



Report to Policy Committee

Author/Lead Officer of Report

Jonathan McKenna-Moore, Service Manager

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Report of: Director of Adult Health & Social Care

Report to: Adult Health and Social Care Policy Committee

Date of Decision: 15th June 2022

Subject: Adult Health and Social Care: Financial Update and Progress with Financial Recovery Plan

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1128				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

Purpose of Report:

The purpose of this report is to provide an update on the Adult Social Care financial position, an overview of our budget and to seek endorsement for recovery plans.

The development of an Adult Social Care, Care Governance Strategy identified that, alongside the Council's Medium-Term Financial Strategy (MTFS) analysis of cost pressures and planned savings, a full budget analysis was required for greater transparency and to ensure that ongoing financial risks and issues remain visible.

This report looks at the whole rather than the change, highlighting relative growth in spend by service type and the links between funding streams and specific activity.

This is a key report in our financial governance as it enhances our understanding of the full budget position and the relative value of pressures, savings and ongoing commitments when making spending decisions.

It also supports delivery on Sheffield City Council One Year Plan priority to deliver a framework for measuring our performance and quality so that people can hold us to account for the care services we provide.

Recommendations:

It is recommended that the Adult Health and Social Care Policy Committee:

1. Note and consider the Adult Social Care budget in totality, pressures, and current progress with the recovery plan.
2. Note the impact of one-off funding, which includes Hospital Discharge Funding, no longer being available to fund Adult Social Care Services despite continuing demand.
3. Agree that a report providing an update on the budget position and progress in delivering a balanced budget is brought to Committee on a regular basis.
4. Agree that a Member's task and finish group is implemented to consider priorities for spend which will enable delivery of budget on balance by year end 31st March 2023 and to agree spend priorities for 23/24 for discussion at September 2022 Committee.

Background Papers: None

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Liz Gough
		Legal: Tim Hoskins
		Equalities & Consultation: Ed Sexton
		Climate: <i>(Insert name of officer consulted)</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	<i>John MacIlwraith</i>
3	Committee Chair consulted:	<i>Councillor George Lindars-Hammond and Councillor Angela Argenzio</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	

Lead Officer Name: Jonathan McKenna-Moore	Job Title: Acting Service Manager, Planning Performance and Risk
Date: 27 May 2022	

1 PROPOSAL

- 1.1 Our vision is that everyone in Sheffield lives in a place they can call home, in communities that care, doing things that matter to them, celebrated for who they are and, when they need it, they receive care and support that prioritises independence, choice, and recovery.
- 1.2 The purpose of this report is to provide an update about Adult Social Care financial position, an overview of our budget and to seek endorsement for recovery plans.
- 1.3 The development of an Adult Social Care, Care Governance Strategy identified that, alongside the Council's Medium-Term Financial Strategy (MTFS)¹ analysis of cost pressures and planned savings, a full budget analysis was required for greater transparency and to ensure that ongoing financial risks and issues remain visible.
- 1.4 This is a key report in our financial governance as it enhances our understanding of the full budget position and the relative value of pressures, savings and ongoing commitments when making spending decisions. The development of this report and framework supports delivery on Sheffield City Council One Year Plan priority to deliver a framework for measuring our performance and quality so that people can hold us to account for the care services we provide.

2 BACKGROUND

- 2.1 Adult Health & Social Care has a responsibility to support Adults over 18 with specific needs to live independent and fulfilled lives, safely in their local community. We do this by providing information, advice, and guidance as well as support and services.
- 2.2 To do this, the Council is responsible for assessing and understanding the needs of adults to ensure they can live as independently as possible, living a fulfilled life, safe from abuse.
- 2.3 The needs of eligible adults can be met through formal services that the Council provides directly or commissions from a third party, or it can be met through family and friends providing informal care. Formal care includes residential care, home care, supported living, day activities, short breaks, housing support, or the flexibility of choice through Direct Payments.
- 2.4 Appendix 1 provides a brief overview of our main duties and statutory guidance which informs what and how we deliver adult social care. This is important to our budget, as we need to ensure we can demonstrate that we have used our resources effectively to deliver improved outcomes for people, our statutory duties and in doing support and protect those most vulnerable across Sheffield to live the life they want to live.

