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To: The Chair and Members of the Health and  
Adult Care Scrutiny Committee

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

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Date: 16 January 2024

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## **HEALTH AND ADULT CARE SCRUTINY COMMITTEE**

Wednesday, 24th January, 2024

A meeting of the Health and Adult Care Scrutiny Committee is to be held on the above date at 10.30 am at Daw Room (Committee Suite - County Hall) to consider the following matters.

Donna Manson  
Chief Executive

### **A G E N D A**

#### **PART 1 - OPEN COMMITTEE**

- 1 Announcements
- 2 Apologies
- 3 Public Participation

Members of the public may make representations/presentations on any substantive matter listed in the published agenda, as set out hereunder, relating to a specific matter or an examination of services or facilities provided or to be provided.

#### **MATTERS FOR CONSIDERATION OR REVIEW**

## **Overall Approach**

The 2024/25 service area budgets will be scrutinised by Scrutiny Committees, with the Corporate Infrastructure and Regulatory Services Scrutiny Committee considering both its own budget responsibilities as well as any issues raised by the Children’s Scrutiny Committee and the Health and Adult Care Scrutiny Committee and will produce an overarching set of recommendations.

This approach enables all Scrutiny Members to question and challenge the budget proposals across services, to better understand the implications of the budget proposals across the Council and to make effective recommendations to Cabinet and Council.

The proceedings of all Scrutiny Committees will be livestreamed and publicised through normal channels.

The Council must have full regard to and consider the impact of any proposals, as set out in impact assessments, and any identified risks and mitigation action required.

## **Public Participation**

There will be an opportunity for members of the public to address each Scrutiny Committee meeting and make oral presentations on any matter relating to the proposed budget, in line with the [public participation scheme](#).

## **Meeting**

At this and other Scrutiny Committees in the current cycle, Members are asked to identify salient issues within each Committee’s areas of responsibility, to examine the general thrust of the budget and make recommendations on an overview of priorities and prospects.

At this meeting Cabinet Members/Directors / Heads of Services will report on

- the Cabinet’s Target Budget for Services and likely implications of the 2024/25 target for individual areas of service and how those areas have been prioritised;
- any comparisons between the current year and next year’s proposals for the service areas, to illustrate the scale of change within those activities and how the budget has been allocated across services in those years (to illustrate changes of emphasis or priority);
- any “alternative delivery models” or other initiatives contemplated for given services and how it is thought that these may reduce costs; and
- impact assessments undertaken in relation to the draft budget.

## **Report and Budget 2024/25 Impact Assessment**

Joint Report of the Joint Report of the Director of Finance and Public Value, the Director of Integrated Adult Social Care and the Director of Public Health, Communities and Prosperity (DFP/24/05) on the proposed budget for Integrated Adult Social Care and Public Health for 2024/25, attached.

For ease of reference: Integrated Adult Social Care (page 12); Public Health (page 22)

[NB: An overview of the impact assessments for all service areas entitled 'Budget 2024/25 Impact Assessment' has been made available to all Members of the Council so that Scrutiny Committees have access to all assessments undertaken as part of the budget's preparation - available at <https://www.devon.gov.uk/impact/published/budget-impact-assessments/>).

Members are asked to consider the contents and retain it for future meetings, accepting that individual assessments may be updated with time. Members must have full regard to and consider the impact of any proposals in relation to equalities for this (and other) budget meetings prior to making any decisions. Scrutiny Committees will no doubt wish to be assured that risk assessments and projections are adequate and that the evidence supports the assumptions made in the formulation of the budget.

### **PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED**

Nil

*Members are reminded that Part II Reports contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). They need to be disposed of carefully and should be returned to the Democratic Services Officer at the conclusion of the meeting for disposal.*

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### **Declarations of Interest for Members of the Council**

It is to be noted that Members of the Council must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

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DFP/24/05

## Health and Adult Care Scrutiny Committee

24 January 2024

### 2024/25 Budget

Joint Report of the Director of Finance and Public Value and the Director of Integrated Adult Social Care and the Director of Public Health, Communities and Prosperity.

#### 1. Recommendation

1.1 That the Committee be asked to:

Consider whether it wishes to draw to the attention of Cabinet any observations on the proposals contained within the draft Revenue Budget 2024/25 and Capital Programme for 2024/25 to 2028/29.

#### 2. Introduction & Commentary

2.1 In previous years, Cabinet has agreed target budgets for services in December, based on financial planning forecasts constructed in advance of the provisional settlement. However, this year, with uncertainty over the level of central government funding to local government and further expected cost increases following the Autumn Statement 2023, more time was needed to develop service targets.

2.2 It was therefore prudent to defer setting service budget targets until January, after the announcement of the Provisional Local Government Finance Settlement and further development of budget plans. At its meeting on 10 January 2024 Cabinet approved revenue net budget targets as set out in paragraph 2.6.

2.3 At the time of writing, the final outcome of the Local Government Finance Settlement is awaited and details of the council tax base, collection fund surpluses and tax base yield have yet to be confirmed along with the local element of business rates. The latest available information will be provided when the County Council considers final budget proposals for 2024/25 on 15 February 2024. Given the late notification of the Settlement and in line with arrangements in previous years, 20 February 2024 has been set aside for a second County Council budget meeting should it be required.

2.4 The ongoing impact of cost-of-living effects of high inflation and interest rates, and the lasting impact of the pandemic on supplier markets and demand for public services, has created huge financial pressures nationally. The Authority continues to face price and demand pressures as a result. Significant and sustainable savings are being delivered with further savings required in 2024/25 and subsequent years. Some one-off savings measures have been

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included within plans and will ultimately need to be replaced with more sustainable alternatives.

- 2.5 The target budgets include investment of £48.5 million to cover inflation and national living wage cost increases and a further £44.9 million to cover demand pressures. To enable the authority to set a balanced budget, savings, alternative funding and additional income of £49.6 million have been identified. Overall, there is net additional funding of £43.8 million or 6.3% for service budgets next year.
- 2.6 The approved service revenue budget targets for the 2024/25 financial year are set out in the table below.

	2023/24 Adjusted Base Budget £'000	Inflation and National Living Wage £'000	Other Growth and Pressures £'000	Savings Plans and additional income £'000	2024/25 Target Budget £'000	Net Change	
Integrated Adult Social Care	340,245	29,887	20,025	(29,411)	360,746	20,501	6.0%
Children and Young People's Futures	206,278	9,795	20,862	(9,150)	227,785	21,507	10.4%
Public Health, Communities and Prosperity	21,678	533	289	(1,577)	20,923	(755)	-3.5%
Corporate Services	49,755	2,160	1,361	(4,831)	48,445	(1,310)	-2.6%
Climate Change, Environment and Transport	81,619	6,144	2,348	(4,629)	85,482	3,863	4.7%
<b>Total Service Budgets</b>	<b>699,575</b>	<b>48,519</b>	<b>44,886</b>	<b>(49,598)</b>	<b>743,382</b>	<b>43,807</b>	<b>6.3%</b>

- 2.7 This report provides detailed budget proposals in line with these targets.

### 3. The Provisional Local Government Finance Settlement 2024/25

- 3.1 On 18 December 2023, the Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities released a written Ministerial Statement to Parliament setting out the provisional local government finance settlement for 2024/25 financial year.
- 3.2 The 2024/25 local government finance settlement is for one year only, being the final year of the 3-year period covered by the Spending Review 2021 (SR21), as updated for announcements made in the Autumn Statement on the 22 November 2023. Government has outlined national funding levels for 2024/25 and provisional allocations of funding individual council level. However, the funding position for subsequent years is unknown and will be subject to the next Spending Review and subsequent annual finance settlements.
- 3.3 The key matters in the provisional settlement are set out below -
- **Core Spending Power** – The government has increased the Authority's overall Core Spending Power by 6.5% which provides some welcome additional flexibility to respond to national inflationary pressures and protect services that local people rely on as far as possible. This incorporates a Government assumption that the Council will implement the full flexibility to increase Council Tax up to the referendum threshold.



