

APPENDIX 2 – USE OF ADULT SOCIAL CARE RESOURCES REPORT

1 INTRODUCTION

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.

The purpose of this report is to provide an overview and detailed information about: -

- Adult Health and Social Care Policy Committee Cash Limit Budget for 2022/ 2023 and 2023/ 2024 compared against previous years.
- Detailed information about use of Corporate Charging which accounts for £9m (6%) of the Policy Committee overall budget.
- Detailed information about the Supplies and Services which accounts for £4m (3%) of the Adult Health and Social Care Cash Limit Budget.
- Detailed information about 3rd Party Spend and expenditure.
- Detailed information about use of the grant received from NHS England to enable early adoption of the National Minimum Wage.

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2. ADULT HEALTH AND SOCIAL CARE POLICY COMMITTEE BUDGET OVERVIEW

2.1 Adult Health and Social Care Policy Committee Budget

The Adult Health and Social Care Policy Committee cash limit budget for the period 2022/2023 is **£149.5m**.

Additional income is received through grants, fees and charges as described to Committee on 15th June 2022.

Total Budget			Directorate	Responsible Director
Overall Budget (£000's)	SCC Cash Limit (£000's)	Grants and Other Income (£000's)		
£275.1m	£132.6m	£142.5m	Adult Health and Social Care	Alexis Chappell (DASS)
£18.2m	£7.9m	£10.3m	Children Services (Integrated Commissioning)	Andrew Jones (DCS)
£9m	£9m	£0	Resources (Corporate Recharges)	Ryan Keyworth
£302.3m	£149.5m	£152.8m		

Key points for the Committee to note are:

- The Committee has an accountability for a cash limit of £149.1m and when including grants and other income a total budget of £301.9m.
- £132.6m (89%) of the Committee's cash limit budget is the responsibility of the Director of Adult Health and Social Care. This represents 48% of the total Adult Health and Social Care Directorate Budget.
- £16.6m (11%) of the Committee budget is the responsibility of Corporate Services and Children Services.
- The Strategy and Resources Committee on 5th July 2022 decided to implement a cash standstill for 23/24 for all Committees. This means the cash limit described for 2022/ 2023 will be the same cash limit which the Adult Health and Social Care Policy Committee receives for 2023/ 2024.

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2.2 Adult Health and Social Care Directorate Income – Comparison Over Last 6 Years

The Adult Health and Social Care Directorate cash limit and external income is shown in Table B.

Comparisons have been provided to last 5 financial years to enable the Committee to understand trajectory of income and funds available to Adult Health and Social Care to support individuals, carers, and communities.

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Total Cash Limit from Sheffield City Council	£128.2m	£131m	£140.1m	£150.2m	£129.2m	£140.6m	£140.6m
Total Grants and Other Income	£79.2m	£92.1m	£99.2m	£105.9m	£144.8m	£152.7m	TBC
% of Cash Limit against total budget	61.8%	58.7%	58.5%	58.6%	47.2%	47.9%	TBC
Total Budget	£207.4m	£223.1m	£239.3m	£256.1m	£274m	£293.3m	TBC

Key points for the Committee to note are:

- From 2017/ 2018 to 2022/ 2023 the cash limit income has increased by 9.7% and the external grant and other income has increased by 92.8%.
- From 2017/ 2018 to 2022/ 2023 the cash limit has increased by £12.4m and the Grant and other income has increased by £73.5m for Adult Health and Social Care.
- The total budget income has increased over last 5 years, mainly due to increase in grant and other income to Adult Health and Social Care.

Changes to Cash Limit Between 2020 and 2022

- Long-term grant income to the Council relating to adult social care has historically been provided to Adult Social Care budgets as cash limit. Over the last four years this funding has increasingly been treated as grant for accounting purposes. The impact of this has been that the cash limit (net) budget has risen more slowly compared with the gross budget and a lower proportion of the service is now funded by cash limit.
- For the Financial Year 2021/ 2022 the cash limit budget for Adult Social Care reduced rather than increased because £39m of budget previously treated as cash limit was accounted for as grant and the growth in the cash limit budget was not enough to fully offset this.
- The report to Committee in November will provide a report on the implications of this change, a breakdown of historic grants and other income, pressures and expenditure over the past 6 years for transparency purposes and reporting.

