

2023/24 Budget

Joint Report of the Director of Finance and Public Value and the Director of Integrated Adult Social Care

1. Recommendation

That the Committee be asked to:

- a) Consider whether it wishes to draw to the attention of Cabinet any observations on the proposals contained within the draft Revenue Budget 2023/24 and Capital Programme for 2023/24 to 2027/28.

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, there has been much more uncertainty in terms of central government funding to local government, combined with the most challenging budget round that the Authority has faced in recent decades.
- 2.2 It was therefore prudent to defer setting service budget targets until January, after the announcement of the Provisional Local Government Finance Settlement. Meeting on 11th January, Cabinet approved revenue net budget targets as set out in paragraph 2.4.
- 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 information available will be provided when the County Council considers final budget proposals for 2023/24 on 16th February 2023. Given the late notification of the provisional settlement and in line with arrangements in previous years, 21st February 2023 has been set aside for a second County Council budget meeting should it be required.
- 2.4 The cost of living and geopolitical situation has created huge financial pressures nationally. As a consequence, the authority has faced unprecedented price and demand pressures in the current year and although significant savings have been found to offset this, many have been one off measures. The ongoing impact of this and other pressures have been included within the target budgets with investment of £51.5 million to cover inflation and national living wage being required and a further £63.8 million to cover demand pressures. To enable the authority to set a balanced budget, savings, alternative funding and additional income of £49.1 million have been identified. Overall, there is additional funding of £66.2 million or 10.5% for service budgets next year.

The approved service revenue budget targets for the 2023/24 financial year are set out in the table below.

	2022/23 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Pressures £000	Savings, alternative funding and additional income £000	2023/24 Target Budget £000	Net change £000	
Integrated Adult Social Care	311,968	29,535	29,999	(32,200)	339,302	27,334	8.8%
Childrens and Young Peoples Futures	176,205	9,585	32,376	(9,563)	208,603	32,398	18.4%
Public Health, Communities & Prosperity	20,308	874	617	(404)	21,395	1,087	5.4%
Corporate Services	42,213	4,470	623	(2,458)	44,848	2,635	6.2%
Climate Change, Environment & Transport	79,117	7,037	214	(4,468)	81,900	2,783	3.5%
Service budgets total	629,811	51,501	63,829	(49,093)	696,048	66,237	10.5%

2022/23 Base budget adjusted for permanent virements

- 2.5 Since the setting of budget targets, an opportunity to reduce the budget pressures in Integrated Adult Social Care services by £1.631 million has been identified. If this change to pressures targets is approved, the budget savings can also be reduced by the same amount.
- 2.6 The detailed budget papers that follow within this report reflect this opportunity to reduce pressures as described above. Updated targets that include this change will be reported to Cabinet on 10th February.

3. The Provisional Local Government Finance Settlement 2023/24

- 3.1 On 19th December 2022, 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 2023/24 financial year.
- 3.2 The 2023/24 local government finance settlement is for one year only and is in line with the Spending Review 2021 (SR21) and updated for the announcements made in the Autumn Statement on the 17 November 2022. Government has outlined national funding levels for 2024/25 but uncertainty remains at individual council level, as distribution mechanisms for 2024/25 are unconfirmed.
- 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 9.6% which provides some welcome additional flexibility to respond to national inflationary pressures and protect services that local people rely on as far as possible.
 - **Council Tax** – it is important to note that the provisional settlement confirms that the Core Spending Power includes the flexibility in setting Council Tax for 2023/24 by setting the referendum limit at 2.99% and that social care authorities may increase the adult social care precept by 2% - and therefore raise Council Tax by up to 4.99% overall without a referendum being required.
 - **Business Rates** – the business rates system and government compensation grant for under-indexing will overall, increase in line with September CPI (which stood at 10.1%).

- **Social care grant** – it was announced in the Autumn Statement that adult social care charging reforms that were due to be introduced from October 2023 will be postponed for 2 years, but that the funding that had been allocated by government would be repurposed and still allocated to councils. This repurposed funding has been added to the social care grant, and the former Independent Living Fund grant has also been consolidated within the social care grant for 2023/24.
- **Adult Social Care Market Sustainability and Improvement Fund** – this is a new grant through which nationally, local government has been allocated £400 million that was announced in the Autumn Statement as new funding to support hospital discharge. Also, existing funding for implementation of adult social care reforms has been repurposed and consolidated into this new grant.
- **Adult Social Care Discharge Fund** – the Autumn Statement also announced £600 million of funding nationally, that would be split equally between councils and the NHS, to support hospital discharge. This new grant contains the Authorities’ allocation of the fund, which must be pooled into the Better Care Fund.
- **Service grant** – this grant has been reduced by government due to the cancellation of the National Insurance increase and to transfer funding to Supporting Families programme.
- **Local Government funding reform** – The Review of Relative Needs and Resources (generally referred to as the ‘Fair Funding Review’) and a reset of Business Rates growth will not be implemented in the next two years.