- **Council Tax** – The provisional settlement confirms that the Core Spending Power includes the flexibility in setting Council Tax for 2024/25 by setting the referendum limit at 2.99% and that social care authorities may increase the precept by a further 2% for adult social care, and therefore raise Council Tax by up to 4.99% overall without a referendum being required.
- **Revenue Support Grant** – The provisional allocation for 2024/25 of this general funding grant is £713,381, an increase of £44,316 (6.6%) compared to 2023/24.
- **Business Rates** – the business rates funding system and government compensation grant for under-indexing contain a combination of fixed and variable elements making budgeting for this funding complex. The three elements included in the Settlement, and within the Government's assessment of Core Spending Power, have increased by 7.7%. However, actual funding through the business rates system will be subject to actual collection totals locally and estimates for this will not be confirmed until the beginning of February through information to be provided by district / borough / city councils in Devon.
- **New Homes Bonus** – this grant, which is based on delivered housing growth within the County, has been extended by a further year. The provisional allocation of NHB grant in 2024/25 is £1.14 million, which is an increase of £176,859 (18%) compared to 2023/24.
- **Rural Services Delivery Grant** – the provisional allocation for this general funding grant is £8.744 million – the same amount as received in 2023/24.
- **Services Grant** – the provisional allocation of this general funding grant towards the cost of local services is £653,263 in 2024/25, a decrease of £3.499 million (84%) compared to 2023/24.
- **Social Care Grant** – as reported last year, it was announced in the Autumn Statement 2022 that adult social care charging reforms that were due to be introduced from October 2023 are postponed for 2 years, but that the funding that had been allocated by government would be repurposed and still allocated to councils. In 2023/24 this repurposed funding was added to the social care grant, and the former Independent Living Fund grant was also consolidated within the social care grant. The provisional allocation of this general grant funding in 2024/25, which aims to support local authorities in meeting the costs of adults' and children's social care needs, is £63.28 million, an increase of £9.265 million (17%) compared to 2023/24.
- **Improved Better Care Fund** – this grant funding may be used only for the purposes of meeting adult social care needs, reducing pressures on the NHS, including seasonal winter pressures, supporting people to be discharged from hospital when they are ready, and ensuring that the social care provider market is supported. The funding is pooled into the local Better Care Fund. The provisional allocation for 2024/25 is £29.127 million – the same amount as 2023/24

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- **Adult Social Care Market Sustainability and Improvement Fund** – The primary purpose of the fund is to support local authorities to make tangible improvements to adult social care services in their area, in particular to build capacity and improve market sustainability in both social worker workforce capacity and social care providers. The Authority’s allocation of funding for 2023/24 came in two tranches: £8.373 million allocated in the Settlement in February 2023, plus £5.438 million additional in-year allocation confirmed in August 2023. Total funding in 2023/24 is therefore £13.811 million. The Authority’s 2024/25 provisional allocation is £15.643 million next year, an increase of £1.832 million (13%) on the funding received in 2023/24.
- **Adult Social Care Discharge Fund** – The funding allocated to local authorities nationally has increased from £300 million in 2023/24 to £500 million in 2024/25. The grant funding must be pooled into the Better Care Fund and may be used to: enable more people to be discharged to an appropriate setting; prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost; and boost general adult social care workforce capacity. The provisional allocation for Devon County Council is £6.806 million which is an increase of £2.722 million (67%) compared to 2023/24.
- **Local Government funding reform** – The Government confirmed through the Settlement it is not currently prioritising the Review of Relative Needs and Resources (generally referred to as the ‘Fair Funding Review’).

## Core Funding Income

	2023/24 Settlement £000	2024/25 Provisional Settlement £000
Revenue Support Grant (RSG)	669	713
Business Rates – Central Government Top Up	83,428	86,461
Business Rates – Local Element*	21,566	23,884
<b>Total Core Funding</b>	<b>105,663</b>	<b>111,058</b>

\*The actual amount we receive will be derived from returns completed by our Devon Districts in January 2024.

## Other Grant Income Included in the Settlement

	2023/24 Settlement £000	2024/25 Provisional Settlement £000
New Homes Bonus	963	1,140
Rural Services Delivery Grant	8,744	8,744
Services Grant	4,152	653
Social Care Grant	54,015	63,280
Improved Better Care Fund	29,127	29,127
Adult Social Care Market Sustainability and Improvement Fund*	13,811	15,643
Adult Social Care Discharge Fund	4,084	6,806
<b>Total Other Grant Income</b>	<b>114,896</b>	<b>125,393</b>

\*The ASC Market Sustainability and Improvement Fund 2023/24 settlement figure includes £8.373 million allocated in the Settlement in February 2023, plus £5.438 million additional in-year allocation confirmed in August 2023.

- 3.4 The tables above set out the Authority's Core Funding of £111.1 million and shows the other government grants that have been announced so far. Other existing grants are expected to be published soon (for example, public health grant) and, together with any updates to funding allocations when the Final Settlement is announced, will be reported as part of the overall budget papers in February, if known by then.

## 4. Service Specific Budget - Integrated Adult Social Care

- 4.1 The draft total budget for Integrated Adult Social care is £360.7 million. This is an increase of £20.5 million or 6% from the 2023/24 adjusted budget.

## 5. Integrated Adult Social Care

- 5.1 Overall, the budget provides additional investment of £17.5 million for Operations and £3.0 million for Commissioning. This is net of savings.
- 5.2 Growth and demand pressures amount to £20.0 million. The impact of inflation including pay and the national living wages adds £29.9 million and planned savings amount to £29.4 million.
- 5.3 Our vision is to ensure that we are maximising people's independence and support the increasing number of people that approach us in the most effective way.
- 5.4 Population projections indicate that Devon will see an increase in complexity for both older people and working age adults, this means we will require greater provision of more complex care beds and community services to meet the projected increase in dementia prevalence of 36% between 2020 and 2030. To ensure people have their needs met effectively we need to ensure that both Integrated Adult Social Care and the external workforce has the right skills to support people with increasingly complex care needs.
- 5.5 We will require increased provision of residential and community services for the projected 26% increase in adults with a learning disability between 2020 and 2030, this is a key priority.
- 5.6 We have seen an increase in the numbers of people admitted to bed based care. There have been national changes to hospital discharge processes. The current model of hospital discharge within Devon is too bed based and produces suboptimal outcomes for individuals in terms of maintaining their independence. We need to work with our ICB colleagues, and NHS providers to create a model that has less unnecessary reliance on bed based and other statutory care services.
- 5.7 We have a strong track record of positive partnership working with NHS in Devon and have maximised The Better Care Fund (BCF) to improve outcomes for people and carers in Devon. A pooled fund of around £127 million, allocation is determined jointly to meet the priorities for the local population. Included in the Operations budget is £46.66 million of BCF funding which contributes directly to the provision of social care services, and a further £5.49

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million which contributes to joint health and social care arrangements. The BCF also includes £8.965 million (provisional) Disabled Facilities Grant which is administered by the District Authorities. The table below sets out the detail:

<b>Grants:</b>	<b>£'000</b>
Disabled Facilities Grant	8,965
Improved BCF grant	29,127
Hospital Discharge fund	12,896
<b>NHS funding:</b>	<b>£'000</b>
NHS directly commissioned	31,715
Support to adult social care	20,205
Localities - Older People	10,715
Equipment store	7,587
Carers	3,898
Others	2,137
	<u>127,245</u>

- 5.8 Deprivation of liberty and safeguarding are key priorities, and the budget allows for additional investment of £500,000 to help address the backlog of those awaiting assessment.
- 5.9 Changes to the immigration rules due in April pose a risk to the sufficiency of all sectors of the care market, particularly the home care sector, and risk undoing the progress made through international recruitment. Any negative impact will be felt across the health and care system, and the people we serve, including people experiencing longer waits to get home from hospital.
- 5.10 Internal workforce challenges continue, relating to attracting Occupational Therapists, Social Workers and Team Managers. Our grow your own approach and apprenticeship schemes are having a positive impact but the challenges remain.

## 6. Savings

- 6.1 Our savings strategy is built around three key approaches:
- 6.1.1 A continued focus on a strengths-based approach that is embedded and restated in our vision to support people wherever possible without the need for commissioned services
- 6.1.2 When people do need a commissioned service, it is the right type of care, short term and enabling is the first instance to maximise their independence
- 6.1.3 When care is commissioned, we work with the market to ensure best value, that services are relevant to what people need to access, and they are modern
- 6.2 We have made significant progress in our programme of care reviews, embedding our vision to ensure that the care we are commissioning and providing is maximising people's independence, this continues.