3 OVERVIEW OF ADULT SOCIAL CARE INCOME

Income Source	Amount (£000s)	%
Sheffield City Council (Cash Limit)	132,563	48.3%
Fees and Charges from Citizens of Sheffield	51,452	18.8%
Better Care Fund	29,288	10.7%
S75 Agreement with NHS Sheffield CCG	26,276	9.6%
Grants & Other Income	32,814	12.0%
Recharges to Other Services	1,943	0.6%
TOTAL	274,335	

3.1 The total budget of £274m includes £132.6m from the Council’s corporate budget, built up of Council Tax revenue, the Revenue Support Grant from Central Government and Business Rates (which are paid into and then reallocated by central government).

3.2 This part of the budget is also referred to as the **Cash Limit**. Any reduction in spend will target the Cash Limit. Where funding is directly linked to specific activity (for example a S75 agreement for Mental Health support) reduced spend will have less or no impact on the cash limit budget.

3.3 The Adult Health and Social Care budget does not include £16.3m to fund those aspects of the new Integrated Commissioning Service which relate to delivery of supports to Adults in the City. This includes Drug and Alcohol Services, Housing Related Support, Domestic Abuse, Early Intervention, and other related budgets which impact on Adult Health and Social Care delivery of legal duties. These budgets are set out in Table B below:

	£000s
Cash Limit	7,083
Fees & Charges	18
S75 CCG	49
Government Grants	8,345
Other Income	803
Recharges	30
TOTAL	16,328

3.4 The amount of money available through Council Tax revenue has been increased through use of the social care precept. This is currently 1%, generating an additional £3.3m. Further increases would each require an annual Committee decision and can therefore not be assumed each year.

¹ [Sheffield City Council Medium Term Financial Analysis, 2022/23 to 2025/26](#)

- 3.5 People in receipt of formal care are assessed to see if they can pay some or all their support costs. Individuals are invoiced monthly, and recovery of invoices averages 90% subject to follow up from a debt recovery team. This accounts for the £51, 452 noted in the budget.
- 3.6 The Better Care Fund² is a national programme that requires Local Authorities and CCGs to pool defined budgets through a section 75 arrangement to support the integration of care. In Sheffield, our Better Care Fund goes beyond the minimum contributions and our programmes extend to include many other areas of work that benefit from joint decision making and are commissioned through pooling budgets. The Better Care Fund income element of the Budget (£29,288m) includes the funding for social care allocated to NHS Commissioning bodies and redistributed to local authorities.
- 3.7 The S75 Agreement income covers £19.6m of Better Care Fund that the NHS Sheffield Clinical Commissioning Group passport to the Council. The remaining £6,676m is to fund integrated or commissioned services in social care. This includes part funding of Council's Short-Term Intervention Team, the Equipment Service and other Social Care Teams including Safeguarding and Income and Payments.
- 3.8 Grants and other income are mainly the Adults Social Care Grant (£29.5m) which is a relatively new Government Grant, the Independent Living Fund, and other small grants.
- 3.9 The total budget shown above does not include a further £8.95m for Service Level Agreements and Corporate Overheads nor £71k for Business Support. This is because these are temporary funding arrangements matched to internal spend on premises and service support. These are not formally part of the permanent budget for AHSC.

3.10 UK Government Funding to Adult Social Care – Social Care Reforms

- 3.10.1 In September 2021, the Government announced £5.4 billion over 3 years for adult social care reform. At the Spending Review in October 2021, it announced that this investment will be used for the following areas:
- £3.6 billion to pay for the lifetime cap on care costs, the extension to means test, and support progress towards local authorities paying a fair cost of care.
 - £1.7 billion to improve social care in England, including at least £500 million investment in the workforce.
- 3.10.2 This investment is backed by the new Health and Social Care Levy. The Government intention is that, beyond the next three years, an increasing share of funding raised by the levy will be spent on social care.