	Provisional Settlement
	£000
Revenue Support Grant	(669)
Business Rates - Central Government Top Up	(83,428)
Business Rates - Local Element*	(23,064)
Core Funding	(107,161)

**The actual amount we receive will be derived from returns completed by our Devon Districts*

	Provisional Settlement
	£000
New Homes bonus	(883)
Rural Services Delivery Grant	(7,823)
Social Care Grant	(54,015)
Improved Better Care Fund	(29,127)
Adult social care Market Sustainability and Improvement Fund	(8,373)
Adult Social Care Discharge Fund	(4,084)
Services Grant	(3,987)
Other grants	(108,292)

3.4 The tables above set out the Authority’s Core Funding of £107.2 million and shows the other government grants that have been announced so far. Other existing grants are expected to be published soon and will be reported as part of the overall budget papers in February, if known by then.

4. Service Specific Budget Issues - Integrated Adult Social Care

- 4.1 Adult social care is at the heart of neighbourhoods and communities across Devon. It plays a vital role developing and maintaining resilience and strengths, supporting people to live where they want to be, in their own home and community, living their lives as independently as possible doing things that matter to them, this is what people tell us they want.
- 4.2 A better than expected Provisional Local Government Finance Settlement has given us the opportunity to ensure that we build on what we have achieved, and that we can safeguard our capacity, ability, and skills to improve further. But we still have difficult decisions to make to ensure financial sustainability whilst still achieving the outcomes that people across Devon want.
- 4.3 In 2023/24 we are refreshing our vision and strategies and will continue with a reinforced and restated focus and drive. We have much to celebrate, with outcomes better than many others locally, regionally, and nationally. We must not lose sight of that, especially given the impact of the pandemic, our workforce has a lot to be proud of, including:
- Our overall satisfaction ratings for service users and their quality of life indicator based on survey questions about their lived experience were among the best in the country, ranking 15 out of 150 social care authorities and 5 out of 150 social care authorities respectively.
 - Our provider quality ratings in Devon judged by the Care Quality Commission exceed the national, regional and comparator authority averages with 79% of community based services and 89% of care homes in Devon are rated Good or Outstanding.
 - Our vaccination rates, with 96% of care home residents and 94% of care home staff in Devon receiving two or more doses of a vaccine against COVID-19; the fatality rate in care homes in Devon relative to population from COVID-19 was 27 out of 150 social care authorities, among the lowest in the country.
 - Our perception of safety indicators, where we exceed all comparator averages, with marked improvement in whether people feel their services keep them safe, ranking 60 out of 150 social care authorities and 45 out of 150 social care authorities respectively, a consistent improvement over the last 5 years when we highlighted this as an area of concern.
 - Our staff and providers have won many national and regional awards this year, including gold and silver awards in the National Social Worker of the Year, building on our strong showing in recent years.
- 4.4 Whilst we have achieved these positive outcomes, we have to acknowledge that these are challenging times for individuals and communities. The backstop is often statutory services who are seeing greater demand, pressure and stress on workforce and services.
- 4.5 Challenges remain, we are seeing increasing demand from working age adults and older people. Medical advances are having positive health outcomes meaning people with disabilities are living longer, and need greater support to stay independent.

- 4.6 Greater awareness and understanding of mental health challenges means more people are seeking and getting the support they need.
- 4.7 It is really important that we address these challenges working collaboratively with people and communities. The voluntary sector has a key role to play, working with us to build resilience.
- 4.8 The proposed budget for Integrated Adult Social Care includes an increase of £27.3 million, an 8.8% increase compared to the previous year, to fund current and forecast demand and inflationary pressures (including National Living Wage) on the budget in 2022/23. Budget savings totalling £30.5 million are also required, the implementation of which is likely to present a considerable operational challenge.
- 4.9 Included in the Operations budget is £39.6 million of funding from the Better Care Fund (BCF), subject to joint agreement with NHS partners, which contributes directly to the provision of social care services, and a further £4.9 million which contributes to joint health and social care arrangements. The BCF is required to be used to help meet health and social care outcomes, although a subset (the Improved BCF) can be used solely for the purposes of meeting adult social care needs. The total pooled budget for the BCF is currently planned to be in the region of £114 million for 2023/24.
- 4.10 Although there is a significant bottom line increase to the Integrated Adult Social Care budget, the scale of savings required to balance the budget is of a magnitude which is far greater than has been necessary in previous years. Responding to the financial pressures in 22/23, the legacy of the pandemic, and winter pressures, means in year demands have been more intense which risks severely hampering the preparation of plans for 23/24. Ultimately the successful delivery of the budget will be based on promoting greater independence for all of the people that we work with.
- 4.11 April 2023 will see the introduction of the CQC assurance of Adult Social Care duties. Preparations are already taking place across commissioning and operational teams. Additional and on-going activities will be required, and we will need to ensure we have the capacity and expertise to deliver them in an assurance process that will be a similar to the existing Ofsted approach. Similarly, if the national transition from Deprivation of Liberty Safeguards to Liberty Protection Safeguards takes place in 2023, we will need to ensure we have the capacity and expertise to manage the significant additional operational activity that will be required, in an area already challenged for capacity.
- 4.12 There are four core cost drivers in Adult Social Care:

- **Demand** - the level of demand can be volatile in a number of areas across adults of all ages. Learning disability services (including autism) have seen significant growth in activity over recent years and continue to be under pressure going forward, particularly when children transition to adulthood. Devon has an above average elderly population when compared nationally, which is forecast to continue increasing and therefore risks additional pressure on services due to natural growth. The 2023/24 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.
- **Market Sufficiency** - Workforce recruitment and retention (both for social workers and in the independent provider markets) has been a longstanding and growing risk. There is a current shortage of labour generally, and especially care workers. This shortage has also been a contributing factor in driving up unit costs of care packages.
- **Cost of care** - the unit cost for packages of care and placements is generally continuing to increase and can be volatile. Rising inflation, wage pressures and the rising cost of food, fuel, and power, as well as the continuing costs of infection prevention and control, lead to increased costs. It has meant that we have not been able to buy some services in year, at budgeted costs.
- **Acuity and Complexity** - the acuity (intensity of support required) and complexity (number of conditions impacting on individuals) is increasing with our ageing population. We are also seeing increasing complexity in care needs of younger adults. This means that the support needed for each individual is (on average) greater year on year, even during 'normal' times. The legacy of the pandemic could distort the balance further.

4.13 The detailed budget information for this service is shown on pages 10 to 18 of this scrutiny report.

5. Service Specific Budget Issues - Public Health

- 5.1 The Public Health grant remains ring fenced for 2023/24. The value of the grant for 2023/24 has not yet been confirmed.
- 5.2 The Public Health service is starting to see levels of demand increase again following the pandemic. A thorough review of budgets have identified where budget exceeds demand and/or capacity and therefore has been reallocated to support inflationary increases across the service. The Public Health earmarked reserve will be used to manage any cost pressures on the 2023/24 grant.
- 5.3 The Public Health reserve at the end of the 2021/22 financial year stood at £11.6 million. During 2022/23 and 2023/24 this reserve will be used to support related services across the authority.
- 5.4 The Public Health budget will also be included in the papers for the Corporate Infrastructure and Regulatory Services Scrutiny Committee meeting on 30th January.
- 5.5 The detailed budget information for this service is shown on pages 20 to 23 of this scrutiny report.

6. Capital Programme

- 6.1 The capital programme has been produced to maximise investment in infrastructure and assets and to support service delivery and priorities.
- 6.2 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.
- 6.3 No bids were received for Integrated Adult Social Care.
- 6.4 Corporate and external funding of £1.0 million for the Replacement of 20 St George's Road project has been removed whilst the project is rescope.
- 6.5 External funding, such as the Disabled Facilities Grant, is subject to future government announcements and, therefore, this funding cannot be guaranteed.
- 6.6 Commitments will not be made in future years, until funding is either announced or secured

7. Equality Impact Assessment

- 7.1 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.
- 7.2 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.
- 7.3 The impact assessment for the 2023/24 budget is published at:

<https://www.devon.gov.uk/impact/budget23-24/>

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Electoral Divisions: All

Cabinet Member: Councillor Phil Twiss

Local Government Act 1972: List of Background Papers

Spending Review 2021 & Provisional Settlement 2023/24

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Strategic Leadership Team Commentary

There is no doubt that this year, Devon like so many other councils has faced a significant challenge to make ends meet.

An increasing need for services coupled with rising inflation and costs has led to significant pressure on the resources we have available to meet the needs of those in greatest need and deliver other vital local priorities.

Like all Councils, we have a legal obligation to set a balanced annual budget and preparing it for 2023/24 has presented us with incredibly difficult decisions.

The urgent action we have taken over the past year to cut our own costs and find savings coupled with the welcome additional funding in the government's provisional financial settlement has certainly helped to mitigate some of this pressure. But many challenges remain.

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 will work closely with our One Devon 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.

Looking ahead, the next twelve months are not going to be easy. But we are fully committed to doing all we can to get the most from every single pound we spend and to 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.

Integrated Adult Social Care

How the 2023/24 Budget has been built up

	2022/23 Adjusted Budget	Changes	2023/24 Outturn Budget
	£'000	£'000	£'000
Integrated Adult Social Care Commissioning	30,484	(2,234)	28,250
Integrated Adult Social Care Operations	281,484	29,568	311,052
Total	311,968	27,334	339,302

	Change £'000
Reasons for changes in Revenue Budget	
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	29,535
Adult Services demographic and demand pressures	23,869
Temporary staff required to support saving plans and Autism removed	(1,101)
Investment in Emergency Duty Service	111
Mental Health AMHPs	62
Cancellation of National Insurance social care levy	(2,573)
Removal of one off NHS Contribution to Adult Social Care	8,000
	57,903
Savings, alternative funding and additional income	
Supporting people with disabilities to live more independently to reduce their dependence over time	(9,425)
Improved market management and development for commissioned services	(5,866)
Targeted use Better Care Fund	(796)
Targeted use Improved Better Care Fund	(9,500)
Commissioning efficiencies	(1,000)
Efficiencies and consolidation of in-house service provision	(820)
Supporting people with mental Health needs to live more independently and to reduce their dependence over time	(725)
Service Transformation	(729)
Commercial and contracting efficiencies	(1,455)
Corporate printing, telephony, and staff arrangements	(253)
	(30,569)
Total	27,334

