

HEALTH AND ADULT CARE SCRUTINY COMMITTEE

27 January 2025

Present:-

Councillors S Randall Johnson (Chair), Y Atkinson, J Bailey, R Chesterton, D Cox, P Crabb, L Hellyer, P Maskell, R Peart, D Sellis, C Whitton and J Yabsley; and Councillor C Hodson (remote).

Apologies:-

Councillors A Connett (Vice Chair), I Hall and R Scott

Members attending in accordance with Standing Order 25

Councillors P Bullivant, P Twiss and J McInnes; and Councillor R Croad (remote)

* 212 **Chair's Announcements**

There was no announcement made by the Chair.

* 213 **Declarations of Interest**

Members were reminded that they should declare any interests they may have in any item to be considered, prior to any discussion taking place on that item.

The list of Membership of other Authorities can be found here: [County councillors who are also district, borough, city, parish or town councillors](#)

214 **Public Participation**

There was no representation made by a member of the public.

* 215 **Budget 2025/26 and Capital Programme for 2025/26 to 2029/30**

(In accordance with Standing Order 25(2), Councillors P Bullivant and R Croad spoke to this item).

The Committee noted that the proposed budget for the 2025/26 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 and the Director of Integrated Adult Social Care and the Director of Public Health and Communities (DFP/25/05) 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 savings. The Report also detailed the proposed budget for Integrated Adult Social Care and Public Health for 2025/26.

The Cabinet, at its meeting of 8 January 2025, had set Revenue Budget targets for 2025/26. That Report had presented the proposed service budget targets for 2025/26 totalling £784.1 million, a net increase of £44 million or 5.9% compared to the 2024/25 adjusted base budget.

The preparation of the Budget for 2025/26 recognised that inflationary pressures continued to be felt across the economy, local government and partners. Social care was particularly impacted by increases to the national living wage and the increases to National Insurance. The Ministry of Housing, Communities and Local Government was due to provide additional funding towards National Insurance costs for local authorities own employees but details are yet to be confirmed. Within the Target Budgets for services it was proposed to allow for £14.2 million for inflationary pressures. The Target Budgets for services reflected an estimated inflationary pressure of £17.7 million due to National Living Wage impacts.

To enable the authority to set a balanced budget, savings, alternative funding and additional income of £21.7 million had been identified

It was not currently planned to support the proposed budget targets by using general reserve balances, reflecting a strategy of 'living within our means'.

The Capital Programme for 2025/26 to 2029/30 would be presented to Cabinet at the February Budget meeting.

The new Government's first Autumn Statement was published on 30 October 2024 and the Local Government Finance Policy Statement was published on 28 November 2024. Of particular importance was the Government's plans to repurpose existing funding, for the extra costs of delivering services in rural

areas, to support a change in funding distribution based on deprivation as a proxy for need. This resulted in the discontinuation of the Rural Services Delivery Grant (RSDG) funding of £110 million, of which the Council received £10.124 million in 2024/25.

Details of the Provisional Local Government Finance Settlement 2025/26 were published on 18 December 2024, which provided a one year settlement only. The Final Settlement would follow in late January/early February.

For Devon, the core spending power was set to increase by 4.66% and the Government assumed the Authority would implement the full allowed increase in Council Tax up to the referendum threshold of 5%.

The proposed service revenue budget targets for the 2025/26 financial year were set out in the table below.

Table 1 – Service Target Budgets 2025/26

	2024/25 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Growth and Pressures £000	Savings, Alternative Funding and Additional Income £000	2025/26 Target Budget £000	Net Change to 2025/26 £000	%
Integrated Adult Social Care	354,322	19,120	18,190	(8,185)	383,447	29,125	8.2%
Children and Young People's Futures	224,970	7,834	11,054	(6,530)	237,328	12,358	5.5%
Public Health & Communities Performance & Partnerships	13,931	225	365	(1,450)	13,071	(860)	- 6.2%
Corporate Services	7,431	121	75	(447)	7,180	(251)	- 3.4%
Climate Change, Environment & Transport	54,709	1,251	2,822	(3,319)	55,463	754	1.4%
Totals	740,116	31,897	33,818	(21,739)	784,092	43,976	5.9%

The Committee were reminded that its consideration of the draft Integrated Adult Social Care and Public Health 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 14th February 2025 formulating a budget for consideration by the County Council on 20th February 2025.