² [Department of Health and Social Care Better Care Fund Guidance](#)

- 3.10.3 Of the £3.6bn allocated nationally to cover charging reform and the fair cost of care it is not yet known what the final allocation will be for Sheffield or whether this allocation will account for both costs to meet additional assessment demands and costs of care.
- 3.10.4 A proportionate split might indicate that Sheffield could be allocated up to £36m for the three years 2022/23 to 2024/25 with roughly half for charging reform and half for the fair cost of care.
- 3.10.5 Sheffield received a grant in 2022/23 of £1.8m for the Fair Cost of Care which is a fraction of what would be expected based on these national figures. Because the Government has stated that the fund distribution will be reviewed ahead of allocating money for 2023 to 2024 “to ensure they remain appropriate to meet the objective of making local markets more sustainable” it is impossible to predict with any certainty what level of income might be expected.
- 3.10.6 The cost of charging reform is not known and cannot be accurately forecasted as it will depend on the personal wealth of people not currently known to the Council. However, it is likely that these new costs will be very significant (£5-£15m) in 2023/24 and again in 2024/25.
- 3.10.7 The national investment in social care of £1.7bn is designed to support the Government’s 10-year vision, ‘People at the Heart of Care: adult social care reform’. This includes a range of Government policies over the next 3 years including:
- at least £500 million for social care workforce.
 - at least £300 million to integrate housing in strategies.
 - at least £150 million to drive greater adoption of technology.
 - up to £25 million to support unpaid carers.
 - £30 million to help local areas innovate support.
 - Over £70 million to increase and improve the AHSC offer.

It is not yet clear to what extent Sheffield might benefit directly from the £1.7bn funding.

3.11 UK Government Funding – COVID and Hospital Discharge Funding

- 3.11.1 Additional health funding in response to Covid Pandemic ceased on 31st March 2022.
- 3.11.2 This means the £13 million towards additional post-discharge care and support services are longer be funded through the National Discharge Fund³. The end of this funding resource places a significant pressure on Sheffield City Council Adult Social Care to fund discharge to assess as a preferred pathway for discharge. To that end, work is underway with NHS colleagues in the City to look at long term sustainable solutions which enable people to be discharged

³ [Funding of discharge services from acute care in 2022/23](#)

from hospital in a safe and timely manner in line with Hospital Discharge and Community Support National Guidance ⁴.

- 3.11.3 The Council also administered £31,241,339 of one-off grants to providers in 21/22, to support infection control and workforce stability. These grants were mainly financially neutral to the council with 96% of funding passed directly to the care providers across the city. A breakdown of the one-off grants and their usage is noted at Appendix 2.

4 OVERVIEW OF CURRENT RESOURCE USE

4.1 Current Permanent Resource Allocation

Spend	Amount (£000s)	%
3rd party spend	£217,279	79.3%
Employees	£44,136	16.0%
Premises	£578	0.2%
Supplies and Services	£11,388	4.2%
Transport	£954	0.3%
TOTAL	£274,335	100%

- 4.2 The majority of the budget is spent on 3rd party spend which is the purchasing of supports and services to deliver care to people across the city. Due to this, it is important that the care that we purchase is of excellent quality, person led and of best value.

- 4.3 The spend on 3rd Party supports and services is allocated through Purchasing Budgets and can be broken down as noted in Table D:

3rd Party Spend (£000s)	OP	LD	PD	MH	Total
Home Support	30,217	1,268	5,467	110	37,062
Direct Payments	9,726	23,081	12,724	5,619	51,150
Residential & Nursing	48,149	16,352	3,825	8,174	76,500
Short Term Care	1,788	665	713	80	3,246
Supported Living	7,167	24,243	3,570	332	35,312
Day Care	367	4,088	410	20	4,885
Other	1,049	2,592	131	386	4,158
Total Gross Expenditure	98,463	72,289	26,840	14,721	212,313

(OP = Older People; LD = Learning Disabilities, PD = Physical Disabilities; MH = Mental Health)

- 4.4 Further third-party expenditure outside of 3rd Party purchasing of supports and services equals £4.966m, bringing the total to £217, 279m.

⁴ [Hospital discharge and community support guidance](#)

- 4.5 The income from contributions from individuals varies between working age people, whose main income tends to be state benefits, and older people who often have capital and additional private income as well as their pension. Table E shows the impact of contributions.

