



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: 20th March 2024

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 – recovery plan and EIA 2628 – property charges				
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.
- Timeline for business planning for the 2025/26 financial year.
- Updates on the Use of Resources Delivery Plan.
- Overview of risk management approach in Adults Care and Wellbeing.
- Proposed changes to charges for the protection of people's property.

Recommendations:

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

1. Approve the proposal to update property charges.
2. Note the update to the financial forecast for the delivery of savings in 2023/24.
3. Note the updates on governance and risk management.
4. Request updates on progress with implementation through our Budget Delivery Reports to future Committee.

Background Papers:

Appendix 1 – Carried forward savings targets and activity

Appendix 2 – Use of Resources Delivery 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 & 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	SLB member who approved submission:	Alexis Chappell
3	Committee Chair consulted:	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.	
	Lead Officer Name: Jonathan McKenna-Moore	Job Title: Service Manager for Business Planning and Care Governance
	Date: 12/03/2024	

1. Adults Care & Wellbeing: Financial Forecast & Recovery Plan Update

1.1 Adults Care and Wellbeing Forecast Outturn

- 1.1.1 As at month 10, Adult Care and Wellbeing is reporting an overspend of £2.9m. This is compared to the £3.8m overspend reported in December's update to committee.
- 1.1.2 Underlying this £900k improvement is £1.3m one-off additional income being made available, and recovery of deferred charges. This has been offset by an increase in the volume of third-party services and a small increase in staffing costs.
- 1.1.3 As detailed in the report to committee in January, there is an underlying pressure on staffing costs and the purchasing budget being mitigated by £16.7m new income and grant funding.
- 1.1.4 £700k of the in-year overspend is against purchasing budgets. The remaining £2.2m relates to staffing and other non-purchasing costs, including around £1m on City Wide Care Alarms and Community Equipment which can no longer be funded by Disabled Facilities Grant.
- 1.1.5 The Strategy and Resources Committee noted in September 2023 that 66% of the Council's total General Fund savings in 2023/24 were owned by the Adult Health and Social Care Committee. The Directorate is delivering these high levels of savings alongside work to mitigate long standing risks in relation to assessment waits, reviews, and care act delivery, preparing for CQC Assurance and improving performance and outcomes for individuals. The transformation of Adult Care and Wellbeing into a financially sustainable service was therefore always anticipated to be multi-year process.

1.2 Recovery Plan Update

- 1.2.1 £18.9m savings were required as part of the 2023/24 budget. There were a further £5.5m savings which carried forward from the 2022/23 budget and which also required delivery in 2024/25 taking the total savings target to £24.4m.
- 1.2.2 In accordance with the Care Act 2014, planned savings have focussed on maximising income, improved support prior to people accessing services, and working with people using a strengths-based approach to review their support. This approach avoids reducing the availability of services or limiting access where there is an eligible need, and ensures that the safety of individuals who need support is paramount in our strategy.
- 1.2.3 We are now forecasting delivery of £18.2m savings against a target of £24.4m (75%), this is compared to £19.1m (79%) in December.

- 1.2.4 Table 1 provides an update on the summary of savings delivered. A higher proportion of savings have been closed since the December report, with savings now forecast as undeliverable no longer being areas of activity.

Table 1: 2023/24 Recovery Plan Forecast					
Project Title	Target by 31/03/2024 (£000s)	Forecast by 31/03/2024 (£000s)	% By March 2024	% By March 2025	Action Required to Deliver Savings
Closed Items	-10,870	-7,413	68%	87%	All activity against closed savings is either complete or on schedule.
Living and Aging Well					
Recovery Reviews	-4,283	-3,069	72%	100%	Invest to save on agency review teams until March 2024
Early Help and Proportionate Care	-922	-672	73%	100%	Increased demand likely to be linked to winter pressure
STIT and Enablement Staffing	-2,265	-1,693	75%	100%	Additional grant funding to be allocated until 25/26
Adults Future Options					
Recovery Reviews	-2,894	-1,813	63%	100%	Invest to save on agency review teams until March 2024
Health Income	-1,485	-1,485	100%	100%	Reviewing CHC arrangements. Recharges under review
Care Governance & Financial Inclusion					
Income recovery and reassessments	-1,640	-2015	123%	149%	Recruitment to reassessment posts now complete
TOTAL	£24,359	£18,160	75%		

