



Report to Policy Committee

Author/Lead Officer of Report:

Jonathan McKenna-Moore, Service Manager for Business Planning and Care Governance

Report of: Strategic Director of Adult Care and Wellbeing

Report to: Adult Health and Social Care Policy Committee

Date of Decision: 13th December 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 1444				
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:

- Assurance regarding delivery upon our financial recovery plan in 2023/24.
- Updates regarding use of new grant funding.
- Update on care funding decisions and appeals.
- Highlights of ADASS benchmarking on financial performance.
- Update on autumn budget statement and impact on 2024/25 business planning.

Recommendations:

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

1. Note the update to the financial forecast for the delivery of savings in 2023/24.
2. Note the use of grant funding in line with approved allocations.
3. Note the intention to conduct a Best Value audit in response to national benchmarks on financial performance.
4. Request updates on progress with implementation through our Budget Delivery Reports to future Committee.

Background Papers: *none*

Lead Officer to complete:-							
1	<table border="1"> <tr> <td rowspan="4">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.</td> <td>Finance: Kerry Darlow & Laura Foster</td> </tr> <tr> <td>Legal: Patrick Chisholm</td> </tr> <tr> <td>Equalities & Consultation: Ed Sexton</td> </tr> <tr> <td>Climate: Jonathan McKenna-Moore</td> </tr> </table>	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 & Laura Foster	Legal: Patrick Chisholm	Equalities & Consultation: Ed Sexton	Climate: Jonathan McKenna-Moore	
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 & Laura Foster						
	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	<table border="1"> <tr> <td>SLB member who approved submission:</td> <td>Alexis Chappell</td> </tr> </table>	SLB member who approved submission:	Alexis Chappell				
SLB member who approved submission:	Alexis Chappell						
3	<table border="1"> <tr> <td>Committee Chair consulted:</td> <td>Councillor Angela Argenzio</td> </tr> </table>	Committee Chair consulted:	Councillor Angela Argenzio				
Committee Chair consulted:	Councillor Angela Argenzio						
4	<table border="1"> <tr> <td colspan="2">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.</td> </tr> <tr> <td>Lead Officer Name: Jonathan McKenna-Moore</td> <td>Job Title: Service Manager for Business Planning and Care Governance</td> </tr> <tr> <td colspan="2">Date: 22/11/2023</td> </tr> </table>	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: Service Manager for Business Planning and Care Governance	Date: 22/11/2023	
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: Service Manager for Business Planning and Care Governance						
Date: 22/11/2023							

1. Adults Care and Wellbeing – Recovery Plan Update

1.1 Adults Care and Wellbeing forecast outturn

- 1.1.1 As at month 7, Adult Care and Wellbeing is reporting an overspend of £3.8m. This is compared to the £3.5m overspend reported in September's update to committee.
- 1.1.2 As detailed in the report to committee in November, there is an underlying pressure on staffing costs and the purchasing budget being mitigated by £15.2m new income and grant funding. Because of this new income and grant funding only £600k of the 2023/24 in-year overspend is currently against purchasing budgets.
- 1.1.3 Half of the £3.8m overspend relates to staffing costs and half relates to third party spend outside of the purchasing budget, for example Advocacy and Community Equipment. These pressures are included in the 2024/25 Budget and 2024/25 Recovery Plan presented to Committee in November.

1.2 Recovery Plan Update

- 1.2.1 £18.9m savings are required as part of the 2023/24 budget. There are a further £5.5m savings which slipped from the 2022/23 budget and which also require delivery in 2024/25 taking the total savings target to £24.4m.
- 1.2.2 Since the September update, there has been a slight improvement to the forecast delivery of savings. We are now forecasting delivery of £19.1m savings against a target of £24.4m (79%), this is compared to £18.6m (76%) in September.
- 1.2.3 The main areas of focus for the remainder of the year will be the completion of recovery reviews. Agency teams are in place until the end of March 2024. The rate of reviews has improved since the summer, increasing confidence that the forecast is accurate and that the full target of £7.2m savings will be recoverable in 2024/25.
- 1.2.4 The report to Committee in November detailed how all pressures carried forward into 2024/25 would be addressed either as part of 2024/25 budget proposals or as part of the parallel Recovery Plan. This included the £5.2m savings which are currently forecast not to be delivered in 2023/24:
- £700k of planned savings that related to staffing costs have been included in staffing pressures for 2024/25 and will be delivered as savings in a different way.
 - £1.2m of planned savings relating to new demand for Learning Disability services will be addressed by the new Enablement Team as part of the Recovery Plan.
 - As noted above, the £2.3m slippage forecast on recovery reviews will be achieved under the Recovery Plan.

