

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

20 January 2022

Present:-

Councillors S Randall-Johnson (Chair), C Whitton (Vice-Chair), T Adams, J Bailey, R Chesterton, D Cox, L Hellyer, S Parker-Khan, R Peart, R Scott, M Wrigley and J Yabsley

Apologies:-

Councillors P Crabb, I Hall, P Maskell and L Evans

Members attending in accordance with Standing Order 25

Councillor J McInnes

* 25 **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* 26 **Public Participation**

There were no oral representations from members of the public.

* 27 **Budget 2022/23 and Capital Programme for 2022/23 to 2026/27**

(Councillor J McInnes attended in accordance with Standing Order 25(1) and spoke to this item in regard to the Health and Adult Care budget proposals and referred to the impact of the pandemic over the last year and more, the difficulties and implications for the next 12 months and the severe pressures faced by the Service).

The Committee welcomed the opportunity for individual Scrutiny Committees to scrutinise the proposed budgets for the 2022/23 financial year.

The Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee would present any relevant resolutions and an overview of those issues arising to the Corporate Infrastructure and Regulatory Services Committee on 27 January 2022. This Committee would also consider the draft budget proposals within its own remit, providing an opportunity for Scrutiny Members to comment on proposals for the Council's Budget in its entirety. The resulting resolutions from Scrutiny will be reported to Cabinet and Council.

This would follow the opportunity for individual Scrutiny Committees – at this meeting – to have an initial overview of the budget proposals and examine

them to identify any specific issues or areas of interest that might be considered at the Corporate Infrastructure and Regulatory Services Committee for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the joint report of the Director of Finance and the Chief Officer for Adult Care and Health Services; and the Director of Public Health (DF/22/02) on the provisional financial settlement made by Government and the spending targets set by the Cabinet for each service area which included inflation, commitments and any service prioritisation reductions. The Report also detailed the proposed medium-term capital programme for the Adult Care and Care Services and how it was funded.

The Cabinet, at its meeting of 8th December 2021, had set Revenue Budget targets for 2022/23. That Report outlined the targets in paragraph 2 which represented an overall increase of £48.9 million or 8.4%. The increased Revenue Spending Targets for 2022/23 now totalled just over £629 million.

As detailed within budget monitoring reports, significant pressures had been and were continuing to be experienced within Devon and across the Country. The unprecedented set of circumstances faced by the Country had led to demand growth, cost base increases and acute labour shortages. Adult Care and Health and Children's services in particular were continuing to experience in year operational pressures and many of the current year pressures were translating into budget pressures for 2022/23.

It was proposed to further support time limited pressures, invest to save programmes and to provide the critical services with time to manage demand and transform further by utilising some of the Council's reserves.

The Capital Programme for 2022/23 to 2026/27 would be presented to Cabinet at the February Budget meeting.

At the Cabinet meeting on the 12th January 2022, an update had been given following the Provisional Local Government Settlement 2022/23 which had been received on the 16th December 2021. The 2022/23 local government finance settlement was for one year only and was based on the Spending Review 2021 (SR21) funding levels. As part of SR21, the Chancellor had announced an additional £1.6bn per annum (2022/23 to 2024/25) for local government and the majority of this amount had been included in the Core Spending Power figures.

The council tax referendum limit would be 2% for local authorities, with social care authorities allowed an additional 1% social care precept.

Devon's Core Funding of £103.2 million (and grants announced so far) was as follows.

	£000
Revenue Support Grant	566
Business Rates Central Government Top Up	80,654
BRRS Local Element	<u>21,997</u>
Core Funding	103,217
New Homes Bonus	2,143
Rural Services Delivery Grant	7,823
Social Care Grant	32,317
Improved Better Care Fund	29,126
ASC Reform/Market Sustainability & Cost of Care Fund	2,413
Services Grant	7,076

The provisional settlement was very close to what had been expected, and no change was therefore proposed to the Budget Targets for 2022/23 that had been agreed by Cabinet in December which had been Revenue Spending Targets for 2022/23 totalling just over £629 million with the relevant service budgets as outlined below, showing an increase in all service areas.