- 6.3 The directorate grew during the pandemic to ensure we had the capacity to deliver the required prolonged and intense response for those we serve. As we redesign for the future, the budget includes staff savings of £1.9 million. We are working to ensure that the right staff are in the right place and doing the right things to delivery our strategy.
- 6.4 The budget includes a combined savings of £14.4 million to come from how we commission from the independent provider market. Significant work has taken place, reshaping elements of our work including tightening cost controls to ensure a consistent and equitable approach to how we commission from the independent provider market. We will build further on this.
- 6.5 Combined saving of £29.4 million are planned for 2024/25. Ultimately the successful delivery of the budget will be based on promoting greater independence for all of the people that we work with, and at better value.

## **7. Service Specific Budget Issues - Public Health**

- 7.1 The Public Health grant remains ringfenced for 2024/25. The value of the grant for 2024/25 has not yet been confirmed.
- 7.2 Service demand is starting to recover for key Public Health services. There have been several contract renegotiations during 2023/24 which have largely driven the fluctuations within the budget for 2024/25, alongside realigning budgets to match demand.
- 7.3 The Public Health reserve at the end of the 2022/23 financial year stood at £13 million. This reserve will be used to support cost pressures and related services across the Authority.
- 7.4 The Public Health budget is also included in the papers for the Corporate Infrastructure and Regulatory Services Scrutiny Committee meeting on 25th January 2024.

## **8. Capital Programme**

- 8.1 The capital programme has been produced to maximise investment in infrastructure and assets and to support service delivery and priorities.
- 8.2 Given the financial pressures on resources, bids for corporate capital funding were invited only where they offered revenue savings, cost reductions or were in order to perform a statutory duty.
- 8.3 No bids were received for Integrated Adult Social Care.
- 8.4 External funding, such as the Disabled Facilities Grant, is subject to future government announcements and, therefore, this funding cannot be guaranteed.
- 8.5 Commitments will not be made in future years, until funding is either announced or secured.

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## 9. Equality Impact Assessment

- 9.1 Under the Equality Act 2010, the Authority has 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. This duty applies to the eight 'protected characteristics' of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Where relevant, Impact Assessments are carried out to consider how best to meet this duty, which includes mitigating against the negative impact of service reductions.
- 9.2 The Equality Act 2010 and other relevant legislation does not prevent the Authority from taking difficult decisions which result in service reductions or closures for example, it does however require the Authority to ensure that such decisions are:
- Informed and properly considered with a rigorous, conscious approach and open mind.
  - Taking due regard of the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.
  - Proportionate (negative impacts are proportionate to the aims of the policy decision).
  - Fair
  - Necessary
  - Reasonable, and
  - Those affected have been adequately consulted.
- 9.3 The impact assessment for the 2024/25 budget is published at [www.devon.gov.uk/impact/budget-2024-2025/](http://www.devon.gov.uk/impact/budget-2024-2025/)

**Angie Sinclair**  
**Director of Finance**  
**and Public Value**

**Tandra Forster**  
**Director of Integrated**  
**Adult Social Care**

**Steve Brown**  
**Director of Public Health,**  
**Communities and Prosperity**

Electoral Divisions: All

Cabinet Member: Councillor Phil Twiss

## **Local Government Act 1972: List of Background Papers**

Spending Review 2022 & Provisional Settlement 2024/25

Contact for enquiries:

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## Strategic Leadership Team Commentary

This is a time of significant challenge for local government as a whole. Despite the government increasing local councils' spending power, a combination of high inflation and rising demand mean that they face some of their toughest ever financial decisions. The Government's local government financial settlement for 2024/25 assumes that all councils will increase their council tax bills by the maximum allowed in 2024/25. The increase in the national living wage poses a significant additional pressure, particularly on the adult social care budget.

In common with all local authorities, Devon County Council has a legal obligation to set a balanced annual budget. Preparing for the financial year 2024/25 has meant a continuation of plans to make savings by getting best value from all contracts, maximising income, reducing the number of employees and selling Council owned property.

Our overriding focus for the next twelve months will continue to be to meet the needs of the young, old and most vulnerable across Devon and we will work closely with our NHS partners to support and develop the local health and care system. We will also continue to work closely with all our partners across Team Devon to help support the local economy, improve job prospects and housing opportunities for local people, respond to climate change, champion opportunities for our young people, and address the impacts of the rising cost of living for those hardest hit.

The year ahead is not going to be easy but we remain fully committed to doing all we can to get the most from every single pound we spend. With key local partners we will transform how we do things so we can continue to deliver vital local services and improve outcomes for the people of Devon as efficiently and effectively as we can.



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## Integrated Adult Social Care

### How the 2024/25 Budget has been built up

	<b>2023/24 Adjusted Budget</b>	<b>Changes</b>	<b>2024/25 Outturn Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Integrated Adult Social Care Operations</b>	311,944	17,550	329,494
<b>Integrated Adult Social Care Commissioning</b>	28,301	2,951	31,252
<b>Total</b>	<b>340,245</b>	<b>20,501</b>	<b>360,746</b>
			<b>Change</b>
			<b>£'000</b>
<b>Reasons for changes in Revenue Budget</b>			
<b>Inflation, National Living Wage, and other pressures</b>			
Inflation and National Living Wage			29,887
Price pressures, demographic and other growth in demand			19,525
Deprivations of Liberty and Safeguarding			500
			<b>49,912</b>
<b>Savings</b>			
Supporting people with disabilities to live more independently			(6,456)
Improved market management for commissioned bed based services			(8,074)
Improved market management for commissioned community based services			(6,313)
Contract savings			(763)
Supporting people with mental health needs to live more independently			(500)
Reductions in staffing			(1,864)
			<b>(23,970)</b>
<b>Alternative sources of funding and additional income</b>			
Better Care Fund mandated increase to Adult Social Care			(4,308)
Increase in partner and client income			(1,133)
			<b>(5,441)</b>
<b>Total</b>			<b>20,501</b>

## Analysis of Total Expenditure 2024/25

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
<b>Integrated Adult Social Care Operations</b>	441,274	(36,104)	(75,676)	0	329,494
<b>Integrated Adult Social Care Commissioning</b>	34,556	(2,649)	(655)	0	31,252
<b>Total</b>	<b>475,830</b>	<b>(38,753)</b>	<b>(76,331)</b>	<b>0</b>	<b>360,746</b>

The following table details the sources of income for the Better Care Fund:

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
<b>Integrated Adult Social Care Operations</b>					
Better Care Fund	127,245	(44,898)	(78,193)	(4,154)	0
<b>Total</b>	<b>127,245</b>	<b>(44,898)</b>	<b>(78,194)</b>	<b>(4,154)</b>	<b>0</b>

# Agenda Item 4

## Integrated Adult Social Care Operations

2023/24 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2024/25 Outturn Budget £'000	2024/25 Net Changes £'000
	<b>Disability Services</b>				
3,277	Day Opportunities	3,287	(24)	<b>3,263</b>	(14)
19,752	Direct Payments	24,886	(4,612)	<b>20,274</b>	522
55,640	Enabling including supported living	59,348	(654)	<b>58,694</b>	3,054
2,434	Nursing Care	4,255	(450)	<b>3,805</b>	1,371
12,499	Personal Care	17,045	(6,481)	<b>10,564</b>	(1,935)
41,154	Residential Care	49,137	(3,911)	<b>45,226</b>	4,072
134,756		157,958	(16,132)	<b>141,826</b>	7,070
9,476	<b>Improved Better Care Fund</b>	9,476	0	<b>9,476</b>	0
	<b>In House Services</b>				
4,405	Day Opportunities and Reaching For Independence	3,990	(17)	<b>3,973</b>	(432)
4,992	Reablement	5,507	(896)	<b>4,611</b>	(381)
4,797	Residential Care	4,708	(500)	<b>4,208</b>	(589)
14,194		14,205	(1,413)	<b>12,792</b>	(1,402)
	<b>Older People</b>				
755	Day Opportunities	760	(55)	<b>705</b>	(50)
7,243	Direct Payments	10,834	(3,669)	<b>7,165</b>	(78)
3,974	Enabling including supported living	4,456	(658)	<b>3,798</b>	(176)
29,128	Nursing Care	48,900	(14,794)	<b>34,106</b>	4,978
17,394	Personal Care	37,685	(19,142)	<b>18,543</b>	1,149
62,243	Residential Care	120,704	(52,304)	<b>68,400</b>	6,157
120,737		223,339	(90,622)	<b>132,717</b>	11,980
31,946	<b>OP&amp;D Care Management</b>	35,461	(3,613)	<b>31,848</b>	(98)
835	<b>Workforce Development</b>	835	0	<b>835</b>	0
<b>311,944</b>		<b>441,274</b>	<b>(111,780)</b>	<b>329,494</b>	<b>17,550</b>