Table E – Adult Health and Social Care Income from Contributions					
Income against Spend (£000s)	OP	LD	PD	MH	Total
Gross Expenditure (Table D)	98,463	72,289	26,840	14,721	212,313
Contributions From Individuals	-28,805	-4,977	-2,159	-746	-36,687
NHS CCG Contributions to costs	-1,400	-8,114	-700	-609	-10,823
Other Contributions	-40,043	-30,915	-7,335		-78,293
Total Income	-70,248	-44,006	-10,194	-1,355	119,121
Net Expenditure	28,215	28,283	16,646	13,366	86,510
% Resource Allocation From Cash Limit Provided by Council	29%	39%	62%	91%	41%

(OP = Older People; LD = Learning Disabilities, PD = Physical Disabilities; MH = Mental Health)

- 4.6 The combined individual and NHS Sheffield Clinical Commissioning Group contributions of £47.5m is £4m less than the £51.5m shown in Table A.

- 4.7 This is due to income recovered across a variety of service areas outside of Purchasing Budgets, £1.7m of which is individual contributions to Citywide Care Alarms and the rest is contributions from capital towards equipment costs.

5 CURRENT FORECAST FOR 2022/ 2023

- 5.1 Due to a combination of national under-funding, the ongoing impact of Covid19 on service availability and demand, and undelivered savings from consecutive previous years, the Adult Health and Social Care, inclusive of Integrated Commissioning, budget is forecast not to deliver a balanced budget at quarter 1 despite making significant inroads into making savings to date.
- 5.2 Table F shows the 22/23 budget. The first part of the table shows the non-purchasing budget (predominantly employee spend) and the second part of the table shows the purchasing budget (as described under 3rd party spend in Table D).
- 5.3 Both sections are net of income (i.e., Cash Limit only), with the total of £141.5m aligned to the £132.6m Cash Limit described in the Income Source and Budget Allocation tables, plus the £8.9m of temporary budget for SLAs and Corporate Overheads described in Section 1.

5.4 The 22/23 budget assumes that £25m savings contained within the Revenue Budget and Capital Programme 2022/23⁵ agreed at the Co-Operative Executive held on 16th February 2022 will be achieved in full (see next section). To this end the £25m has already been removed from the budget and any savings not met will be required to be mitigated within this financial year in line with this decision.

Table F – Budget and Outturn						
Budget and Outturn (All amounts shown in £000s)	2021/22			2022/23		
	Full Year Budget	Actual Outturn	Variance	Full Year Budget	Forecast Outturn	Variance
Adult Health and Social Care	51,876	53,624	1,748	55,155	56,963	1,808
EHD income*	-2,866	-13,224	-10,358	0	0	0
Non-purchasing Total	49,010	40,400	-8,610	55,155	56,963	1,808
Older People	28,064	41,241	13,177	31,163	34,618	3,455
Physical Disabilities	12,900	14,769	1,869	16,646	17,011	365
Learning Disabilities	33,313	34,324	1,011	29,086	34,829	5,743
Mental Health	5,996	8,886	2,890	9,466	9,733	267
Purchasing Total	80,273	99,220	18,947	86,361	96,191	9,830
Grand Total	129,283	139,620	10,337	141,516	153,154	11,638

5.5 *EHD income refers to Enhanced Hospital Discharge funding, referenced at 3.11, that was set up as part of the Covid19 response and ceased at on 31st March 2022. The funding off-set the additional support required to enable people to be discharged from hospital and back home during the pandemic. However, much of that support is still in place as is the demand for additional support without the corresponding funding.

5.6 Along with this, initial benchmarking highlights that Sheffield City Council has provided higher levels of care than other comparable authorities throughout the pandemic. The variance column for 21/22 shows where we spent more than the allocated budget last year. Had it not been for one-off EHD funding which reduced the overspend to £10m in 21/22, the cost of care and support would have exceeded the planned budget by around £21m.

