

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

20 January 2023

Present:-

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

Member attending in accordance with Standing Order 25

Councillor J McInnes

Apologies:-

Councillors P Crabb

* **81** **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* **82** **Public Participation**

There were no oral representations from members of the public.

* **83** **'Budget 2023/24 and Capital Programme for 2023/24 to 2027/28'**

(Councillor J McInnes attended in accordance with Standing Order 25(1) and spoke to this item in regard to the Health and Adult Care budget proposals and referred to a very challenging budget and the difficult financial times that the Council and others across the country were in. He highlighted that we were not yet post pandemic and the effect of that had been quite difficult particularly in social care. The proposed budget was to make social care sustainable in the longer term with a savings target of £30m).

The Committee noted that the proposed budget for the 2023/24 financial year would be scrutinised by the individual Scrutiny Committees.

The Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee would present any relevant resolutions and an overview of those issues arising to the Corporate Infrastructure and Regulatory Services Committee. 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 and the Director of Integrated Adult Social Care and Director of Public Health, Communities and Prosperity (DF/23/03) on the provisional financial settlement made by Government and the spending targets set by the Cabinet for each service area which included inflation, commitments and any service prioritisation reductions. The Report also showed that no bids were received in regard to the Capital Programme for Integrated Adult Social Care.

The Cabinet, at its meeting of 11 January 2023, had set Revenue Budget targets for 2023/24. That Report outlined the targets in paragraph 3.8 which represented a net increase in service budgets of £66.2 million, which was a 10.5% increase.

As detailed within budget monitoring reports, significant pressures had been and were continuing to be experienced within Devon and across the country. The cost of living and geopolitical situation had created huge financial pressures nationally. As a consequence, the Authority had faced unprecedented price and demand pressures in the current year and although significant savings had been found to offset this many had been one off measures. In addition, there had been much more uncertainty in terms of central government funding to local government, combined with the most challenging budget round that the Authority had faced in recent decades.

Budget monitoring at month 2 identified an unprecedented forecast overspend and therefore since the month 2 report, a Financial Sustainability Programme had been set up to address the level of overspending. The programme had been successful in containing some expenditure and making savings, which was reflected in a significantly improved outturn forecast by month 8.

The Capital Programme for 2023/24 to 2027/28 would be presented to Cabinet at the February Budget meeting.

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. This was in line with the Spending Review 2021 and updated for the announcements made in the Autumn Statement of 17th November 2022.

The provisional local government finance settlement for 2023/24 was a single year settlement, as was the previous year. Government had outlined national funding levels for 2024/25 but uncertainty remained at individual council level, as distribution mechanisms for 2024/25 were unconfirmed.

The provisional settlement confirmed that the Core Spending Power included the flexibility in setting Council Tax for 2023/24 by setting the referendum limit at 2.99% and that social care authorities could increase the adult social care precept by 2% - and therefore raise Council Tax by up to 4.99% overall without a referendum being required.

Devon's Core Funding of £107.2 million (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.

	£000
Revenue Support Grant	669
Business Rates Central Government Top Up	83,428
Business Rates - Local Element	23,064
Core Funding	
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 Improvement Fund	8,373
Adult Social Care Discharge Fund	4,084
Services Grant	3,987
	108,292

The proposed service revenue budget targets for the 2023/24 financial year were 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

The Committee were reminded that its consideration of the draft Integrated Adult Social Care and Public Health Services budgets was just part of the process of setting the County Council's budget which, following this meeting,

would culminate in the Cabinet meeting on 10th February 2023 formulating a budget for consideration by the County Council on 16th February 2023.

The Director for Integrated Adult Social Care and Director of Public Health, Communities and Prosperity respectively commented on the likely implications of the 2023/24 target for individual service areas, confirming that the overall approach had been to strike a balance between the reality of the financial challenges facing the Council and providing sustainable support services against the increasing demands of front-line services and operational demands. In order to deliver budget targets, budget reductions were required in respect of Integrated Adult Social Care as detailed in the Report Saving Strategies (page 10) and for Public Health (page 20).

For Integrated Adult Social Care, the Leadership Group commentary in the Report referred to the increasing need for services coupled with rising inflation and costs which had led to significant pressure on resources with an overriding focus on the needs of the young, old and most vulnerable across Devon and work with the One Devon partners to support and develop the local health and care system; and with all partners across Team Devon.

The Director of Integrated Adult Social Care and the Director of Public Health respectively referred to the specific issues as outlined in the Report.

The Report also contained the detailed budget proposals for the two Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services.

The Integrated Adult Social Care Services base budget was £339, 302 million (an increase of £27.334 million, 8.8% from 2022/23), and included inflation and other pressures of £59.534 million and required savings and income initiatives of £32.200 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 2023/24 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: [Budget Impact Assessments - Impact Assessment \(devon.gov.uk\)](https://www.devon.gov.uk/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:

(i) Adult Care and Health: Specific Issues and observations arising from the current budget proposals raised by Members in discussion with the Director for Integrated Adult Social Care; Head of Adult Care Operations and Health, and Head of Adult Commissioning & Health included:

- the impact of the cost of living crisis which had made the current situation more difficult, and the impact of Covid was still being felt
- A £30 million savings target would represent a significant challenge to deliver in a year
- The £18m savings service target for the current year which had not yet been achieved, with pressures including workforce challenges also felt by other local authorities, as well as rising costs in residential homes, and the increase in the number of younger adults with disabilities needing help.
- There would be a focus on promoting independence, and how to make the best use and best value in terms of spending.
- Most of the investment in the current year was needed for national living wage and inflation and there had not been addition investment for transformation.
- The use of the Better Care Fund (BCF) which was a total of £114 million for 2023/24 and was required to be used to help meet health and social care outcomes, although some could be used solely for the purposes of meeting adult social care needs funding such as for supporting the Community Equipment Service.
- Demand for Adult Social Care in the current year had also exceeded budgetary expectations, and there were difficulties with calculating demography and using data. The biggest pressure was from working age adults in particularly young people with learning disabilities. More people with complex needs were now living longer. Calculations for expected demand for the following year were also made around November.
- There were large variations of care packages being offered, with significant differences in costs from about £30 a week to more than £60,000 a year. However, there were also a lot of people who had received support through signposting from the Council to utilise their own resources and get support from unpaid carers, community services or their own care.
- The impact on promoting and supporting prevention. There was to be a twin track approach to create efficiencies and savings now as well as to create a financially sustainable future. To create resilient communities

would require investment in prevention, with a wider approach working with colleagues in the community and public health also.

- Involvement and work with the voluntary sector - the need for a wider piece of work looking at investment in this area with lots of different organisations involved and being efficient and effective in spending money and finding innovative ways of working together. Seed funding ventures would be explored in the aim of having more successful outcomes such as memory cafes which are now self-sustaining.
- Difficulties of receiving information about government grants late into the calendar year was acknowledged and also the lack of clarity about new legislation for Adult Social Care.
- Different models of housing and extra care housing would be developed which enabled people to stay at home and develop further use of technology to help people manage daily living tasks better.
- People would be supported to gain employment rather than relying on attending day services and a more enabling approach would be taken to allow more people to travel, meet and form new friendships and provide more learning and development opportunities.
- Recruitment of staff during the current year and whether this had resulted in savings forecasted. The reality was that the Council was unable to recruit to all those positions and due to the financial issues, these vacant posts were then taken from the budget. However, those that were recruited did help to deliver some of the savings such as through reviews with people to promote independence. More operational staff had been taken on which would also help with completing people's assessments and achieve savings for next year.
- Highlighting more successes in Adult Social Care such as the Proud to Care Campaign was needed and building that into wider programmes of support for the voluntary and community sector to market it as an attractive place to work and encourage people to use their skills and experience. Assisting the voluntary sector to also become more resilient and self-sustaining.
- The inability to directly compare the budget this year against last year's budget because of the changes in pressures and assumptions made including the staff pay award and inflation.
- Cross authority work across the region and nationally to learn from each other and benchmarking information. There was ongoing work around social work vacancies to identify the scale of the challenge and ideas were being generated via a peer space and helped get a better understanding of care providers which was more cost effective on a regional scale.

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

- Public Health was predominantly funded by a ring-fenced grant from the Department of Health and Social Care which had not yet been confirmed and may not be until mid-February
- Budget proposals were based on educated assumptions of little or no growth and there were also the inflationary pressures of wages and services
- There was considerable variation in funding for Public Health across the country and Devon usually received one of the smaller grants in terms of population size. The vast majority of this was spent on commissioning health services for which the local authority had a statutory duty to provide.
- Public Health services included sexual health, drug and alcohol services, mental health as well as identifying and responding to health impacts and inequalities. Demand was increasing and expected to continue.
- Concerns included seeing rising levels of food insecurity and the number of households in fuel poverty was increasing in Devon.
- Frustration was expressed about planning for Public Health services when the grant for the forthcoming year was still unknown even though it was ring-fenced.
- A reduction in routine checks during the pandemic had resulted in an increase in undiagnosed conditions and poorer health outcomes. Demand in hospitals was being driven by cardiovascular and respiratory diseases and many more people were currently undiagnosed and not on the treatment they needed which would result in more hospital admissions.
- Innovative ways of working were being explored to go into the communities to do more checks including using vaccination sites to carry out blood pressure checks.
- The lack of funding for the County should be challenged and the importance of these services was highlighted particularly investment in mental health which was felt to be crucial

It was **MOVED** by Councillor S Randall Johnson, **SECONDED** by Councillor C Whitton 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 2023/24 be noted and the issues and/or observations set out below be drawn to the attention of the Cabinet meeting on 11 February 2022:

(a) this Committee welcomes and supports:

- i. The 8.8% increase in the budget for Integrated Adult Social Care recognising the demand in the system.
- ii. The efforts of Integrated Adult Social Care and Public Health staff to continue to support the most vulnerable in Devon and delivering services in a co-produced way.

(b) this Committee records concerns about:

- i. The realism of achieving the IASC in-year savings set at £30 million; in light of not yet achieving the in-year savings of £18million, coupled with the continued increase in demand and the uncertainty of inflation.
- ii. The introduction of the Care Quality Commission inspection regime will place an additional burden on the Council and its partners. The Committee seeks assurance preparations are comprehensive and vigorous to meet these new requirements.

(c) that the Cabinet be asked to:

- i. Support the Health and Adult Care Scrutiny Committee in their critical friend challenge of the in-year financial position by bringing regular monitoring reports to Committee including benchmarking with other local authorities where appropriate.
- ii. Lobby government to highlight the difficulty of operating services against the reality of:
 - a. the disparate nature of the grants received in Adult Social Care and the unhelpful impact of piecemeal multiple grants.
 - b. the uncertainty about the anticipated changes to Liberty Protection Safeguards
 - c. The unknown grant settlement for Public Health and also the 1-year financial settlement for Integrated Adult Social Care against a demand led-budget and the resulting challenges in developing strategy without financial certainty.
- iii. Invest in public mental health when the public health grant is known
- iv. Review how the Council is offering support to the voluntary and Community Sector both through tactical access to grants and clear communication channels of the County Council.

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

The Meeting started at 10.30 am and finished at 12.28 pm