



## Report to Policy Committee

**Author/Lead Officer of Report:**  
Jonathan McKenna-Moore

**Report of:** Strategic Director of Adult Care and Wellbeing  
**Report to:** Adult Health and Social Care Policy Committee  
**Date of Decision:** 8 November 2023  
**Subject:** Adult Health and Social Care: Financial Recovery Plan Update

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? EIA 2377				
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"/>

### Purpose of Report:

The report delivers on our commitment to transparent and accountable financial reporting.

This update provides:

- An analysis of the underlying financial pressure to be carried forward into 2024/25 financial year.
- An outline of our financial recovery plan for 2024/25, including the Adult Future Options Transformation Programme.
- Context of the impact of the financial position on 2024/25 business planning.

**Recommendations:**

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

1. Note the ongoing activity to implement savings as agreed under the 2023/24 budget and existing recovery plan.
2. Note the impact of funding changes on the financial position and recovery plan for 2024/25.
3. Note the recovery plan at Appendix 2 to mitigate underlying demand and cost pressures in 2024/ 2025.
4. Note as part of the CQC Assurance, the local authority must have effective budget oversight, accountability, and governance. It assesses the impact of any budget reductions and whether the level of savings required will affect its ability to meet statutory duties, including comparison with regional and national benchmarking groups. Note that a report will be provided to December 2023 Committee setting out an update and next steps required.

**Background Papers:**

Appendix 1: 2023/24 Recovery Plan

Appendix 2: 2024/ 25 Recovery Plan

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: Kerry Darlow
	Legal: Patrick Chisholm
	Equalities & Consultation: Ed Sexton
	Climate: Jonathan McKenna-Moore
	<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	<b>SLB member who approved submission:</b> Alexis Chappell
3	<b>Committee Chair consulted:</b> Councillor Angela Argenzio
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.
	<b>Lead Officer Name:</b> Jonathan McKenna-Moore
	<b>Job Title:</b> Service Manager for Business Planning and Care Governance
	<b>Date:</b> 30/10/2023

## 1.1 Proposal

- 1.1.1 As reported in September 2023, Adult Care has delivered £21m savings in total since April 2021 and is anticipated to deliver £40m in total by April 2024. This is against a net budget of £134.8m and a gross budget of £293.4m.
- 1.1.2 The September report and forecast reported delivery of £19.1m of savings in 2023/24 against a target of £24.4m. It's noted that £4.3m of the savings not delivered are forecast to be recoverable in 2024/25.
- 1.1.3 As at Month 5, Adult Care & Wellbeing is forecasting a £3.5m overspend for the end of the 2023/24 financial year. Of this amount, £1m will be mitigated within this financial year, £1.5m is assumed in 2024/25 business planning pressures, and £1m will carry over into 2024/25 to be addressed as part of this recovery plan.
- 1.1.4 The financial forecast for 2023/24 is aided by £15.2m of new grant funding and other income as described in Table 1 below. Changes in funding at the end of the financial year will create an underlying pressure of £15.2m that will also carry over into 2024/25 as part of the recovery plan.
- 1.1.5 This report sets out a programme of recovery actions to mitigate the total of £16.2m demand pressures that will carry over into the 2024/25 financial year.

## 1.2 Income Update

- 1.2.1 Table 1 sets out the new income and funding received in 2023/24. Permanent budget adjustments will be made as part of the 2024/25 Business Planning process and will offset new cost pressures. Temporary adjustments refer to one-off amounts that will not be available in 2024/25.