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3 RESOURCE ALLOCATION OVERVIEW - CORPORATE CHARGES AND SUPPLIES AND SERVICES

3.1 Resource Allocation Overview - Corporate Recharges

£9m is included in the Adult Health and Social Care Policy budget to allow for annual Corporate Recharges. This equates to 6% of the Policy Committee cash limit income from Sheffield City Council.

Corporate Charges are cost neutral within the Adult Health and Social Care Policy Committee budget, as any costs are matched by internal funding.

Corporate recharges refer to internal services, such as IT, accommodation, and support services (Legal, HR, Finance). This is a means of monitoring internal demand from different service areas against the corporate budget. The responsible Director is Ryan Keyworth.

3.2 Resource Allocation Overview – Supplies and Services

£4,139m is spent annually on supplies and services within the Adult Health and Social Care Directorate Budget. This equates to 3% of the cash limit income from Sheffield City Council and 1% of the overall budget is spent on supplies and services.

The supplies and budget spend to from 1st April 2022 to July 22 compared against last financial year is detailed in the Table D below:

Table C – Supplies and Service Budget

	21/22 Financial Outturn			2022/23 (Apr to July)		
	Outturn	Budget	Variance	YTD Actual	YTD Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Equip , Furniture and Materials	(83)	461	(544)	137	116	20
Clothes and Uniform	4	7	(3)	3	2	1
Catering Supplies	17	21	(4)	8	7	1
Grants and Licences	1	5	(3)	159	109	50
Subsistence, Conference exp and Subscriptions	1	5	(4)	(1)	1	(2)
Bad Debt Provision/Write off	2,513	867	1,646	899	869	30
Miscellaneous Expenses	808	267	541	80	81	(1)
Printing, Stationery and Office Expenses	102	178	(76)	(33)	48	(81)
Fees Expenses, Consultants Fees, Professional						
Fess and Other Services	1,658	1,621	36	365	662	(297)
Postage and Telephone	443	385	58	269	151	118
Computing	167	38	128	35	23	12
Insurance	149	284	(135)	36	91	(55)
	5,778	4,139	1,640	1,957	2,160	(203)

- 21/22 showed an overspend due to bad debt whereas 22/23 is showing a slight underspend to date, which supports delivery of the £200k savings attached to supplies and services. Further work is being undertaken to bring areas of over expenditure into final envelope available.
- In 2022/23 the bad debt budget was uplifted to bring it back into line with current income levels.

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4 3RD PARTY SPEND – CONTRACTS BY SERVICE

The funding of contractual and purchasing spend is summarised in the tables below:

The value of the Council's fixed price/ fixed volume contracts along with the Health and Social Care Community Equipment contract are summarised in Table E.

Table D – Contracts Funding by Service

Service Group	Cash			% Cash Limit	% Other Income
	Total Budget	Limit Funded	Other Income		
AGEING AND LIVING WELL	10,202	5,453	4,749	53%	47%
ADULTS WITH DISABILITY	1,586	1,586	-	100%	0%
MENTAL HEALTH	188	188	-	100%	0%
GOVERNANCE AND INCLUSION					
ADULT COMMISSIONING	1,007	534	473	53%	47%
CHIEF SOCIAL WORK OFFICER	823	589	234	72%	28%
Total	13,806	8,350	5,456	60%	40%

The funding of care and support which is purchased for individuals through the purchasing budgets is summarised in the Table F.

Income against Spend (£000s)	OP	LD	PD	MH	Total
Gross Expenditure	98,818	72,596	26,840	14,721	212,975
Contributions From Individuals	-28,912	-5,031	-2,159	-746	-36,848
NHS CCG Contributions to costs	-13,597	-15,587	-700	-2,042	-31,926
Other Contributions	-27,958	-23,388	-7,335	-2,468	-61,149
Total Income	-70,467	-44,006	-10,194	-5,256	-129,923
Net Expenditure	28,351	28,590	16,646	9,465	83,052
% Resource Allocation from Cash Limit Provided by Council	29%	39%	62%	64%	39%

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

65.5% of the Adult Health and Social Care £132.6m cash limit is spend on purchasing of care and support with the remainder being used for SCC staff costs, supplies and services and transport costs.