- 1.2.5 Changes to the forecast relate to the ongoing cost of non-standard residential rates and slippage to savings being delivered through joint working with Health.
- 1.2.6 In 2023/24, purchasing spend has been well managed. Average weekly costs have generally reduced whilst the number of younger people with a Learning Disability has risen as part of the long term national trend. The delivery of savings in 2023/24 has also been supported by new and one-off additional income in-year.
- 1.2.7 Underlying pressure was carried forward into 2023/24 resulting from slippage to 2022/23 savings as well as growth in purchasing spend, particularly for people with a Learning Disability and young people transitioning to support from Children's to Adults' care. This was supported by a Recovery Plan which was reported to Committee in February 2023.

- 1.2.8 After disregarding one-off income in 2023/24 and income not anticipated in the budget at the start of the year there is currently an underlying financial pressure of £17.4m which will be addressed by the 2024/25 Recovery Plan.
- 1.2.9 The [Recovery Plan for 2024/25](#) was presented to Committee 31 January 2024. Appendix One provides an explanatory version of the Recovery Plan to show what activities are being carried over from this year and what is new activity.
- 1.2.10 Action owners and responsible Assistant Directors are currently working through implementation plans to ensure the requisite staff capacity and any additional resources are made available. Savings Delivery will be monitored through monthly meetings with each Assistant Director and their Service Managers, with updated forecasts reported to the Directorate Leadership Team meeting for Adults Care & Wellbeing and corporately through Finance Business Partners.

1.3 Recovery Reviews

- 1.3.1 In August 2023, £2.4m was made available from the Council's Transformation Fund to employ four agency teams, specifically to complete annual reviews of care and support. This investment was on the basis of improving the delivery of a £7.2m savings target relating to the review of high value support packages.
- 1.3.2 The forecast impact of the review teams is currently a £4.3m reduction in costs. This compares with an original forecast of £6.3m. Several complex interventions were required following discovery work by the agency teams, during which our statutory duty to ensure safety took precedence and slowed the rate of progress against the review target.
- 1.3.3 The original forecast of savings achievable without the intervention of agency teams was £2.5m. However, given that the complex intervention work would still have been required, it is unlikely that any saving over £1m would have been achievable without the investment.
- 1.3.4 In March 2024, the funding for agency teams will no longer be available. Both the completion of approximately 2,000 annual reviews and the delivery of £7m combined savings target linked to reviews will need to be delivered by permanent staff teams.
- 1.3.5 Investment in several teams, through invest to saves, is proposed to ensure this workload is manageable and the related savings are achievable and sustainable. Already agreed in Business Planning are:
- Future Options Enablement Team.
 - Living and Ageing Well Enablement Team.

1.3.6 Additional proposals include:

- Living and Ageing Well Care Home Review Team.
- Living and Aging Well team for review of proportionate care.
- Mental Health Enablement Team.
- Mental Health Transitions Team
- Adult Future Options Peripatetic Support Team
- Brokerage and Payments Team for review of non-standard residential care and accommodation with care.

1.3.7 While the agency teams in 2023/24 were funded corporately, the additional staffing costs from recruiting to permanent teams will require investment from the Adult Social Care budget. This has been undertaken as an invest-to-save initiative to ensure delivery of the 2024/25 Budget savings and Recovery Plan actions. Furthermore, investment in permanent staff teams will ensure delivery of our statutory duty to conduct an annual care review without recourse to agency teams at higher cost and lack of continuity of delivery.