	2021/22 Adjusted Budget *	Inflation Pressures	Savings & & additional Income	2022/23 Budget	Net change	
	£000	£000	£000	£000	£000	%
1 Adult Care & Health	283,294	47,875	(18,241)	312,928	29,634	10.5%
2 Childrens Services	159,036	28,787	(11,675)	176,148	17,112	10.8%
3 Communities, Public Health E&P	40,280	3,809	(2,846)	41,243	963	2.4%
4 Corporate Services	40,937	3,612	(2,830)	41,719	782	1.9%
5 Highways, Infrastructure D&W	57,124	3,349	(3,149)	57,324	200	0.4%
	580,671	87,432	(38,741)	629,362	48,691	8.4%

* Adjusted for permanent virements

The Committee was reminded that its consideration of the draft Adult Care and Health Services and Public Health budgets was just part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet meeting on 11th February 2022 formulating a budget for consideration by the County Council on 17th February 2022.

The Chief Officer for Adult Care and Health Services and the Director of Public Health respectively commented on the likely implications of the 2022/23 target for individual service areas, confirming that the overall approach had been to strike a balance between the reality of the financial challenges facing the Council and providing sustainable support services against the increasing demands of front-line services and operational demands. In order to deliver budget targets budget reductions were required in respect of for Adult Care and Health Services as detailed in the Report Saving Strategies (page 10) and for Public Health (page 22).

For Adult Care and Health Services, the Leadership Group commentary in the Report referred to working together with other organisations to respond to and manage the impacts of COVID-19 and lead on the Council's Strategic Plan and development of the Government's Levelling Up agenda. .

The Chief Officer for Adult Care and Health Services and Director of Public Health respectively referred to the specific issues as outlined in the Report.

The Report also contained the detailed budget proposals for Adult Care and Health Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services. The Adult Care and Health Services base budget was £312.928 million (a net increase of 10.5% from 2021/22), and included inflation and pressures of £47.8 millions) and required savings and income initiatives of £18.241 million).

Under the Equality Act 2010, the County Council had a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. Where relevant, Impact Assessments were carried out to consider how best to meet this duty, which included mitigating against the negative impact of service reductions.

The Report before the Committee referred to the Budget 2022/23 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: [Budget 2022/2023 - Impact Assessment \(devon.gov.uk\)](https://www.devon.gov.uk/budget-2022-2023-impact-assessment) for the attention of Members so they were aware of the equality impact assessments undertaken as part of the budget's preparation, that any risk assessments and projections were adequate and the evidence supported the assumptions made in the formulation of the budget. Also bearing in mind that the preparation of Impact Assessments was a dynamic process and that individual assessments for specific proposals may need to be updated with time, Members of the Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions and any identified significant risks and mitigating action required.

(i) Adult Care and Health: Specific Issues and observations arising from the current budget proposals raised by Members in discussion with the Chief Officer for Adult Care and Health, the Locality Director North and East; and the Head of Adult Care Operations and Health included:

- the impact of inflationary pressures including the national living wage (mainly passported to independent contract providers) amounted to £15m and the limited flexibility this created;
- the cost pressures relating to (i) demand; (ii) supply, and (ii) national policy developments;