### Analysis of changes:

#### Inflation, National Living Wage, and other pressures

Inflation and National Living Wage	28,290
Price pressures, demographic and other growth in demand	17,790
Deprivations of Liberty Safeguarding	500
Transfer of Emergency Duty Service to Mental Health	(982)
	<b>45,598</b>

#### Savings

Supporting people with disabilities to live more independently	(6,456)
Improved market management for bed based services	(8,074)
Improved market management community based services	(6,313)
Reduction in staffing	(1,764)
	<b>(22,607)</b>

#### Alternative sources of funding and additional income

Better Care Fund mandated increase to Adult Social Care	(4,308)
Increase in partner and client income	(1,133)
	<b>(5,441)</b>

<b>Total</b>	<b>17,550</b>
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## Service Commentary

Integrated Adult Social Care delivers the statutory responsibility as set out in the Care Act (2014), this includes: advice, information and signposting to anyone who may feel they need care or support as well as assessment, review and support planning for older people and working age adults with learning disabilities, autism, mental health and physical disabilities who have eligible needs. There is a new CQC inspection framework of local authority Care Act duties.

The service also arranges care, largely from the independent sector, for either short-term interventions or long-term care, on a personalised basis. Additionally, the service delivers a small amount of adult social care directly, rather than commission from the independent sector. These include several different establishments throughout the county which provide services to older people and people with disabilities.

The service undertakes statutory safeguarding responsibilities for vulnerable adults. The workforce undertaking these functions includes professionally qualified social workers, occupational therapists, as well as non-registered staff who are co-located and co-managed alongside community-based NHS staff.

People tell us they want to live in the place that they call home, with the people and things they love, in communities that look out for each other, doing the things that matter to them. This is at the heart of our Promoting Independence vision, and it shapes the work we do every day.

As a service we have four key cost drivers: demand, market sufficiency, the cost of care, and the acuity and complexity of people we are serving.

Subject to joint agreement with NHS partners, in addition to the £9.5 million Improved Better Care Fund within the Operations budget there is a further £46.66 million of funding from the Better Care Fund (BCF), which contributes directly to the provision of social care services, and there is a further £5.49 million of health income which contributes to joint health and social care arrangements.

The £22.6 million savings will require significant operational redesign and rigour and may impact further on already challenging assessment waiting times, on the organisation's prevention agenda, ensuring a sufficient market and our partnership working.

As the service moves forward with its vision of promoting independence via a strengths-based approach, which is the right thing to do and is required for the successful delivery of the budget, there will be a reduction to the care and support which people are currently receiving. The available resource will be focused on those people who need it most.

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## Service Statistics and Other Information

		Number of service agreements budgeted to be serviced Average through Year		
		2023/24	Change	2024/25
Reablement (across all client groups)	Service Agreements	3,150	0	3,150
These are new people expected to go through the reablement process				
<b>Disability Services (incl. Autistic Spectrum)</b>				
Day Opportunities	Service Agreements	321	(15)	306
Direct Payments	Service Agreements	1,466	20	1,486
Enabling including supported living	Service Agreements	1,830	(48)	1,782
Nursing Care (including Respite)	Service Agreements	48	5	53
Personal Care	Service Agreements	940	5	945
Residential Care (including Respite)	Service Agreements	523	29	552
<b>Older People and Disability - In house</b>				
Day Opportunities	Service Agreements	64	(13)	51
Residential Care (including Respite)	Service Agreements	44	(9)	35
Reaching for Independence	Service Agreements	744	(204)	540
<b>Older People</b>				
Day Opportunities	Service Agreements	167	(17)	150
Direct Payments	Service Agreements	632	(18)	614
Enabling including supported living	Service Agreements	464	31	495
Nursing Care (including Respite)	Service Agreements	720	(35)	685
Personal Care	Service Agreements	2,180	179	2,359
Residential Care (including Respite)	Service Agreements	2,119	(6)	2,113

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# Agenda Item 4

## Integrated Adult Social Care Commissioning

2023/24 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2024/25 Outturn Budget £'000	2024/25 Net Changes £'000
<b>Integrated Adult Commissioning</b>					
2,442	Centrally Managed Contracts	3,960	(687)	<b>3,273</b>	831
1,061	Change Team	1,082	(20)	<b>1,062</b>	1
1,332	Policy, Performance and Involvement Team	1,750	0	<b>1,750</b>	418
3,367	Strategic Commissioning Team	3,352	0	<b>3,352</b>	(15)
8,202		10,144	(707)	<b>9,437</b>	1,235
<b>Mental Health Services</b>					
4,382	Care Management	5,582	(595)	<b>4,987</b>	605
66	Day Opportunities	147	(169)	<b>(22)</b>	(88)
886	Direct Payments	972	(60)	<b>912</b>	26
7,760	Enabling including supported living	9,137	(1,011)	<b>8,126</b>	366
85	Nursing Care	89	0	<b>89</b>	4
150	Personal Care	362	(321)	<b>41</b>	(109)
6,770	Residential Care	8,123	(441)	<b>7,682</b>	912
20,099		24,412	(2,597)	<b>21,815</b>	1,716
<b>28,301</b>		<b>34,556</b>	<b>(3,304)</b>	<b>31,252</b>	<b>2,951</b>

### Analysis of changes:

£'000

### Inflation, National Living Wage, and other pressures

Inflation and National Living Wage	1,597
Price pressures, demographic and other growth in demand	1,735
Transfer of Emergency Duty Service from Operations	982
	<b>4,314</b>

### Savings

Supporting people with mental health needs to live more independently	(500)
Commissioning efficiencies	(763)
Reduction in Mental Health staffing	(100)
	<b>(1,363)</b>

### Total

**2,951**



## Service Commentary

Local authorities have a statutory requirement to meet the needs of people eligible for care, to support them and their carers, and to fund care for those people with needs who meet financial eligibility criteria.

The Integrated Adult Social Care Commissioning team work with NHS colleagues to assess the strategic health and social care needs of the Devon population and ensure there are solutions to meet those needs through commissioning with the provider market and integrated services. This includes the management and oversight of the Better Care Fund.

Commissioners have duties under the Care Act to shape and maintain an efficient and effective market of services for meeting care and support needs in the local area, including working with the provider market to ensure sufficiency of choice, quality and information. This includes addressing workforce challenges through supporting the recruitment and retention of care workers, including actively recruiting people from overseas.

Local authorities have a responsibility to ensure care is maintained where a provider fails financially and services cease – for everyone, including self-funders - to ensure people's needs can continue to be met. This is undertaken by working with the Care Quality Commission to assure and improve quality along with managing contractual provider relationships to ensure their delivery, and consultation with people including carers and families. 2023 saw the introduction of CQC assurance of Adult Social Care duties that will result in a formal inspection and assessment similar to the Ofsted process.

The commissioning function is also responsible for commissioning arrangements for support to carers, for the care management of people with mental health needs (working with Devon Partnership NHS Trust), and for the coordination of activity and governance of the statutory Torbay and Devon Safeguarding Adults Partnership as well as for the oversight of contracts including service user representation and grants to the voluntary and community sector.

The team are also responsible for commissioning intelligence, statutory returns and surveys, internal performance management, and involvement in sector led improvement; for commissioning and operational policy development and strategic planning; and engaging the users of our services and their carers.

The key challenges for Integrated Adult Social Care Commissioning in the year ahead will be maintaining a sufficient provider market and associated workforce for people of all ages, and the delivery of planned savings in Mental Health. We will need to continue to work with people in a strengths-based approach, building their resilience and promoting their independence in a way that reduces the reliance on statutory services.

