quality with which planning cases are handled.
3. Unfortunately, the additional funding is one-off and therefore it does not improve the bottom line sustainable on-going budget. We need to be aware of the risks surrounding one-off funding and ensure there are exit plans in place for when the funding ceases; either through the reduction of cost pressures, identification of alternative on-going savings or decommissioning services. A separate report will be produced for the 2018/19 to 2020/21 budget plan for consideration at Council on 21<sup>st</sup> September 2017.

#### EXEMPT REPORT

4. Not applicable.

#### RECOMMENDATIONS

5. Cabinet are asked to recommend the budget allocations for the £7.0m additional Improved Better Care Fund for Council approval on 13<sup>th</sup> July 2017.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. The Council will continue to care for and protect the most vulnerable in the borough but it is inevitable that as the Council becomes a leaner organisation that citizens will see services delivered in new and different ways.

### BACKGROUND

7. After the 2017/18 budget was approved on the 2<sup>nd</sup> March 2017, there were a number of changes announced by Government.

#### Improved Better Care Fund (iBCF)

8. The 2017/18 budget approved on 2<sup>nd</sup> March included additional funding from the 2% Social Care “Precept” of £1.89m and Improved Better Care Fund (iBCF) announced as part of the 2015 settlement of £1.33m. This funding was allocated to meet the pressures for Adults, Health & Wellbeing including price inflation, pay inflation, investment in the care ladder and growth in the number of clients from projected changes in the population. There was also a one-off grant allocated for Adult Social Care of £1.5m in 2017/18.
9. Subsequently, the government announced the additional Improved Better Care Fund (iBCF) in the spring budget; £7.05m 2017/18, £4.33m 2018/19 and £2.14m 2019/20. This must be used only for the following:
- Meeting adult social care need;
  - Reducing pressure on NHS, including supporting more people to be discharged from hospital when ready
  - Ensuring local social care provider market is supported.
10. And, it does not replace and must not be offset against NHS minimum contribution. The Council must:
- Pool the funding into the better care fund, which must be signed off by the health and wellbeing board with the Doncaster CCG.
  - Work with Doncaster CCG to meet national condition 4 on managing transfers of care
  - Submit quarterly reports.
11. It is proposed that the additional one-off funding in 2017/18 will be utilised to meet emerging pressures e.g. sleep-in nights, pressures identified in 2016/17 e.g. older people residential short stay, one-off transformation costs and defer some of the 2017/18 savings allowing more time to deliver the transformational change:

	<b>£'m</b>
<b>Pressures</b>	
<ul style="list-style-type: none"> <li>• Delayed transfers of Care (DTOCs) – Funding to address DTOC’s will be confirmed after further work to review the outcomes following the recent workshop held with colleagues from CCG. However, it is anticipated that some investment will be required and therefore an initial estimate has been included.</li> </ul>	0.25
<ul style="list-style-type: none"> <li>• Supported Living – Sleep-in nights. Additional investment will be needed to address the national issue, caused by the minimum wage legislation, around sleep-in nights in Supported Living. There are currently over 26,000 sleep in nights provided.</li> </ul>	1.50
<ul style="list-style-type: none"> <li>• Money management SAPAT – Invest in capacity to effectively</li> </ul>	0.15

handle the workload.	
<ul style="list-style-type: none"> <li>Residential fee inflation - As part of the negotiations for the 2017/18 fee a cost validation exercise took place that supported a significant increase in the rates paid to providers. The figure includes £0.3m for the CCG for 2017/18 only to enable the work on the Care Home Strategy to be completed.</li> </ul>	0.50
<ul style="list-style-type: none"> <li>ICES - Additional investment is needed to cover, keeping more people at home, enabling carer support through the provision of hoists, the CAP beds initiative and supporting more end of life at home. ICES supported over 9,000 clients last year with both Health and Social Care needs.</li> </ul>	0.50
<ul style="list-style-type: none"> <li>Residential Short Stay - The demand for this service has increased as more individuals are supported to live at home, reducing the numbers in residential care and hospital. In 2016/17 614 service users accessed this type of provision. There is a specific pressure too regarding a small number of high cost Learning Disability service users who have to remain in short stay for extended periods of time because of lack of suitable alternative provision.</li> </ul>	0.60
<ul style="list-style-type: none"> <li>Supported Living – This is additional funding for increased use of assistive technology in Supported Living using a service such as Just Checking. This would be across all of the provision in Doncaster.</li> </ul>	0.30
<ul style="list-style-type: none"> <li>Growing futures – project targeted towards Domestic Violence.</li> </ul>	0.26
<ul style="list-style-type: none"> <li>Pause – specific project targeted at vulnerable adults.</li> </ul>	0.12
<b>One-off Transformation costs</b>	
<ul style="list-style-type: none"> <li>Transformation costs – provides funding for the additional staffing required to deliver the transformation including carrying out reviews. This releases other Council funding which was initially identified to meet these costs i.e. Service Transformation Fund.</li> </ul>	1.38
<ul style="list-style-type: none"> <li>DoLS/Safeguarding Adults Hub – additional posts to effectively manage the assessments and increased demand on the service.</li> </ul>	0.09
<b>Updates to 2017/18 Savings</b>	
<ul style="list-style-type: none"> <li>Working Age Adults – Reduce the saving proposal to support Adults with Learning Disability (187 Working Age Adults), while the alternative supported living options are developed.</li> </ul>	0.40
<ul style="list-style-type: none"> <li>Residential fee – reducing the proposed residential saving to ensure there is sufficient budget for the 832 Older People which DMBC pays some or all of their costs.</li> </ul>	0.60
<ul style="list-style-type: none"> <li>Homecare – reducing the proposed saving to ensure there is sufficient budget to meet expected demand and support more people to live at home reducing pressure on residential care, and increasing availability of care for people leaving hospital. There are currently 1,441 service users being supported in this provision.</li> </ul>	0.40
<b>Total</b>	<b>7.05</b>