Analysis of Total Expenditure 2023/24

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Integrated Adult Social Care Commissioning	31,525	(2,801)	(474)	0	28,250
Integrated Adult Social Care Operations	405,875	(30,856)	(63,967)	0	311,052
Total	437,400	(33,657)	(64,441)	0	339,302

Integrated Adult Social Care Operations

2022/23 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2023/24 Outturn Budget £'000	2023/24 Net Changes £'000
Disability Services					
2,713	Day Opportunities	3,283	(5)	3,278	565
19,648	Direct Payments	23,390	(3,478)	19,912	264
46,027	Enabling/Other	56,109	(210)	55,899	9,872
2,592	Nursing Care	2,910	(469)	2,441	(151)
9,417	Personal Care	17,105	(4,935)	12,170	2,753
38,783	Residential Care	44,220	(3,302)	40,918	2,135
119,180		147,017	(12,399)	134,618	15,438
8,621	Improved Better Care Fund	9,476	0	9,476	855
In House Services					
4,535	Day Opportunities and Reaching For Independence	4,466	(17)	4,449	(86)
4,715	Reablement	5,600	(600)	5,000	285
4,362	Residential Care	4,478	0	4,478	116
13,612		14,544	(617)	13,927	315
Older People					
603	Day Opportunities	797	(42)	755	152
6,281	Direct Payments	10,366	(3,123)	7,243	962
4,021	Enabling/Other	4,623	(644)	3,979	(42)
23,854	Nursing Care	42,257	(13,192)	29,065	5,211
19,710	Personal Care	34,165	(16,123)	18,042	(1,668)
54,595	Residential Care	106,987	(45,190)	61,797	7,202
109,064		199,195	(78,314)	120,881	11,817
30,199	OP&D Care Management	34,811	(3,493)	31,318	1,119
808	Workforce Development	832	0	832	24
281,484		405,875	(94,823)	311,052	29,568

Analysis of changes:

Inflation, National Living Wage, and other pressures

Demographic and other growth in demand	23,505
Inflation and National Living Wage	27,590
Ending of one off NHS Contribution to Adult Social Care	7,493
New staff required to support savings plans removed	(409)
Investment in Emergency Duty Service	111
Cancellation of National Insurance social care levy	(2,332)
	55,958

Savings, alternative funding and additional income

Supporting people with disabilities to live more independently to reduce their dependence over time	(9,425)
Improved market management and development for commissioned services	(5,866)
Targeted use Improved Better Care Fund	(9,500)
Commissioning efficiencies	(1,000)
Efficiencies and consolidation of in-house service provision	(346)
Corporate printing, telephony, and staff arrangements	(253)
	(26,390)

Total	29,568
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Service Commentary

Service Context

Integrated Adult Social Care Operations works with people in a strengths based way to promote their independence from statutory services. It does this in all aspects of its work. This includes offering advice, information and signposting as well as assessment, review and support planning for older people and working age adults with learning disabilities, autism, and physical disabilities who have eligible needs.

When care is required, it is arranged largely from the independent sector, for either short term interventions or long term needs, on a personalised basis.

The service also provides adult social care services directly, these include respite, day care services, two care homes, social care reablement and our reaching for independence services throughout the county that provides services to older people and people with disabilities.

Our strengths based and promoting independence approaches will be more important than ever in delivering this budget, but at a time when individual, neighbourhood and community resilience are being severely tested, it will be a significant challenge to work in this way at the pace to deliver the budget and to make sure more people are supported outside of formal care. The successful delivery of the budget will require a reduction both in the number of people receiving care and the amount of care they are receiving

Our approach will be to transform and improve our offer through a greater focus on supporting resilience and maximising peoples' independence from formal care, greater access to voluntary and community services and an increased focus on supporting people into employment

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. Included in the Operations budget is £39.6 million from the Better Care Fund (BCF), subject to joint agreement with NHS partners, which contributes directly to the provision of social care services and a further £4.9 million which contributes to joint health and social care arrangements. The BCF is required to be used to help meet health and social care outcomes, although a subset (the Improved BCF) can be used solely for the purposes of meeting adult social care needs.

Delivery of £26.4 million of savings will be a significant challenge to the service that may impact further on already challenging assessment waiting times, our ability to ensure a sufficient care market, and the level to which we are able to contribute to partnership working. We may also find it more difficult to promote prevention and early support approaches.

Service Statistics and Other Information

		Number of service agreements budgeted to be serviced Average through Year		
		2022/23	Change	2023/24
Reablement (across all client groups)	Service Agreements	3,150	0	3,150
These are new people expected to go through the reablement process				
Disability Services (incl. Autistic Spectrum)				
Day Opportunities	Service Agreements	314	7	321
Direct Payments	Service Agreements	1,472	(6)	1,466
Enabling	Service Agreements	1,845	(15)	1,830
Nursing Care (including Respite)	Service Agreements	50	(2)	48
Personal Care	Service Agreements	950	(10)	940
Residential Care (including Respite)	Service Agreements	575	(52)	523
Older People and Disability - In house				
Day Opportunities	Service Agreements	104	(40)	64
Residential Care (including Respite)	Service Agreements	47	(3)	44
Reaching for Independence	Service Agreements	940	0	940
Older People				
Day Opportunities	Service Agreements	162	5	167
Direct Payments	Service Agreements	609	23	632
Enabling	Service Agreements	452	12	464
Nursing Care (including Respite)	Service Agreements	696	24	720
Personal Care	Service Agreements	2,188	(8)	2,180
Residential Care (including Respite)	Service Agreements	2,047	72	2,119