### 1.2.2

<b>Table 1: Income Source</b>	<b>Amount</b>	<b>Permanent or Temporary</b>
<b>Client Contributions</b> The amount of money paid towards the cost of support has increased more than assumed – this mainly relates to services for people aged 65+. The 2024/25 permanent budget for income will be updated to reflect this.	£2m	Permanent
<b>Continuing Healthcare</b> The amount of money paid by the NHS towards the cost of jointly funded care has been higher than expected following the resolution of a number of one-off backdated payments.	£1.7m	Temporary
<b>Social Care Grant.</b> This is funding in excess of our Business Planning assumptions that was held in reserves. It has now been allocated to the Learning Disabilities purchasing budget and will become part of the permanent budget in 2024/25.	£6.2m	Permanent
<b>Discharge Grant.</b> The total allocation for 2023/24 is £4.1m, of which £3m is included in the forecast to match activity to date. The funding available is due to increase in 2024/25, however there are no confirmed allocations past this point. In 2023/24, the Grant is mainly allocated against homecare costs above the Adult Care and Wellbeing budgeted hours in order to ensure capacity in the market.	£3m	Temporary

<b>Market Sustainability and Improvement Fund – Workforce Fund.</b> This is new funding announced in summer 2023. This portion of the £4.1m total grant is funding STIT and Enablement services, which have expedited hospital discharge and provided additional hours of homecare support over the last year where the market was unable to provide. This proportion of the grant will reduce to £1.1m in 2024/25 and then end in 2025/26.	£1.5m	Temporary
<b>One Off Council Funding</b> £0.5m of one-off funding to support savings activity has reduced the overspend position on Adults Care and Wellbeing as a whole.	£0.5m	Temporary
<b>Capacity and Productivity Grant.</b> This is one-off funding to help the implementation of new ways of working in order to support more streamlined assessments.	£0.3m	Temporary
<b>Total</b>	<b>£15.2m</b>	

- 1.2.3 £7m of this funding is temporary and cannot be included in our permanent budget. Of this £3.5m relates to one-off funding received in 23/24 which will be unavailable in 24/25. The remaining £3.5m relates to funding through the discharge fund and capacity grant that is subject to approval for use.
- 1.2.4 New permanent income will be included in our permanent budget from 2024/25 (this is described in the Adult Social Care Budget Programme 2024/2025 report). The £8.2m total will offset new financial pressures in 2024/25 requiring the underlying pressure to be addressed through this recovery plan.
- 1.2.5 While the £15.2m funding will continue to mitigate costs in-year, the permanent funding streams must be applied to budgets for next year through the business planning process. This approach will reduce the impact of inflation and increased demand in 2024/25 and allow for a rebalance of purchasing budgets to reflect demand.

### 1.3 2024/25 Recovery Plan

- 1.3.1 Growth in demand has been mitigated in 2023/24 by an enablement and strength-based practice, our focus on early intervention and prevention and successful programme of strength-based reviews. This has resulted in gross spend increasing by less than 5% over first six months of the financial year.
- 1.3.2 Despite the growth mitigation, there is an underlying cost pressure currently forecast at £16.2m for 2024/25. This will be subject to change and will depend on activity already underway during 2023/24 including the impact of new support arrangements and the operating model. The pressures are detailed in Table 2 below.
- 1.3.3 The most significant pressure relates to the delivery of support and care to people with learning disabilities. A long-term transformation of Adult Future Options is underway which is underpinned by the co-produced Learning Disability Strategy at Committee for approval today and the adult care and wellbeing new operating model. The recovery programme for 2024/25 builds upon the introduction of an enablement team, annual reviews and contract costs initiated in 2023/24. Due to this no further approvals are required.

1.3.4 New activity in Adult Future Options will be focused on service development and recommissioning programmes related to overnight short breaks, accommodation with care and direct payments and it's planned to bring approval for these areas of activity to Committee later in 2023/24.

1.3.5 Other major pressures relate to Living and Ageing Well. These are due to savings or spend that have been mitigated by short-term funding. The recovery plan for 2024/25 builds upon the introduction of an enablement team, annual reviews, financial inclusion, and service developments initiated in 2023. In addition, assumptions related to use of one-off grants are built into the recovery plan. No further approvals are needed for these. New opportunities to reduce lost income or recover costs will be brought to committee for approval separately.