- £600k additional income will be recovered as a result of activity that is underway and funded to continue next year.
- The remaining £400k slippage will be resolved through contract arrangements with independent sector providers.

Table 1: 2023/24 Recovery Plan Forecast					
Project Title	Target by 31/03/24 (£000s)	Forecast 31/03/24 (£000s)	% By March 2024	% By March 2025	Action Required to Deliver Savings
Closed Items	-9,826	-10,239	104%	104%	All activity against closed savings is either complete or on schedule.
Living and Aging Well					
Recovery Reviews	-4283	-3069	72%	100%	Invest to save on agency review teams until March 2024
Staffing	-812	-240	30%	100%	Additional grant funding to be allocated until 25/26
Contract Costs - cross cutting	-537	-414	77%	100%	Residential offer – non-standard rates under review
Adults Future Options					
Recovery Reviews	-2894	-1813	63%	100%	Invest to save on agency review teams until March 2024
Enablement	-1629	-46	3%	75%	Enablement team to be recruited to by early 2024
Health Income	-685	-435	64%	64%	Reviewing CHC arrangements. Recharges under review
Care Governance & Financial Inclusion					
Income: reassessments	-1240	-880	71%	100%	Financial reassessments in progress following recruitment
Better Care Fund	-500	-250	50%	50%	Joint commissioning benefits plan in progress
	Total Target	Total Forecast	%		
	£24,359	£19,089	79%		

1.3 New Income and Grant Funding

1.3.1 As noted in the report to committee June 2023, there was a £18.95m (7%) increase to the Adult Social Care budget from 2022/23 to 2023/24, with most (95%) of this increase relating to increased grant and other income. This took the total gross budget to £293.4m.

1.3.2 The increased budget includes:

- £1.3m (1%) increase in the cash limit following increased revenue through the Social Care Precept. One-off use of £6m council reserves in 2022/23 was replaced with permanent budget through this revenue.
- £4.5m (9%) increase in income from fees and charges following an inflation linked increase to contributions and Health income.
- £12.9m (39%) increase in grant, including £6.3m from the Market Sustainability and Improvement Fund (incorporating the 'Fair Cost of Care' Grant) which funded fee increases.

1.3.3 In addition to these amounts noted at the start of the year, Adult Social Care has benefited from additional temporary grants:

- £4.1m of Discharge Grant in conjunction with Health Partners to improve patient pathways for hospital discharge.
- £4.1m Market Sustainability and Improvement Fund - Workforce Fund (MSIF Workforce) to support workforce retention, stability in the provider market and reduced waiting times.

1.3.4 Use of the Market Sustainability and Improvement Fund (incorporating the Fair Cost of Care Grant)

1.3.5 The £6.3m Market Sustainability and Improvement Fund (MSIF) in 2023/24 followed on from a £1.8m Fair Cost of Care (FCOC) grant in 2022/23 and broadly incorporated its objectives.

1.3.6 The 2022/23 Fair Cost of Care grant enabled Sheffield to apply a 20p per hour increase to standard homecare rates and an £18 per week increase to standard residential care rates. This was applied part way through the 2022/23 financial year because of the timing by Government of the grant funding announcement. The 2023/24 MSIF Grant enabled Sheffield to maintain and develop those mid-year fee increases at a rate above inflation.

1.3.7 The conditions attached to the £6.3m MSIF in 2023/24 are the same as for the £4.1m MSIF-*Workforce Fund* which was announced later in the year (28th July '23), but they are two separate amounts of funding.