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## Service Statistics and Other Information

		<b>Number of service agreements budgeted to be serviced Average through Year</b>		
		<b>2023/24</b>	<b>Change</b>	<b>2024/25</b>
<b>Mental Health Services</b>				
Day Opportunities	Service Agreements	12	(2)	10
Direct Payments	Service Agreements	134	(17)	117
Enabling including supported living	Service Agreements	664	12	676
Nursing Care (including Respite)	Service Agreements	2	0	2
Personal Care	Service Agreements	28	11	39
Residential Care (including Respite)	Service Agreements	166	1	167

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# Agenda Item 4

## Public Health

### How the 2024/25 Budget has been built up

	2023/24 Adjusted Budget	Changes	2024/25 Outturn Budget
	£'000	£'000	£'000
<b>Public Health</b>	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Reasons for changes in Revenue Budget</b>	<b>Change £'000</b>
<b>Inflation, National Living Wage and other pressures</b>	
Inflation and National Living Wage	235
Support Services - Inflationary increase to support costs	46
NHS Health Check Programme increase	378
Smoking and Tobacco contract changes	90
Drug and Alcohol support for under 18's - replacement of temporary reserves fundin	58
	<u>807</u>
<b>Savings</b>	
Public Health Nursing contract realignment	(215)
Mental Health service remodelling	(100)
Contractual changes - Substance misuse	(277)
Renegotiation of Obesity contracts	(138)
Various demand led, contract and staffing changes	(77)
	<u>(807)</u>
<b>Total</b>	<b>0</b>

## Analysis of Total Expenditure for 2024/25

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Public Health	34,636	(34,576)	0	(60)	0
<b>Total</b>	<b>34,636</b>	<b>(34,576)</b>	<b>0</b>	<b>(60)</b>	<b>0</b>

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## Public Health

2023/24 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2024/25 Outturn Budget £'000</b>	2024/25 Net Changes £'000
<b>Public Health</b>					
2,608	Children 5-19 Public Health Programmes	2,558	0	<b>2,558</b>	(50)
873	Comm Sfty, Violence Prvntn and Social Excl	871	0	<b>871</b>	(2)
72	Health At Work	71	0	<b>71</b>	(1)
273	Health Protection	187	0	<b>187</b>	(86)
9,801	Mandated 0-5 Children's Services	9,626	0	<b>9,626</b>	(175)
98	National Child Measurement Programme	95	0	<b>95</b>	(3)
272	NHS Health Check Programme	650	0	<b>650</b>	378
393	Obesity	277	0	<b>277</b>	(116)
590	Other Public Health	590	0	<b>590</b>	0
206	Physical Activity	114	0	<b>114</b>	(92)
360	Public Health Expert Advice	350	0	<b>350</b>	(10)
(31,511)	Public Health Income	0	(31,453)	<b>(31,453)</b>	58
417	Public Mental Health	399	(60)	<b>339</b>	(78)
7,139	Sexual Health	7,208	0	<b>7,208</b>	69
1,316	Smoking and Tobacco	2,350	(950)	<b>1,400</b>	84
5,717	Substance Misuse	7,708	(2,173)	<b>5,535</b>	(182)
1,376	Support Services	1,582	0	<b>1,582</b>	206
<b>0</b>		<b>34,636</b>	<b>(34,636)</b>	<b>0</b>	<b>0</b>

### Analysis of changes:

£'000

#### Inflation, National Living Wage and other pressures

Inflation and National Living Wage	235
Support Services - Inflationary increase to support costs	46
NHS Health Check Programme increase	378
Smoking and Tobacco contract changes	90
Drug and Alcohol support for under 18's - replacement of temporary reserves funding	58
	<u>807</u>

#### Savings

Public Health Nursing contract realignment	(215)
Mental Health service remodelling	(100)
Contractual changes - Substance misuse	(277)
Renegotiation of Obesity contracts	(138)
Various demand led, contract and staffing changes	(77)
	<u>(807)</u>

### Total

**0**

## Service Commentary

Public Health is funded by means of a ringfenced grant to the Authority from the Department of Health and Social Care. The grant covers the whole cost of Public Health's work, with the vast majority going on the commissioning and delivery of public facing health services which the Local Authority has a statutory requirement to provide.

Service demand is starting to return to pre pandemic levels for key public health services such as health visitors and school nurses, sexual health services, for drug and alcohol services, and NHS health checks. Public Health must manage increase in demand against a backdrop of below inflation increases in the public health grant.

Central government has issued additional short-term ringfenced funding to public health to support delivery of the national drugs strategy, which is resulting in increasing numbers in treatment, and have indicated additional funding for stop smoking services. However, a lack of certainty about the long-term future of this specific funding and the likelihood of below inflation rises in the general Public Health ringfenced grant in future years, has necessitated a focus on the budget of safeguarding statutory public health services.

Key priorities for 2024/25 include utilising the additional short-term funding to continue to increase the numbers in treatment and improve outcomes within the substance misuse service. The additional smoking funding will enable us to increase support for existing smokers to quit and importantly work with partners to curb the rise in youth vaping. Public Health will continue to work with NHS partners to identify at risk individuals and enable early diagnosis and optimal treatment of key conditions such as cardiovascular disease and cancer to help reduce morbidity and excess mortality. An additional priority will be to ensure the available public health data and intelligence is utilised to inform future service development and provision across the Local Authority with a key emphasis on tackling health inequalities and improving health outcomes.

## Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2023/24	Change	2024/25
		Estimate		Estimate
Opiate clients in treatment	Individuals	1,263	(83)	1,180
Non-opiate only clients in treatment	Individuals	159	34	193
Alcohol only clients in treatment	Individuals	657	58	715
Alcohol & non-opiate clients in treatment	Individuals	97	164	261
Genito-urinary medicine patients treated	Individuals	37,822	1,065	38,887
Contraception services accessed	Individuals	30,521	(2,814)	27,707

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## Grants Paid to External Organisations

<b>2023/24</b>		<b>2024/25</b>
<b>£000</b>	<b>Service and Grant Title</b>	<b>£000</b>
	<b>Integrated Adult Social Care Operations</b>	
	6 Ottery Help Scheme	6
	7 Assist Teignbridge	7
	15 Tavistock Area Support Services	15
	12 Blackdown Support Group	12
	25 Age Concern Barnstaple	25
	32 The Olive Tree Association	32
<b>97</b>		<b>97</b>
	<b>Integrated Adult Social Care Commissioning</b>	
	28 Recovery Devon	28
	47 Devon Recovery Learning	47
	39 Bridge Collective open access MH support	0
	15 Connections open access MH support	15
	25 Exeter CVS First step project open access MH support	25
<b>154</b>		<b>115</b>
<b>251 Total</b>		<b>212</b>

<b>2023/24</b>		<b>2024/25</b>
<b>£000</b>	<b>Service and Grant Title</b>	<b>£000</b>
	<b>Public Health</b>	
	10 Contribution to NHSE - Mental Health Treatment Requirements	10
<b>10</b>		<b>10</b>
<b>10 Total</b>		<b>10</b>



## Staffing Data for 2024/25

	2023/24		2024/25		Total FTEs
	Adjusted Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Integrated Adult Social Care Operations	1,085	(51)	897	137	1,034
Integrated Adult Social Care Commissioning	159	6	157	8	165
<b>Integrated Adult Social care</b>	<b>1,244</b>	<b>(45)</b>	<b>1,054</b>	<b>145</b>	<b>1,199</b>

*Adult Commissioning includes 72 assigned to Devon Partnership Trust*

### Explanation of Movements

#### Integrated Adult Social Care Operations

Transfer of Emergency Duty Team to Mental Health	(14)
Reductions in staffing	(42)
Deprivation of Liberty Safeguarding	5
	<b>(51)</b>

#### Integrated Adult Social Care Commissioning

European social fund - Cessation of scheme	(6)
Transfer of Emergency Duty Team	14
Reduction in mental health staffing	(2)
	<b>6</b>

<b>Total</b>	<b>(45)</b>
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	2023/24		2024/25		Total FTEs
	Adjusted Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Public Health	43	(1)	0	42	42
<b>Public Health</b>	<b>43</b>	<b>(1)</b>	<b>0</b>	<b>42</b>	<b>42</b>

### Explanation of Movements

#### Public Health

Externally funded - minor cumulative changes	1
Externally funded - removal of vacancies	(2)
	<b>(1)</b>

<b>Total</b>	<b>(1)</b>
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# Agenda Item 4

## Capital Programme

The following table details the medium term capital programme for this service and how that programme is being funded.

