

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

24 January 2024

Present:-

Councillors S Randall Johnson (Chair), M Wrigley (Vice-Chair), J Bailey, R Chesterton, D Cox, P Crabb, I Hall, P Maskell, R Peart, D Sellis, R Scott, C Whitton, Hodson and J Yabsley

Apologies:-

Councillors Y Atkinson and L Hellyer

Members attending in accordance with Standing Order 25

Councillors A Dewhirst, C Leaver, J McInnes and P Twiss

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Announcements

The Chair welcomed the members of the press and public in attendance and advised that the press were recording, advising anyone who did not wish to be recorded to make that known.

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Public Participation

In accordance with the Council's Public Participation Rules, the Committee received and acknowledged oral representation from Si Johns (YMCA) on the Council's budget, in particular its funding for homelessness work and the Homelessness Prevention Grant.

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Budget 2024/25 and Capital Programme for 2024/25 to 2028/29

(Councillors J McInnes and C Leaver attended in accordance with Standing Order 25 and spoke to this item with the consent of the Committee).

Councillor Martin Wrigley declared a personal interest by virtue of being the Leader of Teignbridge District Council.

Councillor Ian Hall declared a personal interest by virtue of being the Co-Chair of the One Eastern Devon Partnership Forum; a member of the Eastern Locality Mental Health Partnership; and the Devon County Council representative of the Council of Governors of the Royal Devon University Healthcare NHS Foundation Trust.

The Committee noted that the proposed budget for the 2024/25 financial year would be scrutinised by individual Scrutiny Committees.

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

This would follow the opportunity for individual Scrutiny Committees – at this meeting – to have an initial overview of the budget proposals and examine them to identify any specific issues or areas of interest that might be considered at the Corporate Infrastructure and Regulatory Services Committee for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the joint report of the Director of Finance and Public Value, the Director of Integrated Adult Social Care and the Director of Public Health, Communities and Prosperity (DFP/24/05) on the provisional financial settlement made by Government and the spending targets set by the Cabinet for each service area which included inflation, commitments and any service reductions. The Report also detailed the proposed medium-term capital programme for the Integrated Adult Social Care Service and how it was funded. It was also clarified to the Committee that Public Health was entirely funded through a grant from Government.

The Cabinet, at its meeting of 10 January 2024, had set Revenue Budget targets for 2024/25. That Report had presented the proposed service budget targets for 2024/25 totalling £743.4 million, a net increase of £43.8 million or 6.3% compared to the 2023/24 adjusted budget.

In terms of the Budget for 2024/25, inflationary pressures continue to be felt across the economy, local government and partners and social care was particularly impacted by increases to the national living wage. Senior Leadership Team had worked extensively to develop plans to manage net service costs within affordable financial targets in light of local authorities across the country continuing to face financial challenges due to high inflation and interest rates as well as demands on local service provision.

To enable the authority to set a balanced budget, savings, alternative funding and additional income of £49.6 million had been identified. Overall, there was additional funding of £43.8 million or 6.3% for services next year.

It was not currently planned to support the proposed budget targets by using general reserve balances. In recognition of the SEND Deficit and Safety Valve considerations, it was anticipated the Council would need to set aside funds in 2024/25 – and in subsequent years in the Medium Term Financial Plan – to increase the SEND Safety Valve Reserve. An update on the SEND position

would be reflected in the proposed budget presented to Members in February 2024.

The Capital Programme for 2024/25 to 2028/29 would be presented to Cabinet at the February Budget meeting.

On 18th 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. The Final Settlement was likely to follow in early February 2024.

Authorities could increase Council Tax for 2024/25 by up to the referendum limit of 2.99% and social care authorities could also increase the precept by up to a further 2% specifically to fund adult social care costs (4.99% in total without a referendum being required).

Devon's Core Funding (and grants announced so far) was as follows. Other existing grants were expected to be published soon and would be reported as part of the overall budget papers in February, if known by then.

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
Total Core Funding	105,663	111,058

**The actual amount received will be derived from returns completed by 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
Total Other Grant Income	114,896	125,393

**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.*

The proposed service revenue budget targets for the 2024/25 financial year were set out in the table below.