12. The pooled Better Care Fund will be considered by the Health and Wellbeing Board on 29<sup>th</sup> June 2017. Proposals for the 2018/19 and 2019/20 Improved Better Care Fund allocations will be considered as part of the 2018/19 to 2020/21 budget plan for Council on 21<sup>st</sup> September 2017.

13. The Government has recognised the increasing financial pressures on Adult Social Care and the iBCF allocation provided assumes that the Council will increase Council Tax for the Social Care precept of 6% over the next 3 years. Therefore if the Council does not apply the 6% increase there will be an assumed funding shortfall to meet anticipated needs for Adult Social Care. All the additional income is also ring-fenced, which therefore does not help the baseline budget position and the need to deliver significant budget savings. It is important that we continue to increase income and reduce expenditure to meet the reducing baseline funding. The additional Improved Better Care funding is expected to cease in 2020/21; although this coincides with a number of changes anticipated for Council funding including 100% retention of Business Rates. However, the funding changes may not take place in 2020/21 due to the revised electoral period resulting from the June 2017 election.

#### Homelessness Grant

14. New Flexible homelessness support grant (£0.207m 2017/18 and £0.227m 2018/19) which is ring-fenced for homelessness prevention; it is planned that this grant will be utilised to deal with and prevent homelessness. This will include investing in Intensive 'Making Every Adult Matter' Support Workers, Navigators, workers to ensure the system is flowing effectively and people are moving in, moving on and one-off funding to remove barriers to progress.

#### Planning Fees

15. The Government's Housing White Paper included a commitment to allow local authorities to increase planning fees by 20% from July 2017; which must be invested in the planning department. The Council confirmed its intention to increase fees by 20%. It is uncertain how the 20% increase will be formed given some of the complexities of the charging structure. However, a straight increase of 20% in some categories will lead to a house extension application fee increasing from £172 to £206 and a new house from £385 to £462.

16. The additional income will be spent on improving the service areas of discharging planning conditions, pre-application advice, customer first contact responses, internal specialist advice and increased capacity to deal with the pipeline of major redevelopment projects. These areas have been recognised by service users and providers as being where significant service improvements can be created. Where possible such service improvements will be introduced through apprenticeships and developing existing staff. Achieving these improvements is currently being worked through within the Planning Service.

#### Business Rates

17. In the Spring Budget the government announced the following measures aimed at supporting those businesses facing increases in their business rates bills as a result of the 2017 revaluation:

- Supporting small businesses – this will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all small business or rural relief and, as a result, are facing large increases in their bills
- New Discretionary relief scheme – the government announced £300m discretionary fund over 4 years from 2017/18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation. Doncaster has been allocated £0.463m for 2017/18, £0.225m for 2018/19, £0.093m for 2019/20 and £0.013m for 2020/21.
- New Business Rate Relief Scheme for Pubs – eligible pubs will receive a £1,000 discount on their bill.

18. A separate report will be produced on the proposed new relief schemes for Council approval (supporting small businesses July 2017 and the two other schemes September 2017).

Reserves

19. The general fund uncommitted revenue reserves for 2017/18 onwards are £12.8m. This includes utilising £2.0m to balance the budget for 2017/18 and £2.3m to deal with the overspend in 2016/17. Other significant balances include:

- VER/VR – balance as at 31<sup>st</sup> March 2017 is £5.0m, which will be required in 2017/18 and 2018/19.
- Service Transformation Fund – The Service Transformation Fund is being used to help DMBC achieve the savings targets in a timely and well managed way, and fund any shortfall on the programmes. The current unallocated balance is circa. £4.5m.

