

Medium Term Financial Plan for Adults and Health Services

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Cabinet Member: Cllr Mandy Chilcott

Division and Local Member: All

1. Summary

This report introduces the key areas of specific interest within the Medium-Term Financial Plan to the Scrutiny Committee for Adults and Health Services. The attached report was considered by Cabinet on the 20th January and it includes details of the amendments to Adults Services and Public Health Services for 2022/23. The Directors and Strategic Finance Managers will attend the Committee to provide assurances around the changes made to budgets and funding for 2022/23. A review of this detail through Scrutiny will be presented as part of the overall challenge and assurance process to Cabinet on the 14th February and Council on the 23rd February in setting the final budget for 2022/23.

The MTFP will link pressures, growth, and savings to the delivery of the Council's key priorities within the Council's vision to create:

- A thriving and productive County that is ambitious, confident and focussed on improving people's lives;
- A county of resilient, well-connected and compassionate communities working to reduce inequalities;
- A county where all partners actively work together for the benefit of residents, communities and businesses and the environment, and;
- A county that provides the right information, advice and guidance to enable residents to help themselves and targets support to those who need it most.

2. Issues for consideration / Recommendations

The Committee is requested to consider the proposed budget for 2022/23 for Adults and Public Health Services budgets. The Committee is asked to review specific proposals for changes from previous years, so that they can comment on them, offer assurance to Cabinet and/or identify any matters for consideration that they would like to highlight to the Cabinet.

3. Background

Preparations for the 2022/23 budget were reported to Cabinet in January 2022 and highlighted the difficulties of producing the 2022/23 budget against the backdrop of the Covid-19 pandemic, uncertain funding, and preparations for Local Government Reorganisation. The full report and Appendices are attached to this report.

4. Adult Services

The draft proposals recognise the importance of Adult Services and the budget adds further investment of £18.1m, which is an increase of 12.8% to this key frontline service. This recognises additional pressures as a result of demand for services, which continue to be at an unprecedented level.

Table 1: Changes to the Adults Services Budget

Adults Services	£'m	£'m
2021/22 Original Budget		141.592
Removal Of Once Off Budgets for 2021/22	0.000	
In Year Permanent Virements	0.000	
		0.000
2021/22 Base Budget		141.592
Additional Funding Requirements:		
Inflation (Contractual, General, and Pay)	8.147	
Demographic and other Demand Increases	6.859	
Other Funding Requirements	1.686	
Growth	0.000	
Total Additional Funding Requirements		16.692
Pay Award		1.009
Savings Previously Agreed		(0.628)
Prior Year Savings Not Delivered		0.000
New Savings Proposals		0.000
Use Of Reserves		1.019
Technical Adjustments		0.000
2022/23 Proposed Base Budget		159.684
Change £m		18.092
Change %		12.78%

Predicting future years demand is made more difficult by Covid-19 and one of the

key challenges around this is identifying whether the current demand is on-going as peoples social care needs have increased, or whether there is a degree of temporary demand. These budget proposals have tried to strike a balance between the two and to ensure the budget proposals are robust.

The additional requests for funding are shown in the table below:

Table 2 – Additional Requests for Funding

Description	2022/23 £'m
Fair Cost of Care	1.686
Demographic Growth	5.159
Increased Demand	1.500
Void Beds - Empty Rooms within Supported Living	0.200
Provider Inflation	8.147
Total	16.692

Inflationary increases recognise the increased statutory pressures on providers such as increased national living wage, as well as general price inflation which is currently running at 5.1%. This figure also includes contractual inflation for the Discovery in line with the contract.

The anticipated demographic growth in demand across the service has been calculated using Office for National Statistics population data and trends from previous years.

Transformation saving proposals for 2022/23 include £0.578m linked to Independent Living Accommodation Solutions. Capital investment in new forms of accommodation both owned by us (with rental income) and in partnership with others. This proposal is linked to a capital bid and would provide different accommodation options to those currently available in our housing and provider market. These are outlined in the table below:

Table 3 – Transformation, Savings, and Income Proposals

Risk	Title	Description	2022/23 £'m	2023/24 £'m	2024/25 £'m	New/ Existing
High	Independent Living Accommodation Solutions	Capital investment in new forms of accommodation both owned by us (with rental income) and in partnership with others. Linked to a capital bid this would provide different accommodation options to those currently available in our housing and provider market.	0.578	0.000	0.500	Existing/ Amended
Low	Community focused redesign of traditional service	Community focused redesign of traditional service	0.050	0.025	0.000	Existing
Total			0.628	0.025	0.500	

Please note the above savings proposals were agreed as part of the 2021/22 budget.