The majority of cash limit spend is on support to older adults and people with a learning disability but its of note that support to people experiencing mental ill health and people with a physical disability are mostly funded through the cash limit.

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5 ADULT HEALTH AND SOCIAL CARE – GRANT INCOME AND EXPENDITURE OVERVIEW

5.1 Use of National Minimum Wage Grant

5.1.1 Overview of the Grant and Its Purpose

A decision was made on 1st December 2021 by Leader of the Council to approve the acceptance and allocation of monies from NHS Sheffield Clinical Commissioning Group to the value of £2.8m on a non-recurring basis. The link to the decision is here: - [Sheffield City Council - Decision - Early Implementation of National Living Wage for Care Staff](#)

The NHS money, which had to be spent by 31 March 2022, was the product of a hospital underspend subsequently allocated to support key system priorities including recruitment and retention in the care sector.

The fund was identified to enable early adoption of the National Living Wage for Care Staff and recruitment and retention of Social Care Staff with commissioned health and care services so that people do not have to wait in a hospital setting where their risk of decompensation and infection is heightened.

Specifically, the funding was intended to be used for:

- a grant-based system which enables commissioned providers to apply for early adoption of the National Living Wage or other appropriate mechanisms from December 2021 to the value of £2.79m
- agency staff/ backfill to support administration of the grant-based system to the value of £50k
- an aligned local recruitment campaign to support implementation of minimum wage and thereafter increased recruitment into social care to the value of £50k

It was intended that this funding would provide *improved workforce capacity* in the sector and *improved access to homecare support*.

5.1.2 Use of the National Minimum Wage Grant

In summary, payments were made to 103 independent sector care providers in the city totalling £1.5m. The remaining £1.3m funding was used to support other recruitment and retention priorities in the city with the intention of improving access to homecare and support.

Letters were sent to providers on 13th January 2021 and 21st December 2021 setting out the conditions for the fund. The criteria adopted were that providers must have a CQC registration for Care Homes or Homecare. These criteria mirrored conditions at the time of national government grant.

The money was to be allocated in accordance with the following categories

Element One	Cost to maintain wage differentials
Element Two	Cost to fund those currently below £9.21 to £9.21
Element Three	Cost incurred £9.21 to NLW where £9.50 is already paid to carers, domestic and catering staff

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Element Four	Other recruitment and retentions scheme cost
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The grant timescales were kept open, the scheme was promoted as far as possible and with as much flexibility as possible and the sector was engaged for as long as possible and to allocate as much as possible. Final queries were still being responded to in late March and the funding was closed until final payments were made in March 2022.

Ultimately payments were made to 103 independent sector care providers in the city totalling £1.5m as set out in the following table.

Provider Type	Number of Providers	Value of Initial Grant Claims £'000's	Value of E1 Claims £'000's	Value of E2 Claims £'000's	Value of E3 Claims £'000's	Value of E4 Claims £'000's	Value of Under 23 NLW Claims £'000's	Total Claims £'000's
Care Home Only	68	400	153	269	66	52	18	957
Home Care Only	30	189	65	30	103	67	8	463
Supported Living Only	2	9	6	7	10	-	-	33
Care Home with Supported Living	2	23	4	7	2	-	-	36
Home Care with Supported Living	1	43	-	-	-	-	-	43
	103	664	227	313	182	119	25	1,531

Adult health and social care overspent by £7.5m in 2021/22 and this overspend was funded from underspends in other Council departments and one-off Council reserves.

The £1.274m unspent recruitment and retention money was carried forward into 2022/23 and is being used to fund temporary additional social work capacity to complete reviews and with that decrease the number of hours used and therefore improve access to the homecare market for individuals.

This is in line the proposals for commissioning of new homecare service approved at Committee on 15th June 2022 and in with the decision made, particularly recommendation 3 e to take such other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report

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