

FINANCE AND PERFORMANCE MID YEAR UPDATE

Report of the Director of Integrated Adult Social Care, Devon County Council

1. Recommendations:

- 1.1 That the Health and Adult Care Scrutiny Committee receives this report to support its scrutiny of adult social care performance in Devon County Council and to understand progress towards delivering performance targets within the budget allocated to it.
- 1.2 The committee is also asked to note the ongoing national and local challenges set out in the other reports within the wider committee agenda on the 22 November 2022.

2. Summary

- 2.1 To provide a mid-year update on the finance and performance of Adult Care and Health.

3. Budget position

Service	Revised Budget for year £000	Underlying outturn forecast £000	Management Action pending		Net Outturn forecast £000	Forecast outturn variance £000	Analysis of outturn variance	
			FSP savings outstanding £000	Non FSP management action o/s £000			Total forecast FSP savings £000	Underlying forecast outturn variance £000
Older People	120,123	123,952	(1,044)	(306)	122,602	2,479	(535)	3,014
Physical Disability	24,498	24,920		(38)	24,882	384	(195)	579
Learning Disability (incl Autistic Spectrum Conditions)	99,514	107,023	(507)	(1,383)	105,133	5,619	(1,522)	7,141
Central & Care Management and Support (Localities)	27,815	27,027		(95)	26,932	(883)	(95)	(788)
Other (incl Rapid Response / SCR / Safeguarding and WD)	19,246	16,506			16,506	(2,740)	(1,750)	(990)
In House (Older People & Learning Disability)	8,419	7,918			7,918	(501)		(501)
One off NHS Contribution to Adult Social Care	(7,493)	(7,493)			(7,493)	0		0
Total Integrated Adult Care Operations excl net nils	292,122	299,853	(1,551)	(1,822)	296,480	4,358	(4,097)	8,455
Adult Commissioning & Health	11,522	10,430	0	0	10,430	(1,092)	(450)	(642)
Mental Health	18,962	18,467	0	0	18,467	(495)	0	(495)
Total Integrated Adult Care excl net nils	322,606	328,750	(1,551)	(1,822)	325,377	2,771	(4,547)	7,318
Total								2,771

- 3.1 Integrated Adult Social Care at month 6 is showing an overspend of £2.771m or 0.86% of net budgets.
- 3.2 At month 6 we are overall currently serving 424 more people than budgeted for.
- 3.3 The increasing overspend is due to increased activity for older people predominately in residential and nursing homes, and an increase of 195 people receiving a learning

disability related service. The number of people receiving a mental health service has increased by 39.

- 3.4 The overspend at month 6 has been restricted by management actions: £1.7m coming from the review of investments and current recruitment into short term services which has enabled a reduction in planned spend, largely due to recruitment challenges and deployment of winter and Improved Better Care Fund monies, and £0.5m via the recovery of Direct Payment Surpluses.

4. Savings achieved in 2021-22 at month 6

- 4.1 Total savings plans of £17.3m are currently forecast as deliverable in year, against a budgeted target of £18.741m. Further work is ongoing to identify the £1.441m savings gap.
- 4.2 At month 6 we have delivered £13.9m savings, with a further £3.373m is forecast to be achieved by year end.
- 4.3 NHS Devon has provided significant financial support to social care over 2022/23 including £8.000m to directly support the Integrated Adult Social Care 2022/23 budget, plus further funding intended to support the continuation of Discharge to Assess in year.

5. Budget risks for the remainder of the year

- 5.1 We are still recovering from the greatest impacts of the pandemic, with demand, workforce, and the cost of care the most significant challenges and creating huge pressures across the service.
- 5.2 Recovery is taking time and will continue to do so, more so given the cost-of-living crisis that is impacting further on the resilience of individuals and communities and the voluntary and community sector that is a key element of our promoting independence approach.
- 5.3 The pandemic has taken its toll on the workforce, at a time when we need more people in the workforce, we have less. Competition from other sectors with better terms and conditions and less emotional and physical challenge is drawing people away from working in adult social care.

Demand for care

- 5.4 Adult social care is a demand led service, and although we work to promote people's independence working in a way that supports people without the need for statutory services, we are under increasing pressure for service, particularly to ensure people can leave hospital.
- 5.5 We are not able to stay on target for the number of people we have budgeted to serve as we are faced with additional demand for services. There are currently 424 more individuals with packages of care than budgeted for. Pressures are particularly significant in older people nursing care, and learning disability supported living.

5.6 Demand for care will likely increase as a result of the cost-of-living crisis as people and communities become less resilient.

Availability of care

5.7 Market sufficiency is reduced as independent care providers exit the market, unable to run viable businesses or recruit a sufficient workforce. There is a 9.8% vacancy rate in the independent care sector.

5.8 The longer people have to wait for the optimal care they need, or to leave hospital, the care they eventually receive will be more intense and more costly. An increased demand for care exacerbates the impact.

Cost of Care

5.9 We are unable to buy the care for people at the costs budgeted for due to rising inflation, currently at 10%, up for 5.5% in January 2022. Higher fuel, energy and food costs from independent providers are reflected in care costs now.

Tandra Forster
Director of Integrated Adult Social Care