1.3.8 The MSIF has been allocated as follows:

Table 2: Fair Cost of Care Grant 2023/24		
Service	Extra Cost (£000s)	Notes
Fee Rates		
Standard Residential Care	1,818	£30 per week over inflation
Standard domiciliary care	200	£0.09 per hour over inflation
Non-standard residential	2,785	Costs increased 14.2% over inflation
Supported Living	362	£0.09 per hour over inflation
Day Activities	68	£0.09 per hour over inflation
Workforce		
Workforce Development	382	Additional staff to reduce waiting times for assessment and reviews, and reduce delays to discharge and service start dates.
Mental Health	204	
Business Support	116	
Commissioning	60	
TOTAL	6,000	

1.3.9 Use of Market Sustainability and Improvement Fund – Workforce Fund

As noted in Appendix 4 of the report to Committee in September 2023, the MSIF workforce grant has been allocated to a number of areas to support recruitment and retention and to bolster workforce capacity in the independent sector.

1.3.10 Plans agreed in September are now being implemented as follows:

Table 3: MSIF – Workforce 2023/24		
Project	(£000s)	Progress
Recruitment & Retention grants to providers	£1,500	Grant conditions to be confirmed and to manage payments from Jan 2024
Retention of staff across STIT and Enablement teams to facilitate hospital discharge.	£1,453	Retention of staff in post, delivering approx. 2,000 hours care and support hours per week
Practice Development Staff; Care Friends App; Social Care Heroes; Social Care Academy.	£488	Recruitment of staff in progress; Tendering process initiated
Four agency teams for 3 months to address urgent waiting lists.	£602	3 agency teams have been in place since September, reviewing older people in short term care beds and addressing the backlog of Mental Health assessments following transfer of duties from SHSC.
Business Support CPLI project	£48	To fund two posts. Recruitment has taken place, with start dates to be confirmed.
AVAILABLE GRANT	£4,114	

1.3.11 Use of Discharge Funding

Discharge Funding grant is pooled within the Better Care Fund and therefore governance of the grant is managed jointly between Sheffield City Council and the Integrated Care Board (ICB).

1.3.12 The intention of the funding is to build additional capacity in adult social care and community-based reablement services in order to reduce hospital discharge delays.

1.3.13 A number of approaches have been funded through this specific grant in order to ensure capacity and to support the redesign of discharge pathways and innovative improvements to services.

Table 4: Discharge Funding		
Project	Allocation (£000s)	Spend to Oct (£000s)
Enablement Team, 9 FTE	543	168
Brokerage Team, 2 FTE	82	-
Pharmacist supporting discharge team and TEC team	75	45
Additional Home Care Hours pending new contract	2,584	1,616
Tech Enabled schemes/software for STIT & enablement	165	100
Community Dementia Services and admiral nurses	120	70
Equipment inc. bariatric support and discharge kit boxes	245	114
Additional staff into newly designed discharge hub	50	-
Familial support worker in STIT	45	26
Mental Health Assessors	198	
Total	4,106	2,139

1.3.14 Use of Additional Social Care Grant

The £12.9m noted at paragraph 1.3.2 also included an increase in the Social Care Grant resulting from Government diverting monies from the delayed Social Care Charging Reform policies. The increase in the Social Care Grant which was built into the 2023/24 budget funded the greater than expected increase in the National Living Wage announced in the 2022 Autumn Statement.

1.3.15 £9.9m of additional Social Care Grant was held in reserve and applied in year during 2023/24, with £6.2m to offset the Purchasing Overspend in Adult Future Options, and £2.7m to support Children’s social care. This funding is being incorporated into permanent budgets for 2024/25.

1.4 Care Funding Decisions

- 1.4.1 People in receipt of formal care are assessed to see if they can pay some or all their support costs. £56m of the Adult Social Care budget relates to charges paid by citizens or the NHS as contributions to direct care costs.
- 1.4.2 If an individual wishes to appeal against their assessed contribution, there is a three-step appeal process. In the first instance, they may ask for the assessment to be reconsidered. This request will lead to the assessment being reviewed by a team manager, who may either revise or confirm the original assessment.
- 1.4.3 If the assessed individual is not satisfied with the outcome of the manager's review, they can appeal to the Decision-Making Panel. If they do not agree with the outcome of the Decision-Making Panel they can appeal to the Revisit and Review Panel.
- 1.4.4 As a separate process, and in exceptional circumstances relating to personal safety, a social worker can request a waiver. If agreed by the worker's line manager, this can be requested for review by the Waiver Panel.
- 1.4.5 This calendar year there have been 28 requests for review, not including the initial requests for reconsideration to the team manager.