5.7 **The overspend was largely because of our priority towards keeping people safe during the COVID pandemic. Much of this underlying spend and support put in place during the pandemic remains and this is what is causing the main pressure for the 22/23 budget.**

⁵ [Revenue Budget and Capital Programme 2022/ 2023](#)

5.8 Table G shows the total pressures built into the 2022/23 budget and the way these pressures have been offset to create a balanced budget.

Table G - 22/23 Pressures	£m
21/22 forecast overspend (care packages) as of Autumn 2021	21.8
Growth in demand for services	6.9
Uplifts to provider fees	6
Loss of income (inc. one-off Health funding and reduction to ILF)	2.2
Long-term investments to meet service demand	3.9
Short-term investments to mitigate 21/22 overspend	1.6
Staff pay award (2%)	0.8
Total Pressures	43.2
Increased ASC grant	-8.5
Social Care Precept	-3.3
Mitigations / Savings	-25.2
One-off funding from Council Reserves	-6.2
Total Off-set	-43.2

5.9 The precept and the one-off reserves have increased the cash limit and therefore the net budget for adult social care in 2022/ 23. The Adult Social Care Grant is treated in the budget as income and so is not visible in the net budget. Clearly a major element of this year's budget is the delivery of £25.2m savings.

5.10 The forecast indicates a potential £11.6m spend more than the allocated 22/23 budget unless mitigating actions are successful. This is mainly due to slippage against planned savings mainly due to the impact of the pandemic on workforce availability at the start of the year to undertake the activities and the ongoing pressure of hospital and community demand, without funding to pay for the ongoing demands. Due to this, a range of actions are underway to establish a balanced budget detailed in section 6.

6 ADULT SOCIAL CARE FINANCIAL RECOVERY AND SUSTAINABILITY

6.1 It is our ambition to achieve a sustainable adult social care service. To this end, a change programme was implemented in 21/22 after a period of self-assessment to enable delivery of improved outcomes for people, improved performance and deliver not only a balanced budget but a long term sustainable social care service.

6.2 Current Recovery Actions

6.2.1 While the 22/23 budget has been increased from 21/22, this only addresses part of the budget pressure.

6.2.2 £25m was taken out of the 22/23 budget based on full delivery of planned savings and therefore any savings not delivered will show as an overspend or pressure. These savings can be summarised as follows:

Table H – Recovery Activity and Progress				
Saving Category	Value (£000s)	FTE	Forecast value	Forecast %
Reviewing Excess Costs	13,235	0	5,850	44%
Mitigating New Costs	2,272	0	2,057	91%
Re-commissioning of services	3,038	0	2,071	68%
New Operating Model	2,800	40	2,225	79%
Establishment Control	2,252	3.6	2,252	100%
Budget Adjustments	350	0	350	100%
Maximising Income	1,254	0	1,254	100%
Total	25,201	43.6	16,059	64%

- 6.2.3 To date, we have delivered £6.2m in savings through:
- £2.2m of savings through budget adjustments and recommissioning programmes.
 - £2.3m through reviewing excess costs/strength-based reviews.
 - £1.7m through our current projects
- 6.2.4 By end quarter 2, we expect to have delivered a further £923,000 through our savings programme bringing total predicated to £7.1m delivered savings by Quarter 3.
- 6.2.5 18 projects are underway with an expected delivery date of 31st March 2023 to deliver the remainder of the savings and weekly monitoring is in place to enable a focus on delivery of each of these 18 projects so that we are responsive in mitigating reasons for potential undelivered savings and reducing risk of savings not met at an early stage.
- 6.2.6 This includes development of a new Target Operating Model for Adult Social Care which aims to build a greater focus on individual wellbeing and enabling people to live independently in communities across Sheffield, in line with our Strategic Vision and priorities and with that reduce the need for care and support in line with our Care Act duties. The Target Operating Model is planned for submission to Committee in September 2022 for approval.
- 6.2.7 Following on from review in 21/22, several arrangements were implemented to improve understanding of the budget and to enable effective resource management. This included implementing a detailed understanding of the budget, establishment control, review of spend against legal duties and strategic priorities, commission to internal audit as a business partner to support development of an action plan to ensure robust financial governance. A new leadership structure in May 2022 was also implemented which brings commissioning and operations together so that Senior Leaders have oversight of the totality of a budget by portfolio and can make effective decisions regards spend.