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Integrated Adult Social Care Commissioning

2022/23 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2023/24 Outturn Budget £'000	2023/24 Net Changes £'000
Integrated Adult Social Care Commissioning					
4,943	Centrally Managed Contracts	2,986	(544)	2,442	(2,501)
1,019	Change Team	1,075	(20)	1,055	36
1,318	Policy, Performance and Involvement Team	1,322	0	1,322	4
4,242	Strategic Commissioning Team	3,811	(464)	3,347	(895)
11,522		9,194	(1,028)	8,166	(3,356)
Mental Health					
4,184	Care Management	4,793	(426)	4,367	183
576	Day Opportunities	235	(169)	66	(510)
802	Direct Payments	937	(51)	886	84
6,809	Enabling/Other	8,763	(1,003)	7,760	951
113	Nursing Care	85	0	85	(28)
291	Personal Care	314	(164)	150	(141)
6,187	Residential Care	7,204	(434)	6,770	583
18,962		22,331	(2,247)	20,084	1,122
30,484		31,525	(3,275)	28,250	(2,234)

Analysis of changes:

£'000

Inflation, National Living Wage, and other pressures

Demographic and other growth in demand	364
Inflation and National Living Wage	1,945
Cancellation of National Insurance social care levy	(241)
Mental Health AMHPs	62
Ending of one off NHS contribution to Adult Social Care	507
Investment in autism services	(102)
New staff required to support savings plans removed	(590)
	1,945

Savings, alternative funding and additional income

Supporting people with mental health needs to live more independently and to reduce their dependence over time	(725)
Efficiencies and consolidation of in-house service provision	(474)
Targeted use Better Care Fund	(796)
Commercial and contracting efficiencies	(1,455)
Service Transformation	(729)
	(4,179)

Total

(2,234)

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.

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 sees the introduction of CQC assurance of Adult Social Care duties that will result in a formal 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 Trust), and for the coordination of activity and governance of the statutory Safeguarding Adults Board 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. Success will depend on there being strong, resilient and connected neighbourhoods and communities and a vibrant voluntary and community sector across Devon. 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 care they need from statutory services.

Achieving our in year budget will be challenging to deliver as many plans require strategic market development which would usually require more time.

Service Statistics and Other Information

		Number of service agreements budgeted to be serviced Average through Year		
		2022/23	Change	2023/24
Mental Health Services				
Day Opportunities	Service Agreements	15	(3)	12
Direct Payments	Service Agreements	136	(2)	134
Enabling	Service Agreements	679	(15)	664
Nursing Care (including Respite)	Service Agreements	2	0	2
Personal Care	Service Agreements	27	1	28
Residential Care (including Respite)	Service Agreements	165	1	166

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Public Health

How the 2023/24 Budget has been built up

	2022/23 Adjusted Budget	Changes	2023/24 Outturn Budget
	£'000	£'000	£'000
Public Health	0	0	0
Total	0	0	0

Reasons for changes in Revenue Budget	Change £'000
Savings, alternative funding and additional income	
Pay and Contract Inflation	958
Support Service - Inflationary increase to support costs	130
Public Health Nursing Contract Increase	281
Reallocation of SRO discretionary budgets	(350)
Public Mental Health remodelling	(350)
Reduction in demand for primary care services and out of area GUM	(250)
Reduction to the Diabetes Social Impact Bond	(250)
Renegotiation of Obesity Contracts	(121)
Various demand led, contract and allocation changes	(48)
	0
Total	0

Analysis of Total Expenditure for 2023/24

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Public Health	32,252	(32,132)	0	(120)	0
Total	32,252	(32,132)	0	(120)	0

Public Health

2022/23 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2023/24 Outturn Budget £'000	2023/24 Net Changes £'000
Public Health					
2,325	Children 5-19 Public Health Programmes	2,413	0	2,413	88
859	Community Safety, Violence Prevention and Social Exclusion	873	0	873	14
59	Health At Work	72	0	72	13
247	Health Protection	273	0	273	26
8,792	Mandated 0-5 Children's Services	9,023	0	9,023	231
80	National Child Measurement Programme	98	0	98	18
459	NHS Health Check Programme	272	0	272	(187)
738	Obesity	448	(55)	393	(345)
708	Other Public Health	656	(66)	590	(118)
178	Physical Activity	206	0	206	28
317	Public Health Advice to NHS Commissioners	360	0	360	43
25	Public Health Development	0	0	0	(25)
(30,478)	Public Health Income	0	(30,538)	(30,538)	(60)
736	Public Mental Health	477	(60)	417	(319)
7,038	Sexual Health	7,139	0	7,139	101
1,158	Smoking and Tobacco	1,316	0	1,316	158
5,489	Substance Misuse	7,250	(1,533)	5,717	228
1,270	Support Services	1,376	0	1,376	106
0		32,252	(32,252)	0	0

Analysis of changes:

£'000

Savings, alternative funding and additional income

Pay and Contract Inflation	958
Support Service - Inflationary increase to support costs	130
Public Health Nursing Contract Increase	281
Reallocation of SRO discretionary budgets	(350)
Public Mental Health remodelling	(350)
Reduction in demand for primary care services and out of area GUM	(250)
Reduction to the Diabetes Social Impact Bond	(250)
Renegotiation of Obesity Contracts	(121)
Various demand led, contract and allocation changes	(48)
	<u>0</u>

Total

0

Service Commentary

Public Health is predominantly funded by a ring fenced grant from the Department of Health and Social Care. The vast majority of the grant is spent on the commissioning of health services for which the local authority has a statutory requirement to provide.