1.3.8 Improvements around planning for transition from children's services to adulthood will continue to expand the reach and depth of communication across teams in order to build a more comprehensive profile of demand for the next five years. This includes support for young people with learning disabilities, physical disabilities, and mental ill-health.

1.3.9 Improvements in brokerage and payments will enable a direct focus in relation to non-standard residential care and efficacy of accommodation with care which are two key areas of financial pressure identified in our recovery arrangements. It will also free up social work capacity as social workers will not need to find placements.

1.4 Business Planning Timeline for 2025/26 including setting of Fee Rates

1.4.1 As the 2024/25 financial year approaches and in-year budgets are finalised, planning for the 2025/26 financial year begins. This will include the following activity:

- Engagement sessions with managers – underway. Three sessions are planned in March, April and June to invite contributions to the business planning process to all team managers and service managers. Managers are encouraged to include their own teams in this discussion and feedback into the process.
- Initial planning – May. In parallel with the engagement sessions, discussions will be held with Assistant Directors to include their service improvement plans and priorities against the long-term strategy for Adult Social Care. Committee members will be consulted regarding their priorities and the implications for cost pressures.

- MTFS – June. Finance business partners will aim to provide a working Medium Term Financial Strategy (MTFS) in June. This will provide an initial basis for pressures, income and savings required.
- Budget savings proposals – September. It is assumed at this stage that further savings will be required to meet the cost pressures of fee rate increases, inflation and additional demand. Proposals for how savings will be achieved will be brought to Committee for agreement in September.
- Confirmation of pressures – November onwards. Working assumptions on cost pressures and the subsequent savings required to meet them will necessary until information is provided by Government. This is likely to be some point from November.
- Formal Budget Setting Process – November onwards. Following discussion at committee, agreed proposals will be taken forward through the formal process of full council approval of the budget.
- Fee Rate Setting Process for 2025/26. Feedback from this year's fee setting discussions showed a preference for working to a December agreement date. Discussions with providers will take place over the course of the year, building to this milestone.

1.4.2 Increased reliance on external grant funding presents a potential risk to the sustainability of the Adults Health and Social Care budget in future years.

- In 2024/25, Discharge Grant will be available to the system but will be subject to grant conditions and local governance.
- £1.9m of one off MSIF grant has been allocated to temporary staffing costs and fee uplifts. This will need to be replaced by permanent funding in 2025/26.
- £12.88m of additional Adult Social Care Grant has been included in 24/25 Business Planning. Whilst planning assumptions are that this is recurrent funding, there has been no confirmation of grant allocations past 24/25.

1.5 Use of Resources Delivery Plan

1.5.1 The Use of Resources delivery plan was presented to Committee in November 2022, building on a programme of improved governance around financial management.

1.5.2 The purpose of the Delivery Plan is to establish an ongoing schedule of work to embed good financial governance. Appendix 2 provides an update on the actions identified in 2022 plan and our priorities for ongoing improvement in 2024.

1.5.3 Priority tasks for implementation are:

- National benchmarking for innovation and best practice.
- Care package approvals process.
- Establishment control data.
- Best value discussions at team level.
- Online financial support and guidance.

1.6 Risk Management

1.6.1 Risk management is the process by which the Council continually identifies and describes any risks to the delivery of its objectives and then, following an analysis of those risks, decides and implements the agreed response to either remove the risk, mitigate it or accept it.

1.6.2 The Care Quality Commission (CQC) will look at risk management under Theme 4 of their Assessment Framework to check that the Local Authority has 'clear responsibilities, roles, systems of accountability and good governance to manage and deliver good quality, sustainable care, treatment, and support', to ensure that the Local Authority acts on the best information about risk, performance, and outcomes, and shares this securely with others when appropriate.

1.6.3 Risk management is an essential part of our care governance and sits in the Risk and Resilience domain of the Care Governance Strategy. The Council's Risk Management Framework sets out our methodology and overall approach, providing managers with the necessary structures and tools to enable them to manage risk effectively whilst ensuring a consistent approach across the organisation.