6.2.8 As Table H shows, current forecasts do not anticipate full delivery of the £25m budgeted savings plan at Quarter 1. This is reflected in the forecast overspend, which will also include new and emerging pressures. Adult Health and Social Care is required to mitigate this forecast overspend by April 2023.

6.2.9 In response to early indicators that all savings may not be met and in line with our dynamic budget review process, further recovery planning is underway to increase confidence of deliverability against each project, in particular reviews, as well as:

- Review of all activity between Adult Social Care, Integrated Commissioning and NHS Sheffield Clinical Commissioning Group, including activity within pooled budgets to determine shared areas of efficiency.
- Joint funding proposal with Sheffield Teaching Hospitals to support a timely and effective response to discharge from hospital and support elective recovery.
- Commissioning a report from the Local Government Association to determine where any further areas for efficiency which can be made.
- Review of current systems and processes to manage demand to offset future demand pressures.
- Review of practice across health and social care to enable a move towards strength-based practice and promotion of independent living
- Review of Sheffield discharge model, response, and funding with partners so that people can be discharged on a timely basis but within funding envelope available.

6.2.9 It is proposed that a Member's task and finish group is implemented which will consider spend priorities to support and enable delivery of a balanced budget at year end and priorities for 23/24 budget, which includes the entirety of Adult Social Care budget inclusive of Adult Social Care and Integrated Commissioning and makes recommendations to September 2022 Committee.

6.2.10 It is proposed that future reports are brought to the Committee which set out more detail on funding streams, more detail on spends and more detail on forecasting including long term assumptions.

7 HOW DOES THIS DECISION CONTRIBUTE?

7.1 Good governance in relation to resource management and financial decision making supports the delivery of the adult social care vision and strategy

7.2 Our long-term strategy for [Adult Health and Social Care](#), sets out the outcomes we are driving for as a service, and the commitments we will follow to deliver those outcomes:

- Support people to live a fulfilling life at home, connected to the community and resources around them, and provide care and support where needed.
- Provide temporary assistance to help people regain some stability and control in their life following ill health or crisis.

- Provide care and support with accommodation where this is needed in a safe and supportive environment that can be called home.
- Make sure support is led by 'what matters to you,' with helpful information and easier to understand steps.
- Recognise and value unpaid carers and the social care workforce and the contribution they make to our city.
- Make sure there is a good choice of affordable care and support available, with a focus on people's experiences and improving quality.

8 HAS THERE BEEN ANY CONSULTATION?

8.1 The purpose of this report is provided background to the fund of Adult Social Care, an update to the forecast spend position for 2022/23 and progress with the delivery of savings. No consultation has been undertaken on these aspects.

8.2 Consultation is undertaken during the development of proposals for the budget and implementation of proposals for the budget as appropriate.

9 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

9.1 Equality of Opportunity Implications

9.1.1 As part of the annual budget setting process, an overarching EIA assesses the cumulative impact of budget proposals (EIA 1128), as well as individual EIAs for each proposal that are monitored and maintained as an ongoing process. The Savings Plan referred to in summary was agreed by the Council as part of the 22/23 Budget and the EIAs for each element remain live.

9.2.1 Over the last 4 years, the Council has provided vital social care services with above inflation funding increases. A 16% increase for 2022/23, and an average increase of nearly 13% p.a. over the last 5 years, has seen the budget for adults and children's social services rise by a total of £126m.

9.2.2 The year-on-year reductions from Government has meant that over the last ten years we have seen a real terms reduction of 29% and this has impacted on the people of Sheffield, including those in greatest need and groups that share equality characteristics. We have also seen increasing demand for our services in key areas like social care.

9.2.3 The 2022/23 savings targets are the highest the Council has ever faced, as the Council needs to make over £52.7m of savings across all service areas. Although there are very difficult choices to make, our impact assessments illustrate our commitment to tackling inequality and ensuring inclusivity and to mitigate negative impacts where possible. We will monitor closely for any adverse equality impacts as reductions and changes in provision occur during the next year.