<b>Total Approval (includes prior years) Project</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Integrated Adult Social Care</b>					
<b>Adult Care Operations and Health</b>					
N/A Care Teams Accommodation & Equipment	50	50	50	50	-
N/A Disabled Facilities Grant	8,965	8,965	8,965	8,965	8,965
N/A Works for ACO&H Provider Services	50	50	50	50	50
<b>Adult Care Operations and Health Total</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,015</b>
<b>Integrated Adult Social Care Total</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,015</b>
<b>Financed by:</b>					
External Funding - Grants	9,065	9,065	9,065	9,065	9,015
<b>Total</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,015</b>

\* Total Scheme Approvals have been included for individual projects only, not for programmes.

This table does not show expenditure on capital projects currently programmed in financial year 2023/24 which may be deferred to 2024/25 or future years.

## Capital - Risk Assessment

Risks to the capital programme and mitigations are set out below, using the following Risk Matrix

LIKELIHOOD	6	12	18	24	30
	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	<b>IMPACT</b>				

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
<b>Capital Scheme costs are higher than estimated</b>	Impact: 4 Likelihood: 5 20 – High	Impact: 2 Likelihood: 4 8 – Low	<ul style="list-style-type: none"> <li>Early engagement of expert advice and qualified professionals.</li> <li>Works which may be susceptible to seasonal variations are programmed during less volatile seasons wherever possible.</li> <li>Projects and the economic climate monitored on a regular basis, and contingency built into major schemes to lessen the overall impact.</li> <li>Litigation is unlikely as legal team are engaged early to draft contracts with default terms clearly communicated and understood.</li> <li>Project boards set up for Major Schemes to try to identify synergies early.</li> <li>Capital Programme may be slowed, paused or schemes halted to mitigate financial impact.</li> </ul>
<b>Risk Description</b> Due to: <ul style="list-style-type: none"> <li>Inaccurate or overly optimistic original estimates.</li> <li>Unexpected events causing increased costs, either inside or outside of our control, as well as additional supply chain, resource and transportation costs.</li> <li>Economic factors such as inflation and interest rates.</li> <li>Default event by either party resulting in litigation.</li> <li>Agreed changes to original scheme scope.</li> <li>Scheme costs may increase, resulting in:               <ul style="list-style-type: none"> <li>Unexpected gap to be financed</li> <li>Default fines</li> <li>Reduction in funds available to other schemes</li> <li>Increased internal borrowing or requirement to externally borrow.</li> </ul> </li> </ul>			

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Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
<b>External funding resources are not received</b>	Impact: 3 Likelihood 4 12 – Medium	Impact: 2 Likelihood: 3 6 – Low	<ul style="list-style-type: none"> <li>• The level of internal borrowing required to finance the capital programme is monitored, and in accordance with borrowing limits.</li> <li>• The availability of cash resources to support internal borrowing is monitored.</li> <li>• Capital programme is reprioritised. Capital projects reengineered, paused, or deferred.</li> <li>• External funding balances are monitored monthly, including capital receipts.</li> <li>• Triggers are monitored for S106 and CIL payments.</li> <li>• Bi-monthly monitoring of the capital programme by the Capital Programme Group.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> </ul>
<b>Risk Description</b> Due to: <ul style="list-style-type: none"> <li>• Expectations around future funding based on prior year funding and current economic climate.</li> <li>• Lack of signed agreements from central government and other bodies.</li> <li>• Changes to central government priority/policy determining where funds are directed or the funds available to bid for.</li> <li>• The expected levels of funding may not be achieved, resulting in a shortfall for the delivery of planned works or schemes.</li> </ul>			
<b>Capital Programme is not delivered as planned</b>	Impact: 3 Likelihood 6 18 – High	Impact: 3 Likelihood: 4 12 – Medium	<ul style="list-style-type: none"> <li>• Development of a Medium Term Capital Programme (MTCP) that can realistically be delivered to the time scales agreed.</li> <li>• Mitigate delays by bringing forward the planned start dates of future projects in the MTCP.</li> <li>• The Capital Programme Group provides challenge and oversight and supports the Capital Programme delivery.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> <li>• Projects are monitored at a service level and board level.</li> </ul>
<b>Risk Description</b> Delays and longer-term delivery dates, particularly for Major Schemes with multiple funding and partners, due to: <ul style="list-style-type: none"> <li>• Time taken to achieve planning consent, public consultation, environmental factors.</li> <li>• Availability of resource / specialist contractors.</li> <li>• Design reengineering.</li> <li>• Contractual variations.</li> <li>• Seasonal variations.</li> </ul>			

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<p>Risk Title:</p> <p><b>Capital Receipts arising later or lower than forecast</b></p>	<p><b>Inherent Score</b></p>	<p><b>Current (Mitigated) Score</b></p>	<p><b>Mitigations</b></p>
	<p>Impact: 4 Likelihood 4 16 – High</p>	<p>Impact: 3 Likelihood: 4 12 – Medium</p>	<ul style="list-style-type: none"> <li>• Alternative funding sources, for example internal or external borrowing may be sought.</li> <li>• Capital schemes may be deferred if receipts are generated later than forecast or for a reduced sum.</li> <li>• Proceeds from the sale of assets are closely monitored.</li> <li>• Alternative measures included in the SEND Safety Valve discussions with Government.</li> </ul>
<p><b>Risk Description</b></p> <p>Forecast capital receipts are estimated by officers and advisors based on local market conditions. Receipts may be lower than expected or not realised, including due to:</p> <ul style="list-style-type: none"> <li>• Sale not taking place.</li> <li>• Limited supply of assets for sale.</li> <li>• Market conditions and economic climate.</li> <li>• Lasting economic impact of COVID-19 and the cost-of-living crisis.</li> </ul> <p>Resulting in a need to reprioritise schemes.</p>			
<p>Risk Title:</p> <p><b>Risk of government funding to other geographical areas</b></p>	<p><b>Inherent Score</b></p>	<p><b>Current (Mitigated) Score</b></p>	<p><b>Mitigations</b></p>
	<p>Impact: 3 Likelihood 4 12 – Medium</p>	<p>Impact: 2 Likelihood: 4 8 – Low</p>	<ul style="list-style-type: none"> <li>• Projects and the economic climate monitored on a regular basis.</li> <li>• Contingency built into major schemes to lessen the overall impact.</li> <li>• The level of internal borrowing required to finance the capital programme is monitored, and in accordance with borrowing limits.</li> <li>• External funding balances are monitored monthly, including capital receipts.</li> <li>• Triggers are monitored for S106 and CIL payments.</li> <li>• Monitoring of the capital programme by the Programme Group.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> <li>• Monitoring by individual project and programme groups.</li> </ul>
<p><b>Risk Description</b></p> <p>Central government priority or policy determines where funds are directed or funds available to bid for may result in a reduction in funding for the South West or less opportunity overall to bid for funding.</p>			

# Agenda Item 4

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
<b>Capital Project aborted due to external forces</b>	Impact: 3 Likelihood 4 12 – Medium	Impact: 2 Likelihood: 3 6 – Low	<ul style="list-style-type: none"> <li>• Effort is made to ensure that a project is not aborted.</li> <li>• Alternatives will be investigated to ensure service needs are met by meeting capital objectives, whilst minimising a risk that abortive capital costs impact the revenue budget.</li> <li>• If it is not possible to avoid aborting the project, the normal revenue mitigations of in year savings and use of earmarked reserves and balances, may be used.</li> <li>• Process reengineering or pausing a project whilst alternative funding sources are identified are possible mitigations allowable under the Local Government Code of Practice.</li> <li>• Monitoring by Capital Programme Group.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> <li>• Monitoring by individual project and programme groups.</li> </ul>
<p><b>Risk Description</b></p> <p>Should funding be revoked or an alternative solution be preferred, a capital project may be aborted which results in costs to date becoming revenue in nature.</p> <p>A project may also be aborted as a result of a change in legislation for the service, for example requiring an alternative delivery method, or if an alternative solution is preferred.</p>			