1.6.4 Risk is managed at each tier of the organisation and risks are escalated quarterly to the management tier above as appropriate. In Quarter 3 the Directorate has reviewed its risk register to ensure that it is reflective of the operating environment and that risks are being managed at the appropriate level. Four of the sixteen risks being managed corporately in Quarter 3 have been escalated by the Adult Care and Wellbeing Directorate.

1.6.5 The corporate risk register is being refreshed in 2024. The Policy Committee will be briefed on risk management as part of its induction in June and updated quarterly as part of the Cycle of Assurance reporting.

1.7 Revised Charging for the Protection of Property

1.7.1 Committee is asked to approve the following proposal for revised charges to individuals for the storage and management of personal property.

- 1.7.2 In accordance with our duties under the Care Act 2014, the Council acts to manage and safeguard people's possessions where there is no one who is able to support them. If an individual is admitted to residential care leaving their property vacant, this may require officers to search the property and provide temporary storage for their possessions. The Council has a power to recover reasonable costs for this work under Section 47 (7) of the Care Act 2014, but at present no charge is made for this service.
- 1.7.3 For the estates of people who have died and have no one to arrange a funeral, the Council has a duty under section 46 of the Public Health (Control of Disease) Act 1984 to arrange the funeral. This may include a search of the person's property and storage of any valuable possessions identified. The Council charges up to £305.14 for a search depending on the size of property. At present no charge is made for storage of property. The Council will hold possessions for 7 years prior to disposal if no next of kin is identified.
- 1.7.4 To improve the service and generate funds to cover the cost of administering estates, storing items and to allow people access to their deceased relatives' funds in a sympathetic manner, a number of proposals are proposed:
1. Commence charging for protection of property searches at the same rate as for estate searches to ensure consistency. This is estimated to impact around 240 people per year and will result in charges of around £45k.
 2. Commence charging for storage of items. This will be in the form of a one-off fee for monitoring, record keeping and staff time, along with a monthly charge for storage based on the size of the item retained. This is expected to result in charges of around £5k per year.
 3. Update fees in line with the cost of managing the service. An annual uplift in line with the salary uplift is proposed to cover the inflationary cost of maintaining the service. This is proposed at 5.5% for 2024/25 with future uplifts to be reviewed as part of the wider fee uplift process.
 4. Implement an indemnity form to allow the release of estates with a value of less than £5000. This will impact around 30 existing cases and approximately 20 more each year. There is no direct financial impact but it may allow for the settling of some small debts to the council.

1.7.5

Schedule of Charges	
Item	Charge
Search (Subject to size of property)	£138.70 - £305.14
One-off storage admin fee	£13.87
Envelope storage fee	£0.50 / year
Small box storage fee	£11.55 / year
Large box storage fee	£27.75 / year
Single large item storage fee	£18.50 / year

- 1.7.6 Legal advice has been sought and there is no requirement on the Council to consult on this decision.
- 1.7.7 An EIA has been completed for this proposal, reference 2628.
- 1.7.8 There is no climate impact for this proposal. Services are already being provided; the only change is to the charges applied for those services.

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
- 4.1.2 EIA 2628 has been completed and assesses a limited impact from this proposal, given the relatively low annual fees proposed and number of people potentially affected.

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 For the proposal to update the charging policy for property searches and storage. The alternative option would be:

1. To maintain the current disparity on charging. This option was rejected as there was no basis to favour one group of people over another for cost of conducting property searches.
2. To provide storage for free. This option was rejected as there is a cost against public funds to provide the service. Storage has been provided free of charge, incurring costs that could otherwise be used to provide care and support. The proposed schedule of fees offers good value for money for those who benefit from it. Establishing the principle of charging for this specific service is also a prudent step should external storage facilities be required in the future.

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.