While the direct operational response to COVID-19 has reduced the Public Health team continues to play an active role in supporting the UK Health Security Agency and the NHS on responding to infectious diseases, outbreaks and promoting immunisation uptake.

While there was a drop off in numbers accessing key services, such as sexual health, throughout the pandemic, service levels are starting to return to pre pandemic levels and in some service areas, such as substance misuse, demand levels are rising because of increased alcohol consumption.

The key challenges for 2023/24 for Public Health will be to identify and respond to the health impacts caused as a result of the pandemic and the cost of living crisis. During the pandemic there was a reduction in people coming forward for routine checks which has resulted in an increase in undiagnosed conditions, which will result in poorer health outcomes for individuals. Working with the NHS to identify and support individuals to enable early diagnosis and optimal treatment will be vital this year to help reduce excess mortality.

We are also seeing rising levels of food insecurity and the number of households in fuel poverty are increasing within Devon. The growing impact on health inequalities and the impact on health, and particularly mental health, of vulnerable individuals and families will result in an increased demand for health and care services in Devon. Public Health will work with partners to identify need and support with interventions to ensure they are targeted at those in greatest need to reduce the risk of increasing inequalities.

Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2022/23	Change	2023/24
		Estimate		Estimate
Opiate clients in treatment	Individuals	1,243	20	1,263
Non-opiate only clients in treatment	Individuals	199	(40)	159
Alcohol only clients in treatment	Individuals	649	8	657
Alcohol & non-opiate clients in treatment	Individuals	219	(122)	97
Genito-urinary medicine patients treated	Individuals	22,588	15,234	37,822
Contraception services accessed	Individuals	23,929	6,592	30,521

Grants Paid to External Organisations

2022/23	2023/24
£000 Service and Grant Title	£000
Integrated Adult Social Care Operations	
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
97	97
Integrated Adult Social Care Commissioning	
27 Recovery Devon	28
47 Devon Recovery Learning	47
38 Bridge Collective open access MH support	39
15 Connections open access MH support	15
25 Exeter CVS First step project open access MH support	25
152	154
249 Total	251

2022/23	2023/24
£000 Service and Grant Title	£000
Public Health	
0 Contribution to NHSE - Mental Health Treatment Requirements	10
0	10
0 Total	10

Staffing Data for 2023/24

	2022/23	Changes	2023/24		Total
	Adjusted Total FTEs		FTEs	Revenue Funded FTEs	
Integrated Adult Social Care	191	(33)	144	14	158
Integrated Adult Social Care Operations	1,125	(62)	972	91	1,063
Integrated Adult Social care	1,316	(95)	1,116	105	1,221

Adult Commissioning includes 60 assigned to Devon Partnership Trust

Explanation of Movements

Integrated Adult Social Care Operations

Temporary staff to support savings plans now removed	(12)
Efficiencies and Consolidation of in-house Service Provision	(32)
Reduction in externally funded posts IBCF	(17)
TUPE Employees leaving DCC Employment	(6)
Regulation of Adult Social Care by CQC	5
	(62)

Integrated Adult Social Care Commissioning

Temporary staff to support savings plans now removed	(10)
European social fund - new externally funded posts	1
Required savings - Commissioning	(13)
Required savings - Mental Health	(11)
	(33)

Total	(95)
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	2022/23	Changes	2023/24		Total
	Adjusted Total FTEs		FTEs	Revenue Funded FTEs	
Public Health	45	(2)	0	43	43
Public Health	45	(2)	0	43	43

Explanation of Movements

Public Health

Externally funded - Core Function	(1)
Externally funded - Temporary roles	(1)
	(2)

Total	(2)
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Capital Programme

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

Total Approval (includes prior years)	Project	2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
Integrated Adult Social Care						
Adult Care Operations and Health						
N/A	Care Teams Accommodation & Equipment	50	50	50	50	50
N/A	Disabled Facilities Grant	8,245	8,245	8,245	8,245	8,245
N/A	Works for ACO&H Provider Services	50	50	50	50	50
Adult Care Operations and Health Total		8,345	8,345	8,345	8,345	8,345
Integrated Adult Social Care Total		8,345	8,345	8,345	8,345	8,345
Financed by:						
	External Funding - Grants	8,345	8,345	8,345	8,345	8,345
Total		8,345	8,345	8,345	8,345	8,345

* 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 2022/23 which may be deferred to 2023/24 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
	IMPACT				