<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 33</p>		<p>living wage and inflation are impacting on the overall market sustainability.</p>	<p>Use of improved Better Care Fund, government grants, and NHS system funding has focused on increasing capacity, reducing wait times and targeting provider costs to support with workforce and other cost pressures.</p> <p>Part of the Devon Alliance for International Recruitment, supporting providers in securing workforce capacity (care workers and nurses) from overseas. Other workforce support has been targeted via the Proud to Care offer and strategic commissioning resource to support the local work force challenges</p>
<p>Demand for packages of care (across all service types)</p>	<p>296,361</p>	<p>Demand for the number and intensity of packages of care can be volatile Learning Disability services (including autism) have seen significant growth in activity over recent years and continues to be under pressure going forward. We also anticipate an increase in adults with a learning disability by 26% across all market sectors, residential care, community care and direct payments for the same period. Devon provides more care to people with a disability than comparator areas.</p> <p>Devon has an above average elderly population when compared nationally, which is forecasted to continue increasing. Dementia prevalence in Devon is expected to rise, projecting estimate an increase of 36% between 2020 and 2030.</p> <p>If our assumptions and forecasts of demand are incorrect the financial risk will vary because the average unit cost</p>	<p>The 2024/25 budget has been planned based on the most recent volume data available at the time of preparation, with estimates made for anticipated growth in demand for services next year, and the effects of planned savings strategies.</p> <p>The core principle is to promote independence of individuals wherever possible by supporting people to live well in their own homes and to prevent reliance on ongoing care by earlier intervention and reablement, including reassessing the proportion of care spent on short term recovery services to target resources most effectively.</p> <p>We have made significant progress in our programme of care plan reviews, embedding our vision to ensure that the care we are commissioning and providing is maximising</p>



		<p>per package varies significantly. For example, the unit cost per year for an older person's personal care package is c. £15,000 but the average unit cost for a disability residential placement is £73,000 per year.</p> <p>There is an increase in the use of 1 to 1 care hours to support people both in community services and care home settings. This has led to an increase in costs of older persons mental health placements as well as working age adults. This is a risk on the budget but also this practice model and the available commissioning options may not be best meeting people's needs as 1 to 1 care can be restrictive and not support people to be independent.</p>	<p>people's independence. We have developed our IASC values and we are supporting staff to deliver these within their work, and to have the right conversations with the people we work alongside.</p>
<p>Unit cost pressure (across all service types)</p> <p>35</p>	296,361	<p>The unit cost for packages of care and placements is generally continuing to increase and can be volatile. Cost of living increases, fuel, energy, goods and services, labour, impacted by the greater increase in the national living wage, and inflationary costs are contributing to pressure within our provider market and supply chains.</p> <p>Parts of Devon are at full employment and the care sector is competing for labour with other industry sectors.</p> <p>Inflation effect has been estimated based on CPI averaging around 3% for 2024/25. With the current volatility of inflation indicators, particularly utilities, there is a high risk that inflationary forces in the care markets are greater than the budget allows.</p>	<p>The budget is based on actual unit costs as at the time of budget preparation and is inflated for forecast prices changes.</p> <p>Detailed unit costs are monitored monthly by managers. There is an escalation process in place for approval of high cost packages.</p> <p>We continue to review the way we commission and contract for services to ensure efficiency and effectiveness of delivery, in 2024/25 there will be a focus on supported living, community based services and complex care home placements.</p> <p>Lobbying of central government to provide for sustainable funding for social care as part of delivery of the government's promise to 'fix the crisis in social care'.</p> <p>The NLW increase for April 2024 has already been announced by government at £1.02p. The effect of</p>

			<p>this increase has been modelled and is taken into consideration in setting the budget.</p>
<p>Social care workforce</p>	<p>46,963 (gross of contributions for externally funded staffing)</p>	<p>This relates to the Authority's internal social care workforce, and the far larger care workforce employed by our commissioned providers in Devon.</p> <p>Internally, recruitment to roles which require professional qualifications is challenging. This is common across health and care professions both nationally and in the southwest (for social work, OT, AMHP and team manager roles). In some instances, pay and conditions in the Authority do not compare well with competitors.</p> <p>Investment in workforce capacity and skill mix is insufficient to meet the (changing) nature and intensity of demand. Most particularly complex work in areas of autism, disability, Mental Capacity, LPS, dementia and transitions. There is a significant risk that failure to plan for substantive capacity will destabilise delivery of functions.</p> <p>Externally, commissioned providers face recruitment and retention challenges in respect of care workers. Changes to the immigration rules due in April 2024 pose a significant risk to the sufficiency of all sectors of the care market, particularly the home care sector. There is also a specific challenge in the recruitment of nurses affecting the nursing home sector.</p> <p>External workforce issues risk impacting on unit costs and market sufficiency as supply and costs are interlinked.</p>	<p>Success in recent years has relied upon direct support for qualifications and recruiting and supporting newly qualified professional staff. This requires forward planning, sustained investment, and action to meet requirements at least three years ahead.</p> <p>Workforce growth in recent years has been driven by short term investment and targeted (invest to save) initiatives.</p> <p>The Authority is part of the Devon Recruitment Alliance to support providers in securing workforce capacity (care workers and nurses) from overseas.</p> <p>We have been active and successful in national awards that provide a platform for us to celebrate and promote adult social care in Devon, and the Authority as an employer</p> <p>Ongoing monitoring of government's legislative programme, along with raising issues nationally via the LGA, ADASS and other networks.</p>

**Section 2: Risks to the timeliness of assessment and support**

<p>Savings Strategies</p>	<p>29,411</p>	<p>The key challenge for the service in 2024/25 will be delivery of £29.4 million of savings which are necessary to balance the budget. These savings will require operational and commissioning changes to be made.</p> <p>As we reiterate and refocus our promoting independence approach through our refreshed Vision, and Strategies, more people will be supported and enabled to need less or no commissioned care, replaced by VCSE and other support in their communities.</p> <p>A vibrant, sufficient and connected VCSE will be key to this approach replaced with other types of support as the impact of these reductions has been estimated in the service statistics (within the detailed service budget pages) but the eventual numbers of reductions by the end of 2023/24 will vary depending on how quickly changes can be made.</p> <p>Risk of loss of full year effect due to consultation requirements delaying implementation</p> <p>Internal redesign work and the Authority's overall budget position is impacting on our workforce retention.</p>	<p>Operational plans will continue to be developed, and legal advice and challenge sought before final decisions on implementation are taken.</p> <p>Our ability and capacity to work increasingly in a strengths-based way with people and communities is key to our success in building resilience. The pace of our work, and therefore the trajectory of progress will be modelled, planned, and monitored. However residual risk remains relating to operational and management capacity to formulate and deliver detailed plans at the scale and pace required whilst continuing to respond to BAU pressures e.g., in our hospital system, or in our markets.</p> <p>Discussions with NHS colleagues to explore any opportunity to work together to mitigate our pressures.</p>
<p>Children transitioning to Adults</p>	<p>141,139</p>	<p>This year, we expect around 73 young people to require ongoing support as adults. Required levels of support vary enormously making financial planning difficult.</p> <p>In recent years there has been a trend of increasing volumes of very high-cost children's care packages and thus a risk that demand and cost from transitions into adult services outstrips the budget available.</p>	<p>Strong links with children's and education services continue.</p> <p>We continue to transform the ASC Transitions Service. It will focus on young people's aspirations, helping them to reach their goals and a focus on housing and employment. We will work with local markets to develop new and innovative ways to support young people to be independent.</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 88</p>	<p>Mental Health</p> <p>21,818</p>	<p>Aspects of the population's mental health resulting from the effects of the pandemic have yet to fully emerge. Acute service demand has increased, which current service struggle to support, and suicide rates are thought to have risen but further data is expected.</p> <p>The Transforming Care Partnerships programme results in individuals, who are currently in NHS funded hospital placements around the country transferring back to a Devon care setting where there is likely to be a requirement for adult social care support.</p> <p>Promoting independence means a shift from the use of residential care for working age adults, to alternative provision. There is a risk that placements made back into Devon will be at a higher cost, or a greater responsibility for funding will fall to social care budgets, or both. These care packages are often at a higher unit price.</p>	<p>We continue to work with partners across the health and care system to understand local prevalence of mental health, learning disability and autism, and to assess future service requirements across the statutory and voluntary sector.</p> <p>Adult social care managers are engaged in the Learning Disability and Autism Partnership, with Integrated Care Board and Authority colleagues. The work includes repatriations of people back to Devon in a sensitive and planned way.</p>
<p>Autism demand and repatriations</p>	<p>7,473</p>	<p>Autism diagnosis rates and demand for care services has increased sharply in recent years with increasing prevalence evident nationally, regionally and locally. Individuals with autism overlaid with learning disabilities and/or other psychological issues can show complex and risky behaviours necessitating packages of high intensity. We are continuing to see increasing prevalence, particularly in younger adults.</p>	<p>There is currently an autism team within the service, which manages planning and assigning the most appropriate packages of care to people with highest risk levels and ensuring that the impacts of new cases are phased in a controlled manner over the course of the year.</p> <p>The NHS continues to commission a service response from DPT to support the management of people with autism and complex behaviours, thereby support their community offer.</p> <p>Discussions regarding the overall NHS commissioned response to people displaying these complex needs will be required in 24/25.</p>