	2023/24 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Growth and Pressures £000	Savings, Alternative Funding and Additional Income £000	2024/25 Target Budget £000	Net Change 2023/24 to 2024/25 £000 %	
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 & 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 & Transport	81,619	6,144	2,348	(4,629)	85,482	3,863	4.7%
Totals	699,575	48,519	44,886	(49,598)	743,382	43,807	6.3%

The 2023/24 Base Budget has been adjusted for permanent virements (budget transfers from other budget lines)

The Committee were reminded that its consideration of the draft Integrated Adult Social Care and Public Health budget was part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet meeting on 9th February 2024 formulating a budget for consideration by the County Council on 15th February 2024.

The Cabinet Member for Integrated Adult Social Care & Health highlighted the challenging circumstances both locally and nationally in setting this budget, with the budget developed being a necessary one to ensure that the most vulnerable across Devon are cared for.

The Director of Integrated Adult Social Care commented on the likely implications of the 2024/25 target for individual service areas, confirming that the overall approach had been to strike a balance between the reality of the financial challenges facing the Council, as well as the economic challenges facing care providers; and the need to balance the provision of sustainable

support services against the increasing demands of front-line services and operational demands. The approach of “prevent, reduce, delay” was outlined as the core driver of the strategy to ensure a good cross-section of support for those who need it. In order to deliver budget targets in Integrated Adult Social Care, budget savings were focused on three key approaches as outlined in section 6 of the Report. The core driver of such savings was to promote “greater independence for all of the people that [the service works] with, and at better value.” Notable reductions were made in respect of: staff (savings of £1.9 million); and changes in commissioning from the independent provider market (savings of £14.4 million).

The Leadership Group commentary in the Report referred to the Council’s legal obligation to set a balanced annual budget and the resulting necessity “to make savings by getting best value from all contracts, maximising income, reducing the number of employees and selling Council owned property.” The commentary highlighted the core focus of the directorate in continuing to support the young, old and most vulnerable across the county in partnership with the NHS and other partners across Team Devon. The service commentary concluded that the budget was necessary for the service to deliver its “vision of promoting independence via a strengths-based approach.”

The Report referred to the fact that the value of the Public Health grant, which comes from Government, had not been confirmed for 2024/25. The report also stated that the Public Health reserve at the end of the 2022/23 financial year stood at £13 million. The Director of Public Health commented that not having a confirmed allocation of the Public Health grant made budget planning difficult, and that the final allocation to the authority had been received around March in previous years. Also commented on was a rising demand in alcohol and drug support services, and the challenges faced around Devon’s aging population, with the budget-setting process needing to consider how to best address the complex needs and comorbidities that come with an aging population.

The Report also contained the detailed budget proposals for Disability Services, In House Services and Older People (which were all part of the Integrated Adult Social Care Operations budget). These were prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services. The budget for Disability Services was set at £141.8 million, with Older People at £132.7 million, an increase of approximately £7 million and £6.1 million respectively from 2023/24. In House Services had seen a reduction of approximately £1.4 million.

The Report provided a breakdown of changes necessitated by pressures regarding inflation and national living wage, as well as price pressures and changes in demographics and demand, which (across Operations and Commissioning) totalled £49.9 million, with required savings and income initiatives totalling £23.9 million.

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

The Report before the Committee referred to the Budget 2024/25 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: [Budget Impact Assessments](#)) for the attention of Members so they were aware of the equality impact assessments undertaken as part of the budget's preparation, that any risk assessments and projections were adequate and the evidence supported the assumptions made in the formulation of the budget. Also bearing in mind that the preparation of Impact Assessments were a dynamic process and that individual assessments for specific proposals may need to be updated with time, Members of the Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions and any identified significant risks and mitigating action required.

Specific issues and observations arising from the current budget proposals raised at the meeting included the following. On Integrated Adult Social Care:

- The real-terms impacts of savings (or cuts) on staff, and those in receipt of support from the directorate, including approximate numbers of people who would be impacted by such savings. Officers outlined that the savings did not necessarily represent a full cessation of support for individuals but presented a model of working that promotes people's independence, for example, discharging a person from hospital with a focus on at-home care. This would represent a good outcome for the person as well as a lower number of resources required to support that person;
- The importance of integrated work with other bodies such as the NHS, and district, city, parish and town councils; as well as increasing engagement with the Voluntary and Community Sector (VCS) (for instance by working with the Voluntary, Community and Social Enterprise (VCSE) Assembly);
- The use of benchmarking the Council's performance in juxtaposition with similar local authorities (statistical neighbours) to assist in understanding the best use of the Authority's limited resources and funding to support the most vulnerable, which occurs alongside periodic consultations on specific issues and ongoing engagement with service users;
- The impact of an aging population on budgetary pressures;