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

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

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

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
Capital Project aborted due to external forces	Impact: 3 Likelihood 4 12 – Medium	Impact: 2 Likelihood: 3 6 – Low	<ul style="list-style-type: none"> • Effort is made to ensure that a project is not aborted • 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
<p>Risk Description 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>			<ul style="list-style-type: none"> • 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 • Process reengineering or pausing a project whilst alternative funding sources are identified are possible mitigations allowable under the Local Government Code of Practice • Monitoring by Capital Programme Group • Regulator monitoring by Director of Finance and Public Value • Monitoring by individual project and programme groups

Integrated Adult Social Care - Risk Assessment

Service	Budget 2023/24 £'000	Risk and Impact	Mitigation
Section 1: Risks to market sufficiency - costs and workforce			
Market sufficiency	271,216	<p>The Council has a statutory duty under section 5 of the Care Act 2014 to ensure the sufficiency of social care markets in Devon.</p> <p>The current cost of living challenge, workforce recruitment and retention, the aftermath of the pandemic, and the continued outbreaks of COVID and flu are having adverse financial consequences on providers leading to instability across market sectors and geographies.</p> <p>Barriers to recruitment include comparatively lower wages in the sector and high housing cost locally that make it difficult to draw people into the county</p> <p>Traditionally, Devon is a relatively high employment/low pay economy but over the last year we have seen increasing labour shortages and competition for labour which have put pressure on providers to pay more, or hand back service contracts (or both).</p> <p>There are significant capacity challenges in the personal care market, which is resulting the diversion of short term services to support safe discharge from hospital. These conditions and our current discharge to assess model is creating additional pressure in our care home market, particularly nursing care. This is placing increasing</p>	<p>The process to assess financial support requests from providers has been strengthened to manage increased demands for support on the Council and aid intervention decisions.</p> <p>Focussed work with providers facing the most difficulties to improve their approach, learning from the best practice of others, and encouraging cross industry working through support of provider collaboratives.</p> <p>Use of improved Better Care Fund, government grants, and NHS system funding to incentivise care worker recruitment and retention, with a focus on the areas where provision is most challenged.</p> <p>Promotion of the Proud to Care programme which encourages new entrants to work in the care profession, develop skills, and aid retention.</p> <p>Part of the Devon Alliance for International Recruitment, supporting providers in securing workforce capacity (care workers and nurses) from overseas.</p>

		<p>pressure on care home budgets and other costs across the wider health and care system.</p> <p>Specialist dementia care provision in the independent sector is underdeveloped, posing a challenge to commissioners to develop a specialism of a market which is already under pressure overall.</p>	<p>Commissioners will work closely with key providers to shape the market, where possible, to accord to longer term commissioning strategies, and the requirements for future care. This includes working in partnership with NHS Devon and DPT to secure the support that care providers need in order to meet complex needs, including dementia.</p> <p>The discharge model is currently under review.</p>
<p>Demand for packages of care (across all service types)</p>	<p>271,216</p>	<p>Demand for the number and intensity of packages of care can be volatile in several areas. Learning Disability services (including autism) have seen significant growth in activity over recent years and continues to be under pressure going forward, particularly as children in care transition to adulthood and the 'Transforming Care' agenda. 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.</p> <p>If our assumptions and forecasts of demand are incorrect the financial risk will vary because the average unit cost 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>The 2023/24 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>A 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 wherever possible by earlier intervention and reablement, including reassessing the proportion of care spent on short term recovery services to target resources most effectively.</p> <p>In 2023/24 we will continue with a reinforced and restated focus and drive, through our pending refresh of our Vision and Strategies. We expect fewer people to obtain their support through statutory services in 23/24.</p> <p>The Housing with Support strategy 'A joint approach' has been agreed. Implementation was interrupted due to the pandemic but is now being</p>

			taken forward across statutory and voluntary organisational partnerships to support people to live independently in Devon.
Unit cost pressure (across all service types)	271,216	<p>The unit cost for packages of care and placements is generally continuing to increase and can be volatile. Rising inflation, wage pressures and the rising cost of food, fuel, and power, as well as the continuing costs of infection prevention and control, lead to increased costs. It has meant that we have not been able to buy some services in year, at budgeted costs.</p> <p>Parts of Devon are at full employment and the care sector is competing for labour with other industry sectors.</p> <p>It is probable that the Hospital Discharge scheme instigated at the beginning of the pandemic has led to an increase in the unit price of care homes which the Council is now being asked to pay.</p> <p>Inflation effect has been estimated based on CPI averaging around 5% for 2023/24. 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 the work to move away from making arrangements outside of existing contractual arrangements, including for Support Living</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 2023 has already been announced by government at £0.92p. The effect of this increase has been modelled and is included in the budget.</p>
Social care workforce	47,474	<p>This affects 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</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>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 (as detailed above), 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>Workforce growth in recent years has been driven by short term investment and targeted (invest to save) initiatives.</p> <p>The Authority has led the ‘Proud to Care’ campaign now working regionally to promote health and care as a positive career and develop career pathways across the sector.</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>However, risks have increased more recently, exacerbated by a loss in attractiveness of working in the UK due to depreciation in the value of Sterling and ongoing uncertainty of what the UK’s future immigration policy will be for low paid workers in the care sector.</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			
Savings Strategies	30,569	The key challenge for the service in 2023/24 will be delivery of £30.5million of savings which are necessary to	Operational plans will continue to be developed, and legal advice and challenge sought before final decisions on implementation are taken.