Adults' Transformation

The Adults Improvement Programme continues to offer a test and learn environment to test ideas with key stakeholders.

New Models of Micro Provision are aiming to increase the options available to people and professionals in deciding how their care and support is provided either through a different model to access micro providers, or using a different payment method,

Individual Service Fund (ISF). A midpoint review indicated positive progress and a number of people coming through the pilot to test the solutions.

Technology Enabled Care aims to increase the technology options available to support people in their own homes. There has been an ongoing delay in the implementation of the prescriber portal, necessitating mitigating actions and a new agreed timeline, with scalable opportunities now expected to be understood in June 2022. Proposals are now starting to be received and TEC installations have begun. Benefits analysis to be conducted shortly.

The Intermediate Care Model has been under significant pressure with demand, capacity and flow within the wider system creating some challenges that have affected capacity to deliver the improvement plan. As a consequence, the Intermediate Care Board agreed in September the essential deliverables needed ahead of the winter pressures, with the remainder of the plan is due to go on hold until the new year.

There are a number of grants embedded within the Adults' Services budget as follows:

Table 4 – Grants

Grant/Fund	2021/22 £'m	2022/223 £'m	Increase £'m
Improved Better Care Fund	22.685	23.372	0.686
Better Care Fund	13.890	TBA	-
War Pension Disregard	0.248	TBA	-
Independent Living Fund Grant	1.193	TBA	-

In addition to the grants outlined the referendum limit for the Adult Social Care Precept is 1% next year. If Members approve this increase it assists with funding Adult Social Care by £2.7m in 2022/23. The Government has also increased the Social Care Grant which can be used to support Adult or Children's Services by £6.6m in 2022/23.

A further £1.7m has been allocated as the first tranche of funding for Social Care from the Reforms as Market Sustainability and Fair Costs of Care Fund. A verbal update will be given at the meeting as information becomes clearer around Government expectations. However, it remains a risk at present as to whether this will be sufficient to meet those requirements,

There are no new capital programme bids from Adult Services. The new bid in 2021/22 for Adult Residential Investment remains in the capital programme with an amended profile for delivery.

5. Public Health

The total Public Health grant for 2021/22 is £21.284m and this is expected to increase by £0.659m to £21.943m although we wait final confirmation from government. The 2022/23 Budget Proposals would see the overall spend on Public Health increase by £0.584m with the Public Health Grant increasing in line with inflation and a small reduction in the additional funding the Council provides.

Table 5: Changes to the Public Health Budget (Excluding the Public Health Grant)

Public Health (Excluding Grant)	£'m	£'m
2021/22 Original Budget		1.411
Removal Of Once Off Budgets for 2021/22	0.000	
In Year Permanent Virements	0.000	
		0.000
2021/22 Base Budget		1.411
Pay Award		0.025
New Savings Proposals		(0.100)
2022/23 Proposed Base Budget		1.336
Change £m		(0.075)
Change %		-5.30%

The Comprehensive Spending Review committed to maintaining the Public Health grant at current levels in real terms until 2024/25, but we await the detail. Somerset receives a very low proportion of the overall Public Health grant and is 141st out of the 152 authorities with Public Health responsibilities, when comparing allocation per person in the population.

In addition to the public Health grant the council also puts additional funding into Public Health of over £1.4m and the savings proposals include the removal of a community support post saving £0.030m and a £0.070m reduction in funding for health improvement. The community support roles and responsibilities have been absorbed amongst the remaining members of the team and present a low risk saving. The health improvement saving is higher risk and reduces the work that can be progressed to improve overall health and wellbeing as well as for those who experience inequalities. However, there is significant Public Health reserve which should mitigate against this

The transformation, savings, and income generation proposals are outlined below:

Table 6 – Transformation, Savings, and Income Proposals

Risk	Title	Description	2022/23 £'m	2023/24 £'m	2024/25 £'m	New/ Existing
High	Health Inequalities	Reduce available funding for Health Inequalities to meet target saving	0.070	0.000	0.000	New
Low	Community Support Post	Community focused redesign of traditional service	0.030	0.000	0.000	Existing
Total			0.100	0.000	0.000	

The change to the Public Health Grant is as follows:

Table 7 – Grants

Grant/Fund	2021/22 £'m	2022/23 £'m	Increase £'m
Public Health Grant	21.284	21.943	0.584

Note – this has yet to be confirmed

6. Consultations undertaken

Any proposals requiring consultation will not proceed until that consultation has been completed.

7. Implications

Financial implications have been outlined within this report.

8. Background papers

MTFP Report to Cabinet October 2021

MTFP Update Cabinet January 2022

Note For sight of individual background papers please contact the report author