



## Report to Policy Committee

**Author/Lead Officer of Report:**

Liam Duggan

**Report of:** Strategic Director of Adult Care and Wellbeing  
**Report to:** Adult Health and Social Care Policy Committee  
**Date of Decision:** 08 November 2023  
**Subject:** Adult Social Care Budget Programme 2024/2025

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 2376				
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 checked="" type="checkbox"/>	No	<input type="checkbox"/>

### Purpose of Report:

The purpose of this report is to set out new financial pressures facing the Adult Health and Social Care Policy Committee in 2024/25, grant and other income available to the council to offset these pressures and proposals for how pressures may be addressed.

**Recommendations:**

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

1. Notes the new financial pressures facing Adults, Care and Wellbeing and Integrated Commissioning for 24/25 and the new income available to mitigate them.
2. Notes the measures proposed in the report to mitigate these pressures and recommends these to the Strategy and Resources Policy 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: Kerry Darlow
		Legal: Patrick Chisholm
		Equalities & Consultation: Ed Sexton
		Climate: Liam Duggan
<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>	<i>Alexis Chappell</i>
3	<b>Committee Chair consulted:</b>	<i>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.	
	<b>Lead Officer Name:</b> Liam Duggan	<b>Job Title:</b> Assistant Director Care Governance and Financial Inclusion
	<b>Date:</b> 30 October 2023	

## 1.0 PROPOSAL

- 1.1** This report describes the new financial pressures facing the Adult Health and Social Care Policy Committee in 2024/25, the new income available to offset these pressures and the savings being proposed to bridge the gap between the cost of service delivery and available resources to deliver a balanced budget.
- 1.2** It should be noted that this paper is concerned solely with the mitigation of new financial pressures arising from 2024/25. Additional work will be required in 2024/25 to mitigate any underlying pressure in 2023/24 which will carry forward into 2024/25. This financial recovery activity including the delivery of existing savings and the mitigation of in year pressures will continue to be reported separately through the regular and ongoing, 'Financial Recovery Plan Update' report to Committee.
- 1.3** This report covers all budgets within the remit of the Adult Health and Social Care Policy Committee including the Adult Care and Wellbeing budgets and those parts of the Integrated Commissioning budget within the remit of this committee.

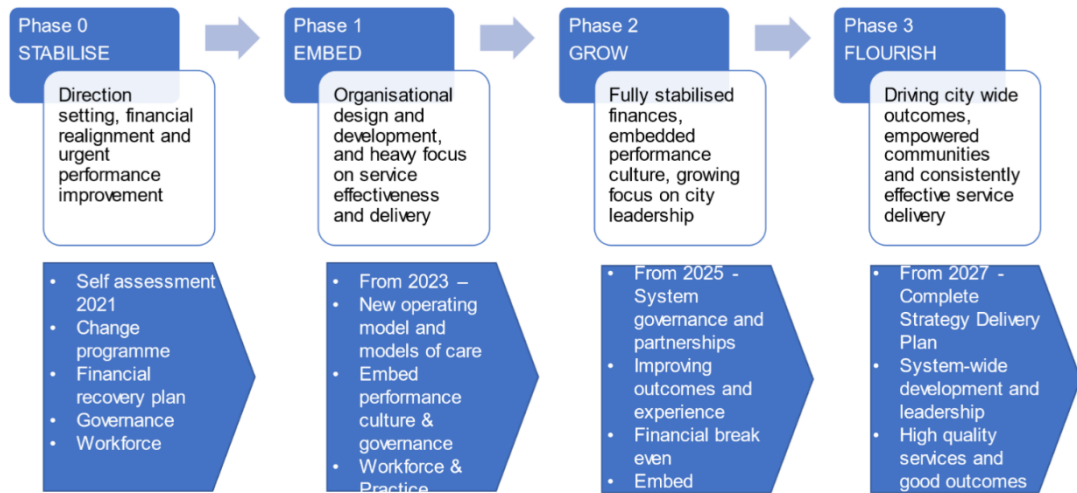
## 2.0 BUDGET PRESSURES 2024/25

- 2.1** Adult Health and Social Care is facing new financial pressure of £32.5 million in the financial year 2024/25. This is detailed as follows, and in more detail in the Closed Part B of the Report (Appendix 1):