**OPTIONS CONSIDERED & REASONS FOR RECOMMENDED OPTION**

20. The service requirements for the additional funding have been considered to produce the proposed budget allocations; focusing on the Council priorities and protecting front-line services where possible.

**IMPACT ON THE COUNCIL'S KEY OUTCOMES**

21. These are detailed in the table below: -

<b>Outcomes</b>	<b>Implications</b>
All people in Doncaster benefit from a thriving and resilient economy. <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	Council budget therefore impacts on all outcomes
People live safe, healthy, active and independent lives. <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
People in Doncaster benefit from a high quality built and natural environment. <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
All families thrive. <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	
Council services are modern and value for money.	
Working with our partners we will provide strong leadership and governance.	

**RISKS AND ASSUMPTIONS**

22. The main risks concerning the allocation of additional one-off funding are:

- that costs continue after the funding has ceased, which is unsustainable. This will be managed by the Adults, Health and Wellbeing Directorate and exit plans identified.
- costs exceed the additional one-off funding; the funding will be allocated to budget holders and managed accordingly. The funding will be monitored and any discrepancies reported in the quarterly finance and performance improvement reports.

- the percentage of occupied beds blocked by delayed transfers of care (DTOC) is a key performance indicator for iBCF. A whole system review is being discussed and an estimate for additional investment has been included at £0.25m, there is a risk that additional funding may be required which will reduce the funding available for the other areas identified.
- A provider has given notice on an individual contract and additional resources will need to be invested in order that sufficient time is allowed to establish alternative arrangements.

## **LEGAL IMPLICATIONS**

23. The Council must set a balanced budget ensuring that resources are sufficient to meet its proposed spending plans. The Council will need to be satisfied that the budget set will ensure the Authority is able to discharge its statutory duties.
24. Under the general principles of public law, the Council must also act fairly when making budgetary changes or changes to services which potentially involve the reduction or removal of a previously enjoyed benefit. Acting fairly includes consulting fairly with those affected, conscientiously taking into account the results of the consultation and, where appropriate, having due regard to equality impact.
25. As detailed within the body of the report, the available funding is only provided on a one-off basis and the Council must be aware of the risks associated with such monies and ensure that there are exit strategies in place for when the funding ceases.
26. Some of the proposals outlined within the budget will impact upon service users and other individuals, particularly those with protected characteristics within the meaning of the Equality Act 2010. In appropriate cases, the budget may only be implemented by further decision making by either Cabinet or other duly authorised decision taker. That decision will need to be taken in full consideration of the Council's duties under the Equalities Act 2010 after full consideration of an appropriate due regard statement.

## **FINANCIAL IMPLICATIONS**

27. These are contained within the body of the report.

## **HUMAN RESOURCES IMPLICATIONS**

28. There are no specific human resources implications to this report. However it is noted that the funding will support the additional staffing required to deliver the transformation programme. Any staffing changes should be discussed with Human Resources in a timely manner.

## **TECHNOLOGY IMPLICATIONS**

29. There are no direct technology implications at this stage. However, the Responsible Officers must ensure that any ICT requirements that arise in relation to the use of the proposed funding are submitted to the ICT Governance Board, allowing for the full consideration of ICT & technical implications to ensure they comply with the statutory and legislative requirements of the Council in respect of information & data security as well as ensuring the standards of the organisation's PSN compliance are adhered to.

## **EQUALITY IMPLICATIONS**

30. The Council must consider and have due regard to the three aims of the general equality duty when developing and implementing the council's Medium Term Financial Plan. A due regard statement will be produced for individual proposals as required.

## **CONSULTATION**

31. The proposals for the Improved Better Care Fund budget allocations have been considered at several meetings involving Council officers, CCG colleagues and members. Forthcoming meetings include:

- Health & Wellbeing Board 29<sup>th</sup> June
- Overview & Scrutiny 29<sup>th</sup> June
- Council 13<sup>th</sup> July

## **BACKGROUND PAPERS**

32. Council Report – Revenue Budget & Council Tax 2017/18, 2<sup>nd</sup> March, 2017.

### **REPORT AUTHOR & CONTRIBUTORS:**

Faye Tyas, Head of Financial Management

Tel: 01302 862606, E-mail: [faye.tyas@doncaster.gov.uk](mailto:faye.tyas@doncaster.gov.uk)

**Steve Mawson**  
**Chief Financial Officer & Assistant Director of Finance**