	Approved	Partially Approved	Rejected	Decision Pending	Grand Total
Decision Making Panel		3	3	6	12
Revisit and Review Panel		1	2	4	7
Waiver Panel	5			4	9
Total	5	4	5	14	28

1.5 ADASS Benchmarking

- 1.5.1 The Association of the Directors of Adult Social Services (ADASS) Spring survey was published May 2023 and collated the views of 153 directors of adult social care across England to assess confidence for delivery of services in the context of financial restrictions.
- 1.5.2 Details of the survey are available online at [ADASS](#)
- 1.5.3 Only 16% of responding local authorities reported their concern that budgets will not be sufficient to meet statutory duties. This reflects the concern raised by Adults Care and Wellbeing in previous reports to committee.
- 1.5.4 52% of Directors were less than confident that their budgets were sufficient to meet legal duties relating to prevention.
- 1.5.5 29% of councils were using non-recurrent funding, such as reserves, to fund adult social care.
- 1.5.6

There has been a 30% increase in the number of homecare hours being delivered nationally, but the number of hours that could not be delivered has halved. This indicates capacity issues in the provider market have improved.

1.5.7

For context, Sheffield has the third highest net budget for adult social care in the Yorkshire and Humber region and the highest proportion of savings relative to that budget.

1.5.8

Conversely, Sheffield's performance on waiting times is one of the best in the region. Almost all of the people waiting over 6 months for an assessment in Sheffield were waiting on a specific team that has since had additional resources allocated to it.

1.5.9

Sheffield also has one of the highest rates of complexity in homecare, as defined by the number of homecare hours delivered per person. This has continued to be the focus for our programme of recovery reviews, and the 2024/25 savings plans include a specific strategy to reduce double handed care through enablement teams.

1.5.10

Adults Care and Wellbeing will continue to seek best value for money in the delivery of our statutory duties, and it is our intention to commission an independent Best Value audit in 2024 to ensure ongoing investment achieves individual's wellbeing outcomes, our strategic outcomes and statutory duties and learning for future years.

1.6 Autumn Statement 2023

1.6.1 The Chancellor of the Exchequer presented his Autumn Statement to Parliament on Wednesday 22 November 2023.

1.6.2 As part of the Autumn Statement the Chancellor announced that the National Living Wage (NLW) will increase by £1.02 in April 2024: from £10.42 per hour for over 23-year-olds to £11.44. The new rate will also apply to 21 and 22-year-olds for the first time.

1.6.3 Alongside inflation, the annual increase to the National Living Wage is a key driver of the Council's annual fee rate increase for care providers.

1.6.4 The recently announced increase to the National Living Wage rate is significantly in excess of the amount assumed by the Council for planning purposes. The effect of this is to increase the financial pressures facing the Adult Health and Care Policy Committee in 2024/25 by a further £5.0m to £37.5m.

1.6.5 The development of further proposals to meet this new budget gap is underway and the proposals will be brought forward for consideration in due course.

2. HOW DOES THIS DECISION CONTRIBUTE?

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

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.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 The purpose of this report is provided background to the funding of Adult Social Care, an update to the forecast spend position for 2023/24 and progress with the delivery of savings.

3.2 No consultation has been undertaken on these aspects. Consultation is undertaken during the development of proposals for the budget and implementation of proposals for the budget as appropriate.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 As part of the annual budget setting process, an overarching EIA assesses the cumulative impact of budget proposals (EIA 1444), 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 23/24 Budget and the EIAs for each element remain live

4.2 Financial and Commercial Implications

4.2.1 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

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

4.2.3 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.

4.2.4 Given the overall financial position of the Council there is a requirement on the Committee to address the overspend position in 2023/24 and support plans to mitigate it.

4.3 Legal Implications

- 4.3.1 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 and legal duties. Legal Services can provide advice on specific proposals as and when necessary.

4.4 Climate Implications

- 4.4.1 There are no climate impacts to consider arising directly from this report.

4.4 Other Implications

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

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not applicable – no decision or change is being proposed.

6. 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 health and social care and the long-term benefit of people in Sheffield.

This page is intentionally left blank