Pressure	Description	Value £'000
1. Fee rate	Annual uplifts to rates linked to inflation and pay	£17.0m
2. Demand/ growth	Forecast growth in demand for care and support services	£7.2m
3. Staffing growth	Investment in the workforce	£4.7m
4. Pay award	Annual cost of living increases to pay	£2.2m
5. Other/ income loss	Other costs including ending of temporary income	£1.4m
<b>TOTAL</b>		<b>£32.5m</b>

- 2.2** Over the course of the last twelve months much has been done to improve the financial sustainability of adult social care including the commissioning of new models of care, the implementation of a new target operating model (TOM) and the implementation of new and updated governance frameworks.
- 2.3** The Adult Care and Wellbeing Service has now transitioned from the 'stabilise' phase of our improvement journey to 'embed'. This next step includes the development of our enablement approaches, the embedding of new models which incentivise providers to promote independence, a focus on workforce,

the evolution of our quality frameworks, and the further maturation of our improvement culture.



**2.4** A key aspect of this phase of development is a focus on the Adult Care and Wellbeing workforce. A valued, resourced and high performing workforce delivering a quality service and good outcomes is key to the financial sustainability of social care. In 2024/25 financial investment of £4.7m is being made in our workforce for three reasons:

1. In order to directly deliver new and recovery savings of a higher value (invest to save) which will make Adult Care and Wellbeing more financially sustainable in the short and medium term
2. In order to ensure full compliance in the delivery of our statutory duties in anticipation of CQC regulation, deliver better outcomes to people and make Adult Care and Wellbeing more financially sustainable over the longer term
3. For other reasons including £0.7m to reverse agreed staff savings from 2022/23 which are not achievable and where it is proposed to deliver the savings in a different way

**2.5** Fee rate increases for 2024/25 will be proposed at December Committee following the expected announcement by Government of the National Living Wage rates for 2024/25 which are expected on 22 November 2023. This budget makes provision for fee rate uplifts based on a series of assumptions which will need to be reviewed following the Government announcement.

### **3.0 NET SAVINGS TARGETS 2024/25**

**3.1** There are a number of income opportunities arising in 2024/25 which significantly offset the new pressures set out above. These are described in the table below.

Income	Description	Amount (£m)
Social Care Grant	69% Sheffield allocation for adults	£10.9m
Market Sustainability and Improvement Fund	Expected increase in grant allocation	£3.2m
Market Sustainability and Improvement Fund – workforce fund	Use of grant to offset cost of additional activity funded through pressures	£0.8m
Social Care Precept	2% increase subject to separate decision-making process	£5.4m
Cash Limit	Council funding allocation including funding for pay award	£3.0m
<b>Total income opportunity to offset pressures:</b>		<b>£23.2m</b>
Discharge funding	Estimated increase – to fund new activity – no impact on existing costs	£2.7m
Market Sustainability and Improvement Fund – workforce fund	To fund additional activity not described in pressures	£1.6m

**3.2** This funding has been allocated across each service in the directorate based on strategic decisions intended to maximise the impact of funding available to Adults Health and Social Care alongside the technical limitations of funding:

- The grant conditions for the Fair Cost of Care (Market Sustainability and Improvement Fund) provided a focus on older people’s support and has been allocated to this area.
- The increase in cash limit has been applied firstly to the cost of annual pay awards across the directorate (£2.1 million). The remaining (£0.9 million) is allocated across services in line with total pressures.
- Adult Social Care precept has been allocated based on the ability of services to generate deliverable savings, with more precept going to services less able to deliver savings.
- Adult Social Care Grant, £6.2 million of funding has been applied to Learning Disabilities to reflect the funding applied in 23/24, the remaining amount has been allocated across services in line with net pressures.

**3.3** The £23.2 million income offsets forecast pressures to leave a budget gap and savings target in 2024/25 for the Committee of £9.3 million.