The Report outlined detailed budget proposals for Integrated Adult Social Care, and for Public Health, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services.

The draft total budget for Integrated Adult Social care was £383.4 million, which represented an increase of £29.1 million, or 8.2% from the 2024/25 adjusted budget. There was additional investment of £27.7 million for Operations and £1.4 million for Commissioning. Growth and demand pressures amounted to £18.2 million. The impact of inflation including pay and the national living wages adds £19.1 million and planned savings amounted to £8.2 million.

Items of particular note relating to Adult Social Care, as raised in the Report, included:

- Ongoing pressures, notwithstanding an increased level of investment. It was predicted that Adult Social Care would directly commission services for fewer people; and that Devon would continue to see an increase in complexity for both older people and working age adults;
- The service's savings strategy and the three key approaches that it was built around (strengths-based approach; right type of care; and best value);
- The Better Care Fund;
- A service redesign, including a reduction to pre-pandemic staffing levels. Additionally the redesign would see an overhaul of the service's case management and finance systems which aimed to improve the access, outcome, and experience of everyone receiving adult and children's social care, including those transitioning between children's and adults' services.

For Public Health, there was uncertainty, as the final value of the core grant from Central Government had not been confirmed, although indicative figures from the Department of Health and Social Care for the additional funding to support smoking cessation and the drug and alcohol treatment and recovery system in 2025/26, had been received (but not fully confirmed). The Report advised that the Public Health reserves at the end of the 2023/24 financial year stood at £13 million; this would be used to support cost pressures and related services across the authority that deliver public health outcomes.

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 2025/26 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: [Budget Impact Assessment 2025-26](#)) 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.

At the meeting, the Cabinet Member for Integrated Adult Social Care & Health highlighted that the Integrated Adult Social Care budget had been increased by 8.2% from the year previous, which represented the largest increase in all services provided by the Council. This highlighted the Council's commitment to looking after those that rely on the directorate's services. The Cabinet Member commended officer work on delivering an increased budget in times of fiscal restraint.

The Director of Integrated Adult Social Care and the Chief Executive of the Council commented in particular on the significant work done by the directorate over the past years to try and contain costs. Although there were additional investments, according to benchmarking, Devon was still in a tough position. Also referred to was:

- the impact of National Living Wage increases and other demographic changes;
- investment into Deprivation of Liberty safeguards;
- the complexity of funding and providing services in the context of Devon's varied rural, coastal and urban footprint;
- the importance of prevention as a driving focus for the directorate; and
- that Devon did not receive government funding under the Recovery Grant despite significant levels of deprivation in areas.

The Cabinet Member for Public Health, Communities and Equality highlighted that the Public Health grant from Government, on which the Council's Public Health grant depends, had not been confirmed. As such, a proposed budget had been developed based on the uplift received for the 2024/25 budget of 1.3%. The Cabinet Member referred to the challenges that this posed and

expressed his thanks to officers for their efforts developing the proposed budget despite this lack of clarity from Government.

The Director of Public Health and the Chief Executive referred to the low amount of per-head funding that Devon receives, and the uncertainty (as above) regarding the final allocation to the Authority for Public Health. Also reflected on was an increase in demands on key services, which had decreased in the wake of the Coronavirus pandemic, such as people seeking support with sexual health, drug/alcohol issues, and smoking cessation.