		<p>balance the budget. These savings will require operational and commissioning changes to be made.</p> <p>The in year response to the financial challenge, business as usual demands including 'winter' pressures have disrupted the usual level of planning for 23/24. Plans have been developed with varying levels of delivery risk. As we reiterate and refocus our promoting independence approach through our pending 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>Our ability and capacity to work increasingly in this way with people and communities will key to our success in building resilience. The pace of our work, and therefore the trajectory of progress will be modelled, planned, and monitored.</p> <p>However residual risk relating to operational and management capacity to formulate and deliver detailed plans whilst continuing to respond to winter pressures in our hospital system, the impact of covid and flu in our markets, whilst meeting the scale and pace of the financial delivery challenge cannot be avoided.</p> <p>Discussions with NHS colleagues to explore any opportunity to work together to mitigate our pressures.</p> <p>Consultation proposals are being drafted and consultation with service users and affected parties will be undertaken once political approval is obtained.</p>
Children transitioning to Adults	134,618	<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 therefore there is 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 are transforming 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>

Mental Health	20,084	<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>
Autism demand and repatriations	7,173	<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 a specialised 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 23/24.</p>

Legislative change	339,302	<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.</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>The pending (but again uncertain in timing) introduction of Liberty Protection Safeguards will bring additional statutory requirements and pressures on adult social care.</p> <p>Legislative changes bring probable financial implications for social care budgets, and it is important that when they do, changes are fully funded by government with 'new burden' funding.</p> <p>There is also a risk within the assurance programme that improvement action requiring investment will be needed</p> <p>The weight of the Authority's duties and responsibilities is likely to increase as a result. It is expected the government will provide additional funding, however they may see the changes as 'cost neutral' presenting a risk that no further or insufficient funding is provided.</p>	<p>Sector guidance will be carefully reviewed, and we will work with our partners across the health and social care system to understand and implement reforms safely and effectively.</p> <p>Detailed financial modelling of potential impact has been carried out and careful assessment will be required to understand the implications of not being able to fully fund expected implementation costs.</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>
Section 3: Partnership arrangements			
NHS Contributions to Social Care (including	Total BCF pooled budget is currently expected	The Authority entered a pooled budget arrangement in 2015/16 with NHS Commissioners described nationally as the Better Care Fund (BCF). This pooled arrangement now includes £39.6 million of direct support to the	A joint commissioning group comprising senior officers for each organisation and with detailed governance and specialist support is overseeing the operation of BCF and will review the 23/24 s75 agreement.

Better Care Fund)	to be in the region of £114 million	<p>Authority's social care budgets. The BCF deployment in 23/24 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 may be an approach that could be reciprocated</p> <p>Financial challenges inevitably pose a risk to the short term deployment of resources, ultimately making more difficult the very changes that are necessary to overcome those financial challenges.</p>	<p>All partners are committed to working together to deal with similar challenges faced by each organisation and create integrated services.</p> <p>Strong professional relationships between the health and social care sectors have been developed over the past years and our longstanding joint management posts in operations further consolidate this ethos.</p>
Joint funding of complex care		<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>Since 2018 Devon has a S117 funding agreement for older people and people with a disability, the agreement is based on historic financial analysis, and our current service landscape is in a very different position.</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 agreement for older people and people with a disability will require renegotiation.</p>
Hospital Discharge Cessation of Funding		<p>From the start of the pandemic until the end of March 2022, the government ran a discharge to assess model from acute hospitals.</p> <p>From April 2022, the national funding for this model ceased. Devon ICB and Devon County Council took the</p>	<p>A new joint discharge model to support flow will be created with our ICB and NHS provider partners. This model will need to be financially sustainable to all members of the system.</p>

		<p>decision to continue the model outlined in the national guidance and to further invest in additional personal care. The local funding will cease in March 2023. The new government allocation expected will not meet the current model cost.</p> <p>The financial risk of cessation to the model includes pressure to maintain and improve hospital system flow with the existing care support and further increase pressure on social care markets.</p>	<p>Planning has initiated to reduce the additional agency costs.</p>
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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
CCG	Clinical Commissioning Group
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
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
DELETTI	Devon low carbon Energy and Transport Technology Innovator
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
ICT	Information & Communications Technology

IID	Investing in Devon funds
ILACS	Inspection of Local Authority Children's Services
INNOVASUMP	Innovations in Sustainable Urban Mobility plans for low carbon urban transport
INTERREG	European Territorial Cooperation
IVC	In Vessel Composting
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGA	Local Government Association
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
MTFS	Medium Term Financial Strategy
MUGA	Multi Use Games Area
MUMIS	Major Unforeseen Maintenance Indemnity Scheme
NDEC	North Devon Enterprise Centre
NDLR	North Devon Link Road
NEWDCCG	Northern, Eastern and Western Devon Clinical Commissioning Group
NFF	National Funding Formula
NHS	National Health Service
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
SFP	Sustainable Food Places
SGO	Special Guardianship Order
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