**3.4** The Council’s Medium-Term Financial Strategy (MTFS) was updated and published in September, reported to this committee, and described a savings target for adult social care of £7.8m. The difference between this target and the £9.3m target described above is because of:

- A revised assumption for inflation from 5.4% to 6.5%
- Growth assumption reduced down in line with progress made tackling demand backlogs

- Additional staffing growth including investment in staffing to deliver proposed savings. This also increases the impact of any pay award to staff in 24/25
- Proposals to increase rates paid to providers of care to move towards the Fair Cost of Care
- Corporate funding available to Adults, Care and Wellbeing in line with MTFS
- Assumption of additional income, a 5.4% increase on all fees and charges
- Impact of savings carried forward from 23/24 (2<sup>nd</sup> year delivery of certain Business Improvement Plans)

**3.5** The breakdown of pressures and savings by service area is described in the table below along with the resulting savings target for each service:

Service Area	Pressure (£m)	Income Opportunities to Mitigate Pressures (£m)					Total Income (£m)	Net Savings Target (£m)
		MSIF	MSIF Workforce	Cash Limit	ASC Grant	Precept		
Living & Ageing Well, Long term services	9.8	-3.2	-0.8	-0.6		-0.2	-4.6	<b>5.2</b>
Living & Ageing Well, Short term services	1.4			-0.6			-0.6	<b>0.7</b>
Adult Future Options - PD	2.7			-0.1	-0.7	-1.9	-2.7	<b>0.0</b>
Adult Future Options - LD	12.2			-0.7	-9.2	-1.8	-11.7	<b>0.5</b>
Access, MH & Wellbeing	3.8			-0.4	-0.9	-1.2	-2.5	<b>1.3</b>
Commissioning & Partnerships	0.5			-0.2	-0.1	-0.2	-0.5	<b>-0.0</b>
Governance & Fin Inclusion	2.1			-0.4	-0.0	-0.2	-0.5	<b>1.6</b>
Chief Social Worker Service	0.0			-0.0	-0.0		-0.0	<b>-0.0</b>
Integrated Commissioning	0.0			0.0			0.0	<b>0.0</b>
<b>TOTAL</b>	<b>32.5</b>	<b>-3.2</b>	<b>-0.8</b>	<b>-3.0</b>	<b>-10.9</b>	<b>-5.4</b>	<b>-23.2</b>	<b>9.3</b>

## 4.0 SAVINGS PROPOSALS

**4.1** The savings set out in the table below are proposals that have been developed in line with our vision and strategy, our existing change programme and following benchmarking with other local authorities and external review.

## 4.2

	Net savings target	Savings proposal	Value (£m)
Living and ageing well long term		Annual uplift to contributions	4.0
		Promoting independence post discharge	1.6
		Making best use of commissioned services	0.9
<b>Total</b>	<b>5.2</b>		<b>6.4</b>
Living and ageing well short term		-	-
<b>Total</b>	<b>0.7</b>		<b>0.0</b>
Adult Future Options		Budget adjustments	0.9
<b>Total</b>	<b>0.5</b>		<b>0.9</b>
Access MH and Wellbeing		Promoting Independence	0.9
<b>Total</b>	<b>1.3</b>		<b>0.9</b>
Governance and Financial Inclusion		Additional income	1.0
<b>Total</b>	<b>1.6</b>		<b>1.0</b>
<b>Grand total</b>	<b>9.3</b>		<b>9.3</b>

**4.3** A full analysis of how Sheffield's activity and costs benchmark with other Local Authorities was reported to the September 2023 committee and can be found here: [Appendix 2 - benchmarking summary.pdf \(sheffield.gov.uk\)](#). A breakdown on the Committee Income and Expenditure was reported to the June 2023 Committee and can be found here: - [Adult Health and Social Care Financial Update.](#), including breakdown on our [Use of Resources](#) over last five years noted in September 2022.

## 4.4 Living and Ageing Well

**4.4.1** Standard annual reviews of financial assessments following national benefit uplifts deliver an annual increase to contribution income each year in line with the Council's Fairer Contributions Policy. This year the figure also includes a rebasing of the budget to reflect actual income.

**4.4.2** A new systems approach to hospital discharge was approved by Committee in June. A key element of the new model is to increase and make a shift towards community-based enablement interventions to effectively support timely discharge through pathway 1 (people returning directly home). The Hospital Discharge Grant is funding new teams to support people and ensure they are supported to independence in the weeks immediately following discharge. Occupational Therapy Practitioners and Moving and Handling specialists will support these teams by ensuring best use of equipment, embedding of enablement and strength-based approaches and single-handed care.

**4.4.3** This new approach to discharge also includes arrangements to streamline Somewhere Else to Assess (S2A) processes and achieve timely discharge from S2A beds. This will ensure consistent charging of contributions for people in care by ensuring all people are reviewed within 28 days and that best use is made of the existing block-funded contract.