- the complexities (and acuity) relating to adults including with physical disabilities and mental health/autism with complex needs; and children transitioning into adult care; and the increasing number of older people and increasing numbers requiring complex residential nursing care; (more information on demography was requested by Members);
- the exceptional work of the independent residential/nursing home sector in Devon in minimising the impact of the pandemic with the support from the Service;
- the delay of 2 years before any additional resources from National Insurance increases would be available for Adult Social Care;
- the increased demands on the Service from impending changes to deprivation of liberty national policy with increased assessment and new and broader range of liberty protection safeguards and advocacy costs (which would also impact on legal costs);
- the impact of the proposed saving of £18m as detailed in the saving strategy;
- the current negotiations by Officers with the NHS for additional resources of up to £10m to support the budget 2022/23 for this one year only (and not referred to in the papers pending the current negotiations);
- the new staff required to support savings plan;
- the purpose/objective the Better Care Fund, and the improved Better Care Fund, the deployment of which was subject to joint agreement with NHS partners and designed for the benefit of health and social care overall but used for the purposes of meeting adult social care needs, reducing pressures on the NHS – including reducing delayed transfers of care; and stabilising the social care provider market:
- the assessments were based on a national eligibility framework and individual needs and the availability of alternative settings to save on costs where appropriate and promotion of independence as far as possible within the community with integrated care services;
- the use of technology to assist independence (on which further information/presentations could be made to Members through masterclasses);
- the impact of the budget pressures for staff and the welfare supports available across the local authority and within the independent sectors and the detailed impact assessments of the proposals (which had been available to all members); and
- the very competitive and significant work force pressures across the health and care system in Devon and nationally and work with the NHS and independent sector partners to recruit and retain valuable staff (via for example the Proud to Care campaign).

(ii) Public Health: Specific Issues and observations arising from the current budget proposals raised by Members in discussion with the Director of Public Health at the meeting included the following:

- Public Health was predominantly funded by a ring-fenced grant from the Department of Health and Social Care which had not been confirmed and

the budget proposals were based on the current year's budget (£30.045m (including £60k internal income) making effective planning more problematic;

- the majority of the Budget (75%) related to mandated and commissioned services and the Public Health worked with and supported other Services in relation to factors and wider determinants of public health such so housing, education, health and social care and the Service was a partner within the Integrated Care System and part of the Long Term Plan;
- the impact of the pandemic in the current financial year and implications for future planning and configuration of services;
- the impending loss of 'track and trace' staff and their positive feedback about their employment with the Service and County Council; and
- the possible impact on Alcohol support services (on which more information was requested) and the impact of the pandemic on sexual health services.

It was **MOVED** by Councillor S Randall Johnson, **SECONDED** by Councillor M Wrigley and

RESOLVED that the provisional financial settlement and its impact on spending targets and on the proposed Adult Social Care and Health and Public Health budgets for 2022/23 be noted and the issues and/or observations set out below be drawn to the attention of the Cabinet meeting on 11 February 2022:

(a) this Committee welcomes and supports:

(i) the 10.5% increase in the budget for the Adult Care and Health Service recognising the huge demand on the system, and the imperative to invest in workforce given the issues with staff recruitment, notwithstanding the £18 million savings required in the budget;

(ii) the negotiations with the NHS to enable one-year additional funding, possibly £10million, to maintain services and support a reduction in unnecessary hospitalisations and achieve timely transitions out of hospital;

(b) this Committee

(i) records its dissatisfaction with the unknown grant settlement for Public Health and also the 1-year financial settlement for Adult Care against a demand led-budget and the resulting challenges in developing strategy without financial certainty;

(ii) requests the Cabinet to satisfy itself about the realism of achieving £18 million savings considering the increase in cost of living, inflation, increases in demand and the cost of the post-covid recovery; and in particular, the potential for hidden cost pressures to lead to budget overspend and the

resulting impact upon vulnerable people in Devon and the importance of the preservation of preventative services;

(iii) record its concern with the anticipated additional pressures on the Adult Care and Health Service including:

- the impact of the cessation of grants including the 'Discharge to Assess' funding from the end of March 2022;
- changes to the Liberty Protection Safeguards, replacing the Deprivation of Liberty Scheme, and the current lack of clarity from Government about how this will be funded;
- the increase in future demand coming through from Children's Services.

(c) that the Cabinet be asked to continue to maintain support for workforce recruitment and retention, including promoting the 'Proud to Care' opportunities with the individuals who have been recruited by the County Council to support the track and trace programme on a temporary basis.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.00 am and finished at 12.30 pm