9.2 Financial and Commercial Implications

9.2.1 Our long-term financial strategy to support the implementation of the adult health and social care strategy consists of three elements:

- Supporting people to be independent
- Secure income and funding streams
- Good governance

9.2.2 This report is part of an improved financial governance framework that aims to improve the fiscal understanding of our workforce and provide transparency on the use of public money to the citizens of Sheffield.

9.2.3 Financial governance will be aligned with the adult health and social care strategy to ensure that opportunities for efficiency and improvement are recognised and developed by accountable owners. An emphasis on enablement and less formal support will be embedded through processes that identify a strengths-based practice at the point of assessment and review.

9.3 Legal Implications

9.3.1 As this report is designed to provide information about background to and an update about the financial position rather than set out particular proposals for the budget and implications, there are no specific legal implications arising from the content. The ongoing process will however assist the local authority in meeting its obligations under the duties set out in Appendix 1.

9.4 Climate Implications

9.4.1 There are no climate impacts arising directly from this decision.

9.5 Other Implications

9.5.1 There are no further implications to consider at this time.

10 ALTERNATIVE OPTIONS CONSIDERED

10.1 Not applicable – no decision or change is being proposed.

11 REASONS FOR RECOMMENDATIONS

11.1 It is recommended that the Adult Health and Social Care Policy Committee:

- 1) Note and consider the Adult Social Care budget in totality, pressures, and current progress with the recovery plan.
- 2) Note the impact of one-off funding, which includes Hospital Discharge Funding, no longer being available to fund Adult Social Care despite continuing demand pressures.
- 3) Agree that reports providing an update on the Budget and progress in delivering a balanced budget are brought to Committee.

- 4) Agree that a member's task and finish group is implemented to consider priorities for spend which will enable delivery of budget on balance by year end and priorities for 23/24 budget.

These recommendations are made to support strategic planning and operational decisions that are necessary for market sustainability and the long-term benefit of people in Sheffield.

12 Appendices

12.1 Appendix 1 - Overview of Adult Health and Social Care:

Our vision is that everyone in Sheffield lives in a place they can call home, in communities that care, doing things that matter to them, celebrated for who they are; and when they need it, they receive care and support that prioritises independence, choice, and recovery.

In line with this, the core purpose of adult care and support is to help people to achieve the outcomes that matter to them in their life, to promote wellbeing and keep people safe. This is set out in six main pieces of legislation:

- The Care Act 2014,
- The Mental Capacity Act 2005 and Deprivation of Liberty Safeguards,
- The Mental Health Act 2007,
- The Human Rights Act 1998,
- The Domestic Violence, Crime and Victims Act 2004 and subsequent legislation relating to Domestic Violence Protection Notices and Orders, the criminal offence of Coercive and Controlling Behaviour, Modern Slavery and Forced Marriages.
- Local Authority Social Services Act 1970 Section 6

These direct Adult Health and Social Care Services to:

- promote wellbeing
- protect (safeguarding) adults at risk of abuse or neglect
- prevent the need for care and support
- promote integration of care and support with health services
- provide information and advice
- promote diversity and quality in providing services

The Care and Support Statutory Guidance provides an overview of the key principles and practice which defines Adult Social Care - [Care and support statutory guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672222/care-and-support-statutory-guidance.pdf)

12.2 Appendix 2 - One-off grant funding during 21/22 Covid Response:

One-off Covid Grants Received	£s
Infection Prevention and Control	16,377,651
Rapid Flow Testing	4,889,217
Workforce Stability	9,742,248
Vaccines	232,223
TOTAL	31,241,339

Distribution of one-off grants		
3 rd Party Care homes	19,276,282	62%
3 rd Party Home care	5,133,696	16%
3 rd Party Day care	1,486,867	5%
Direct payments	43,857	0.1%
3 rd Party Supported living	882,504	3%
Sheffield City Council Services	875,920	3%
Ad hoc	57,873	0.2%
Not claimed by 3rd Parties and returned to DHSC	3,484,340	11%
Total Distribution to 3rd Parties	26, 823, 206	86%
Total Distribution to Council Services	875,920	3%
Total	31,241,339	100%