**4.4.4** In line with our new care home specification, we will continue to review non-standard rates to ensure they are appropriate to the level of need and that charges to people are consistent and fair.

**4.4.5** An adjustment will be made to the Extra Care budget to reflect the actual costs being incurred.

#### **4.5** Adult Future Options

**4.5.1** The income budget will be adjusted to reflect the charge now made to the Health Service for ongoing chargeable Transforming Care programme costs.

**4.5.2** A short-term recovery budget in Adult Future Options will effectively be repurposed to invest in a permanent team to support the reablement of young adults (see pressures). This is a key part of the Adult Future Options strategy to support the sustainability of adult social care into the long term. This investment will be offset by the removal of the temporary budget that has been funding fixed term agency staff delivering short term review savings.

#### **4.6** Access Mental Health and Wellbeing

**4.6.1** The Promoting Independence Project is a fixed term project which has been supporting people in residential care to achieve greater independence and maintain a life in the community. It has been funded through a social investment mechanism including access to funding from the Government's Life Chances Fund and it is ending as planned in 2023/24. The project leaves a legacy of sustainable savings from reduced placement costs and, from 2024/25, the budget for contractual outcome payments will no longer be required.

**4.6.2** In 2023/24 all Mental Health Social Work provision returned to Sheffield City Council. An update is provided to Committee today on progress regards the return. In 2024/25 the Council is making an investment in the mental health workforce to increase capacity to undertake statutory duties and with that complete strength based annual reviews. This will ensure everyone with a Mental Health need is regularly reviewed in accordance with our duties, a strength-based approach is applied, and that support is appropriate to enable and promote recovery and independence.

#### **4.7** Care Governance and Financial Inclusion

**4.7.1** Improvements to the services provided by the Income Management and Financial Inclusion Team will continue to have a financial impact in 2024/25. A major programme of financial reassessments is supporting more people to access the benefits to which they are entitled and more support to help people understand their invoices and to pay any money they might owe the Council will continue into 2024/25. A small investment will be made to the team in 2024/25 so that this work can extend to City Wide Care Alarm invoices and debt too.



**4.7.2** Continued growth in demand for Deputyships (a service to people who lack the capacity to manage their own financial affairs) will see increases to income.

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

**5.1** 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)

**5.2** 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.

**5.3** 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.

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

**6.1** Many of the savings proposals in this report relate to the standard annual review of support being offered to people to ensure that it continues to be fit for purpose. Changes in support following review may increase or reduce costs but will always result from an individual assessment of need.

**6.2** Some of the savings proposals relate to savings which are achieved through improved efficiency or effectiveness of existing services, individual negotiation or which are the result of a standard annual uplift in line with policy.

**6.3** Some of the savings proposals are simply budget adjustments which are required to reflect current spend or income.

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

### **7.1 Equality Implications**

**7.1.1** Equality Impact Assessments (EIA) are underway for all the proposals within this report.

**7.1.2** A number of proposals are designed to improve the outcomes of 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.

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

**7.1.5** EIAs (Equality Impact Assessment) 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.

### **7.2 Financial and Commercial Implications**

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

### **7.3 Legal Implications**

**7.3.1** 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.

**7.3.2** The recommendations in this report contribute to the process of setting a budget but do not otherwise have any immediate legal implications.

**7.3.3** 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.

**7.3.4** 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

people. Where the proposals involve changes in legal relationships such as new contracts, it will be necessary to ensure that the necessary processes are followed.

#### **7.4 Climate Implications**

**7.4.1** No climate implications arise from the committee decisions arising from this report

**7.4.2** Most of the proposals in this report relate to the provision of individual support provided to people in receipt of care and support and as such have no climate implications.

#### **8.0 ALTERNATIVE OPTIONS CONSIDERED**

**8.1** There are no alternative options for consideration at this stage.

#### **9.0 REASONS FOR RECOMMENDATIONS**

**9.1** The proposals put forward in this paper are recommended on the basis that they

- Are consistent with a person-centred approach and the provision of support designed to meet the individual's needs
- Are consistent with our vision/ strategy to improve independence and support people to live the life they want to live
- Support the ongoing improvement of adult social care services in Sheffield
- Are guided by an evidence base, benchmarking and/ or trend data which identifies areas of spend where disinvestment, subject to individual review, can most likely be made without detriment
- Enable the Council to continue to meet its legal duties

Part B Appendix (Closed)

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