Legislative change	360,746	<p>ASC reform continues to be uncertain. Charging reform has been delayed for two years and there remains uncertainty in the Governments approach to the Cost of Care exercise and the introduction of Liberty Protection Safeguards.</p> <p>The assurance (regulation) of ASC Care Act duties will commence in April 2023, but the delivery of the new programme is still unclear, but we will need to be ready in April.</p> <p>There is also a risk within the assurance programme that improvement action requiring investment will be needed.</p>	<p>Sector guidance will be carefully reviewed, and we will work with our partners across the health and social care system to prepare for assurance.</p> <p>Monitoring of the new government’s legislative programme and working with our partners in national bodies such as the LGA and the Association of Directors of Adult Social Services to lobby government and ensure effective consultation.</p> <p>We will work with our partner authorities in the region to operate safe, comparable services.</p>
Deprivation of Liberty Safeguards	296,361	<p>The service operates a DOLS waiting list. The risk relates to claims if a deprivation is shown to have been unlawful. Further, the recovery of debts to the Authority can be impacted if a deprivation order remains outstanding.</p>	<p>Further investment into the DOLS service in 24/25. Current triage processes remain in place to reduce the risks.</p>
<b>Section 3: Partnership arrangements</b>			
NHS Contributions to Social Care (including Better Care Fund)	Total BCF pooled budget is currently expected to be in the region of £127 million	<p>The Authority entered a pooled budget arrangement in 2015/16 with NHS Commissioners described nationally as the Better Care Fund (BCF). This mandatory pooled arrangement now includes £46.66 million of direct support to the Authority's social care budgets. The BCF deployment in 24/25 will require review.</p> <p>Given the increasing budget pressures the risk is that existing investments in joint budgets will not continue and we gradually step back from joint arrangements for system benefits and invest increasingly in ASC in isolation and less strategically across the system. This</p>	<p>An executive officer group comprising senior executives for each organisation, with detailed governance and specialist support in overseeing the application of the BCF and will review the 24/25 s75 agreement.</p> <p>All partners are committed to working together to deal with similar challenges faced by each organisation and continue integrated services.</p> <p>Strong professional relationships between the health and social care sectors have been developed over the past years and our</p>

		<p>may be an approach that could be reciprocated by NHS partners who are facing similar challenges.</p>	<p>longstanding joint management posts in operations further consolidate this ethos.</p>
<p>Joint funding of complex care</p>		<p>A tighter application of eligibility for NHS Continuing Health Care can lead to rising demand for social care.</p> <p>This risks an increase in the number of complex packages which generally have a high individual unit cost.</p> <p>The financial flows from and within the Provider Collaborative needs further understanding. Financial flows affect the S117 funding.</p>	<p>Joint frameworks and relationships with the ICB are well developed, including escalation and challenge where appropriate.</p> <p>External review of cases by another LA to validate Devon's approach is in place.</p> <p>Pooling of resources and risk are considered collectively with the NHS commissioners.</p> <p>Health Liaison leads are in place to support staff's decision making.</p> <p>The current S117 was renegotiated in 23/24. Further investigation of the Provider Collaborative financial flows is needed.</p>

## Abbreviations

### Abbreviations used within the budget for all Scrutiny Reports:

ADASS	Association of Directors of Adult Social Services
AMHP	Approved Mental Health Professional
AONB	Area of Outstanding Nature Beauty
ASW RAA	Adopt South West Regional Adoption Agency
BACS	Bankers automated clearing services (electronic processing of financial transactions)
BCF	Better Care Fund - formerly known as the Integration Transformation Fund, a national arrangement to pool existing NHS and Local Government funding starting in April 2015.
BDUK	Broadband delivery UK
Blk	Block
CCLA	Churches, Charities and Local Authorities
CFR	Capital Financing Requirement
CIL	Community Infrastructure Levy
CIPFA	The Chartered Institute of Public Finance & Accountancy
CO	Carbon Monoxide
C of E	Church of England
CPG	Capital Programme Group
CQC	Care Quality Commission
CVS	Council of Voluntary Services
CYP	Children and Young People
DAF	Devon Assessment Framework
DAP	Devon Audit Partnership
DC	District Council
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DfE	Department for Education
DFG	Disabled Facilities Grant
DfT	Department for Transport
DLUHC	Department for Levelling Up, Housing and Communities formally known as Ministry of Housing, Communities and Local Government
DoLS	Deprivation of Liberty Safeguards
DPLS	Devon Personalised Learning Service
DPT	Devon Partnership NHS Trust
DSG	Dedicated Schools Grant
DYS	Devon Youth Services
EFA	Education Funding Agency
EH4MH	Early Help 4 Mental Health
EHCP	Education & Health Care Plans
ERDF	European Regional Development Fund
ESPL	Exeter Science Park Ltd
EU	European Union
FF&E	Fixtures, Fittings & Equipment
FTE	Full Time Equivalent
HIF	Housing Infrastructure Fund
HIV	Human Immunodeficiency Virus
HMRC	Her Majesty's Revenue & Customs
HNB	High Needs Budget
HR	Human Resources
HRMS	Human Resources Management System
iBCF	Improved Better Care Fund - Additional grant funding to supplement the Better Care Fund
ICB	Integrated Care Board

# Agenda Item 4

ICT	Information & Communications Technology
IID	Investing in Devon funds
ILACS	Inspection of Local Authority Children's Services
INTERREG	European Territorial Cooperation
IVC	In Vessel Composting
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGA	Local Government Association
LEVI	Local Electric Vehicle Infrastructure
LMC	Local Medical Committee
LPS	Liberty Protection Safeguards
LTP	Local Transport Plan
MH	Mental Health
MHCLG	Ministry of Housing, Communities and Local Government is now called Department for Levelling Up, Housing and Communities
MRP	Minimum Revenue Provision
MTCP	Medium Term Capital Programme
MTFP	Medium Term Financial Plan
MUGA	Multi Use Games Area
MUMIS	Major Unforeseen Maintenance Indemnity Scheme
NDLR	North Devon Link Road
NEWDCCG	Northern, Eastern and Western Devon Clinical Commissioning Group
NFF	National Funding Formula
NHS	National Health Service
NHSE	National Health Service England
NLW	National Living Wage
NPIF	National Productivity Investment Fund
NPV	Net Present Value
OP&D	Older People & Disability
OSP	On Street Parking Account
OT	Occupational Therapist
PFI	Private Finance Initiative
PH	Public Health
PHN	Public Health Nursing
PPE	Personal Protective Equipment
PSPB	Priority School Building Project
PTE	Part Time Equivalent (15 hours)
PWLB	Public Works Loans Board
R&R	Ring and Ride
REACH	Reducing Exploitation and Absence from Care or Home
ROVICs	Rehabilitation Officers for Visually Impaired Children services
RD&E	Royal Devon & Exeter Hospital
RPA	Rural Payments Agency
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCF	Southern Construction Framework
SCOMIS	Schools Management Information Service
SEND	Special Education Needs and Disability
SGO	Special Guardianship Order
SPF	Shared Prosperity Fund
SRO	Senior Responsible Officer
SR21	Spending Review 2021
STP	Sustainable Transformation Programme
TBC	To be confirmed
TCS	Transport Coordination Services
TIDE	Atlantic Network for Developing Historical Maritime Tourism
TUPE	Transfer of Undertakings (Protection of Employment)
UASC	Unaccompanied Asylum Seeking Children
UK	United Kingdom
VELP	Vehicle Equipment Loan Pool
VfM	Value for Money
WEG	Water Environment Grant