- The year-on-year increase of funding going to Adult Social Care representing a larger proportion of the Council's budget and the possible need to curb this to ensure there was money to spend in other areas. Officers accepted that although the proposed allocation to Adult Social Care had increased since a year prior, the level of increase was smaller than it had been in previous years (6% increase for Adult Social Care from 2023/4 to 2024/5, as opposed to a 9% increase from 2022/3 to 2023/4);
- The mechanisms in place to ensure the money that has been budgeted for an increase in national living wage is passed to frontline staff;
- What incentives people being supported by Adult Social Care have to work towards reintroduction into the labour market, having consideration for the possible impact this may have on benefits and other payments they are in receipt of, which – if ceased when someone returns to work – may actually leave someone worse-off financially. Officers advised that this was part of the offer given to individuals being supported by the service, but that there was also a role of the Government to play in this;
- The importance of Local Care Partnerships being engaged and working with one another to ensure good outcomes; and
- The implications of new immigration rules for social care workers.

On Public Health:

- Employment levels and working with partners (such as Integrated Adult Social Care and the Department for Work and Pensions) to tackle unemployment issues;
- The role of the Council arm of Public Health in supporting the delivery of vaccine programmes and its involvement in vaccine strategy; and
- The codesign and coproduction of policies with partners such as community safety partnerships.

On both Integrated Adult Social Care and Public Health, Members acknowledged the difficult circumstances under which the proposed budget had been developed.

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Scott and

RESOLVED that the provisional financial settlement and its impact on spending targets and on the proposed Integrated Adult Social Care and

Public Health budgets for 2024/25 and the issues and/or observations set out below be drawn to the attention of the Cabinet meeting on 9 February 2024:

(a) this Committee welcomes and supports:

- i. The 6% increase in the budget for Integrated Adult Social Care recognising growth and demand in the system, and continued efforts to achieve value for money.
- ii. The efforts of Integrated Adult Social Care, Public Health staff and providers to continue to support the most vulnerable in Devon and delivering support in challenging contexts.
- iii. Recognising the need to continue to focus on integrated working with our NHS Partners, to deliver a strengths-based approach to the delivery of care.

(b) this Committee records concerns about:

- i. The realism of achieving the Integrated Adults Social Care in-year savings set at £29.4 million, how the service proposes to achieve this, and above all else understanding the impact/s on people we support.
- ii. The number of people receiving high levels of interventions through statutory care and the need to re-shape the offer to include to an alternative strengths-based offer.
- iii. The Committee's concern that Members are not able to adequately review and scrutinise the interdependencies within the NHS Devon Budget, including services for children and those preparing for adulthood / transition.

(c) that Cabinet be asked to:

- i. Lobby Government to highlight the difficulty of setting budgets, operating and re-designing services that promotes people's independence against the reality of:
 - a. The unknown grant settlement for Public Health;
 - b. The 1-year financial settlement for Adult Social Care; and
 - c. The delivery of services within a large, rural County.
- ii. Support the Health and Adult Care Scrutiny Committee in their critical friend challenge of the in-year financial position and progress on achieving transformation, including measures of success and milestones.

iii. The Council and NHS Partners work collaboratively and commit to promoting independence for people of all ages and disabilities, and to achieve this, work alongside the Voluntary Community Sector Enterprises (VCSE) Assembly, District, City, Town and Parish councils, making use of existing partnerships.

iv. Recognising the financial pressures on both statutory and voluntary sector organisations, support the Committee to arrange an all Member Masterclass on Local Care Partnership (LCPs) before April 2024, so Councillors can be more informed and consider the use of their locality budgets to strengthen partnership working and support communities to grow capacity to provide an alternative offer that people can access that promotes their independence and helps communities to be safe and connected; and

v. For the Cabinet Member to write to Mel Stride MP, Secretary of State for Work and Pensions:

a. to ensure the support people of working age with disabilities receive incentives them to be employed without being adversely affected economically.

b. the potential impact of new immigration rules on the delivery of adult social care services.

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

The Meeting started at 10.30 am and finished at 12.51 pm