Specific issues and observations arising from the current budget proposals raised at the meeting included the following:

- The challenges around Devon's rurality;
- The degree of Integrated Adult Social Care interoperability with the NHS. Officers acknowledged that there was progress to be made on this;
- The focus of Adult Social Care on promoting independence, which was a key theme in the Care Act: namely, to help people live with as minimal support as possible, and to provide that support before a person is at point of crisis;
- The level of confidence from senior leadership on delivering this budget, in particular pertaining to Integrated Adult Social Care. Barring unexpected circumstances, the Director of Integrated Adult Social Care was confident of delivering;
- The makeup of the savings requirements of £8.1 million. Approximately half was owed to spending less due to better value, with the rest relating to optimisation of additional income. Members were assured that some of the savings had already been negotiated;
- Thanks expressed to officers for their transparency in acknowledging risks and the moving of resources to accommodate. It was highlighted that Devon was one of very few councils to come within 1% of budget targets and that recognition should be expressed on this;
- The benefits of the proposed new case management system, namely that it would reduce bureaucracy and allow clearer focus on providing support for those in need of Integrated Adult Social Care services;
- The makeup of the 8.2% increase in funding for Integrated Adult Social Care. The Director of Finance and Public Value explained that this was a blend of saving strategies and additional money from various sources such as the adult social care precept, and council tax, among others;

- What successes could be pointed to so that members could have confidence in delivering the budget. Officers referred to the progress already being made in achieving best value in contractual work and the improvements seen as they shifted to a strengths-based approach. It was explained also to members that engagement was ongoing with various other bodies, such as the Local Government Association, so that the Authority was clear and honest on areas where improvement was needed;
- The mechanisms of the commissioning process, which members queried on, and how the directorate could be confident on achieving best value;
- The need of Devon to more effectively articulate its needs, particularly pertaining to the very low funding levels per head given to the Authority under the Public Health grant (approximately £35 per head, compared to some authorities receiving more than £100 per head). Additionally, members were concerned around the lack of clarity on the final allocation to Devon on public health.
- The importance of anti-smoking and anti-vaping campaigns, particularly as the latter regards children and teenagers;
- The need for Integrated Adult Social Care and Children's Services to work together to ensure adequate focus on prevention.
- Work with pharmacies to promote public health issues.

It was **MOVED** by Councillor Peart, **SECONDED** by Councillor Maskell and

RESOLVED

(a) that the Scrutiny Committee welcomes and supports:

- i. The 8.2% increase in the budget for Integrated Adult Social Care recognising growth and demand in the system, and continued efforts to achieve best value and deliver the Councils strategic intentions.
- ii. The efforts of Integrated Adult Social Care, Public Health, and providers to continue to support the most vulnerable in Devon and delivering support in challenging contexts.
- iii. The £1.5 million investment in Deprivation of Liberty Safeguards (DoLS) to address the backlog of those awaiting assessment and provide more timely assessments for those coming into the system.
- iv. The work with partners to develop ways of highlighting the complexity of delivering equitable services across both the rural and

urban population of Devon taking account of the multiple indices of deprivation that exist.

v. The work and efforts of Integrated Adult Social Care and the Council to deliver the 2024/2025 budget to be within 1% of the target budget at month 8, highlighting the importance of maintaining strategic continuity, and welcomes this continued effort into 2025/2026 to meet the needs of the population of Devon within budget.

vi. The work of the Council to develop a clear and comprehensive proposed budget for Integrated Adult Social Care and Public Health and Communities for 2025/2026.

(b) that the Scrutiny Committee records concern regarding:

i. The potential impact of the National Insurance threshold changes on the care workforce, and the cost of implementing those changes, potentially exposing weaknesses within the care market.

ii. The lateness of Government confirmation of the Public Health Grant for 2025/2026, the relatively low level of funding Devon receives per head of the population and Government's inconsistent prioritisation of prevention.

(c) and that Cabinet be asked to:

i. Recognise the increasing and aging population in Devon and the increase in Dementia diagnosis, Cabinet work with partners including the NHS to develop Dementia friendly communities and promote the importance of people planning for their futures which dovetails with local care partnerships to support sustainable budget delivery into future years for both the Council and its partners.

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

The Meeting started at 10.00 am and finished at 12.32 pm