1.3.6 A number of service wide developments underway will also enable recovery actions and help us to address the current financial pressures. These are:

- Educating and embedding technology enabled care in the workforce will improve access to innovations such as virtual homecare to inform early-help. In addition, developing multi-agency approaches to community based informal networks to reduce need for social care support. An update regards both is provided as part of the Early Intervention Update at Committee today.
- Greater involvement in support planning from both our Brokerage and Occupational Therapy teams will ensure the best enablement and early help options for the individual have been identified.
- Reviewing our processes and ways of working to release time and capacity in our social care teams.
- Reviewing opportunities for income generation and longer-term sustainability of services.

1.3.7

<b>Service Area / Budget</b>	<b>Carried Forward Overspend (£)</b>	<b>Demand Pressures (£)</b>	<b>Total Pressure (£)</b>	<b>Deliverable Slipped Savings (£)</b>	<b>Extended Savings Activity (£)</b>	<b>New Income (£)</b>	<b>New Activity (£)</b>	<b>Recovery Plan Total (£)</b>
Adult Future Options: Learning Disability and Physical Disability	2.3m	8.7m	<b>11.0m</b>	-3.0m	-0.7m	-1.0m	-4.3m	<b>-9.0m</b>
Living & Ageing Well, long term: Older Adults Services	-2.2m	5.0m	<b>2.9m</b>	-1.1m	-0.5m	-2.8m		<b>-4.4m</b>
Access & Mental Health Services	-0.1m		<b>-0.1m</b>	-0.2m			-0.2m	<b>-0.4m</b>
Living & Ageing Well, short term: staffing budget	1.0m	1.5m	<b>2.4m</b>			-2.4m		<b>-2.4m</b>
<b>TOTALS</b>	<b>1.0m</b>	<b>15.2m</b>	<b>16.2m</b>	<b>-4.3m</b>	<b>-1.2m</b>	<b>-6.2m</b>	<b>-4.5m</b>	<b>-16.2m</b>

1.3.8

The 2024/25 Recovery Plan noted at Appendix 2 provides a framework and action plan to mitigate ongoing cost pressures. As noted, the majority of savings detailed in this Recovery Plan are existing initiatives either agreed in 2023/24 Budget Improvement Plans or in subsequent reports to committee. As such, no further approval is required of Committee for this ongoing work. Where recommissioning or other decisions are required by Committee, these will be brought for approval in 2023/24.

1.3.9 Governance and assurance against delivery of this Recovery Plan will be managed through the Health and Care Joint Efficiency Group. Quarterly reports will be provided to the Adult Social Care Policy Committee in parallel with quarterly reporting on budget implementation and financial forecast.

#### 1.4 Combined Recovery Plan and 2024/25 Business Planning

1.4.1 The actions described in this Recovery Plan to address our underlying pressure will be delivered in parallel with the new savings set out in the *Adult Health & Social Care Budget Programme 2024/25*. The *Budget Programme 2024/25* addresses new cost pressures and will be presented to Committee as a separate report.

1.4.2 Table 3 shows the combined targets required for both the *Budget Programme 2024/25* and this Recovery Plan. This is presented in order to provide a full picture of the financial pressure and mitigation required.

1.4.3 **Table 3: Combined pressures and savings for 2024/25**

	New Pressure for 24/25 (£)	New Funding for 24/25 (£)	Net 24/25 Pressure (£)	24/25 BIP Savings (£)	Carry Forward Pressure (£)	Recovery Plan Savings (£)	Net Position (£)
Future Options, non-purchasing budget	1.4m	- 1m	0.4m	-0.4m			
Future Options purchasing budget	13.4m	- 13.3m	0.1m	-0.5m	10.7m	- 8.7m	1.6m
Living & Ageing Well - Long Term, non-purchasing	1.4m	- 1.4m					
Living & Ageing Well-Long Term, purchasing budget	8.5m	- 3.3m	5.2m	- 6.4m	2.9m	- 4.3m	- 2.8m
Living & Ageing Well-Short Term, non-purchasing	1.4m	- 0.6m	0.7m		2.4m	- 2.4m	0.7m
Access & Mental Health non-purchasing budget	1.9m	- 1.9m					
Access & Mental Health purchasing budget	1.9m	- 0.6m	1.3m	- 0.9m	- 0.1m	- 0.5m	- 0.1m
Commissioning Service non-purchasing budget	0.5m	- 0.5m			0.3m	- 0.3m	
Governance & Financial Incl. non-purchasing budget	2.1m	- 0.5m	1.6m	- 1m			0.6m
Chief Social Work Officer non-purchasing budget	0.04m	- 0.04m					
<b>TOTALS</b>	<b>32.5m</b>	<b>- 23.2m</b>	<b>9.3m</b>	<b>- 9.3m</b>	<b>16.2m</b>	<b>- 16.2m</b>	<b>0</b>

Note, due to the effect of rounding thousands of pounds into million-pound totals, the individual amounts shown may not match the exact total for that column. The

1.4.4 amounts shown in the Totals row are correctly rounded for the exact amounts underpinning this table.

1.4.5 Table 4 demonstrates that there are no areas of duplication between the two plans. Activity has been split across the two plans in order to avoid the possibility of double counting new savings and recovery actions.

1.4.6 **Table 4: Division of savings activity for 2024/25**

Service Area	24/25 BIP Savings	Recovery Plan Savings
Future Options	<ul style="list-style-type: none"> <li>Budget adjustments</li> </ul>	<ul style="list-style-type: none"> <li>Enablement</li> <li>Planned reviews.</li> <li>Health income</li> <li>Transformation Programme</li> <li>Payment controls</li> <li>Contract costs</li> </ul>
Living & Ageing Well - Long Term	<ul style="list-style-type: none"> <li>Annual uplift contributions</li> <li>Promoting independence post discharge</li> <li>Making best use of commissioned services</li> </ul>	<ul style="list-style-type: none"> <li>Discharge funding</li> <li>Enablement/ annual reviews</li> <li>Maximising income               <ul style="list-style-type: none"> <li>Financial reassessments (delivery of existing slipped saving)</li> <li>Reduce lost income/ cost recovery</li> </ul> </li> </ul>
Living & Ageing Well – Sort Term	n/a	<ul style="list-style-type: none"> <li>Grant funding</li> <li>Income generation/ service development</li> </ul>
Access & Mental Health	<ul style="list-style-type: none"> <li>Promoting independence</li> </ul>	<ul style="list-style-type: none"> <li>Health income</li> <li>Early Help</li> </ul>
Governance & Financial Inclusion	<ul style="list-style-type: none"> <li>Additional income</li> </ul>	n/a

## 1.5 CQC Assurance

1.5.1 As reported to Committee previously, the Care Quality Commission introduced an assurance in relation to Adult Social Care.

1.5.2 As part of the Assurance guidelines, the Care Quality Commission has set out that the local authority must have effective budget oversight, accountability, and governance. It will assess the impact of any budget reductions and whether the level of savings required will affect its ability to meet statutory duties, including comparison with regional and national benchmarking groups.

1.5.3 Briefings will be provided to Members in November and December setting out comparisons with regional and national benchmarking groups using ADASS information, an analysis using benchmarking data provided to Committee in September 2023 and impact on statutory duties.

1.5.4 The Adult Care and Wellbeing Budget Update in December 2023 will subsequently provide Committee with an update regards impact of budget

reductions and a best value assurance regards Adult Care ability to deliver statutory duties, including trajectory towards Market Sustainability and Fair Cost of Care.

## **2.0 HOW DOES THIS DECISION CONTRIBUTE?**

2.1 The purpose of this report is to set out proposals that will allow the Council to deliver its Health and Social Care statutory duties within available resources in 2024/25 whilst making improvements to the quality of experience and outcomes of people its supports in line with its vision/ strategy for Adult Health and Social Care and Sheffield's Joint Strategic Needs Assessment (JSNA)

2.2 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 were 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.

2.3 The development of the proposals in this paper are consistent with the three key elements of our financial strategy: 1. Supporting people to be independent; 2. Secure income and funding streams and 3. Good governance in relation to resource management and financial decision making.

## **3.0 HAS THERE BEEN ANY CONSULTATION?**

3.1 No consultation has been undertaken for activity outlined in this recovery plan.

3.2 Delivery of the recovery plan is dependent upon the following:

- Activity already agreed under the 2023/24 Revenue Budget, Business Improvement Plans and Change Programmes
- Use of agreed grant funding
- Contribution income through the Fairer Charging Policy
- Internal budget management

3.3 Consultation and engagement will be undertaken in relation to any recommissioning programmes proposed as part of the Adult Future Options consultation and service developments. The outcomes will be reported as part of the individual programme report to Committee.



3.4 Consultation will be undertaken as appropriate for any other proposals brought separately to committee for approval as part of this recovery plan.

## **4.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality Implications**

4.1.1 None of the proposals described in section 6 of this report are expected to have adverse impacts on any group of people with protected characteristics. No proposals have yet been identified which have a primary impact on grounds of race, sex, sexual orientation, transgender, or cohesion.

4.1.2 A number of proposals are designed to improve the health outcomes or the personal outcomes of disabled people, older people or carers and so will have a positive impact on people with protected characteristics. Other proposals will have a mixed, limited, or neutral impact on people with these protected characteristics.

4.1.3 Activity that has already been agreed under the 2023/24 Business Improvement Plan will be assessed under the overarching Equality Impact Assessment (ref: 1444), as well as individual Equality Impact Assessments (EIAs) for proposals that are monitored and maintained as an ongoing process.

4.1.4 A separate EIA is provided as part of the Learning Disability Strategy.

4.1.5 EIAs are live documents and will be kept up to date as proposals are further developed and, as appropriate, consulted upon. Further proposals will be required to balance the budget gap and EIAs will be undertaken for those as they are identified and brought forward.

### **4.2 Financial and Commercial Implications**

4.2.1 There are no financial implications arising other than those set out in the main body of this report.

4.2.2 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

4.2.3 Given the overall financial position of the Council there is a requirement on the committee to understand the financial position in 2023/24 in the context of 2024/25 budget planning.

4.2.4 The Recovery Plan provides a transparent overview of underlying financial pressures and the actions required to mitigate this in parallel with 2024/25 Business Improvement Plans.

### **4.3 Legal Implications**

- 4.3.1 By law, SCC (Sheffield City Council) must set and deliver a balanced budget, which is a financial plan based on sound assumptions. This can consider cost savings and/or local income growth strategies, as well as use of reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.
- 4.3.2 The recommendations in this Report contribute to the process of setting a budget but do not otherwise have any immediate legal implications.
- 4.3.3 Implementation of the specific proposals outlined in this report may require further decisions in due course, which will need to be made in accordance with the council Constitution. It is important to note that in making these decisions, full consideration of the Council's legal duties and contractual obligations will be needed.
- 4.3.4 The Council needs to be satisfied that it can continue to meet its statutory duties and meet the needs of vulnerable young people and adults. The proposals in this report have been drawn up on the basis that they will enable the Council to continue to meet its statutory duties and the needs of the most vulnerable. Where the proposals involve changes in legal relationships such as new contracts, it will be necessary to ensure that the necessary processes are followed.

#### 4.4 Climate Implications

- 4.4.1 There are no climate impacts to consider arising directly from this recovery plan. No additional use of resources is anticipated in the implementation of the recovery plan in comparison to current activity.

#### 4.5 Other Implications

- 4.5.1 There are no further implications to consider at this time

### **5.0 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Reductions to or restrictions on access to services have not been considered at this stage. Our strategy for Adult Social Care is to take a strengths-based approach, working with people to reduce their need for formal support. The proposals in this Recovery Plan are consistent with that approach.
- 5.2 Reductions to staffing have previously been agreed as part of the budget setting process and use of temporary budgets. Where alternative funding is available it will be the preferred policy of the Adults Care and Wellbeing directorate to retain workforce capacity.

### **6.0 REASONS FOR RECOMMENDATIONS**

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

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