

Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 8 November 2023

Subject: Adults Social Care Budget 2024-27

Report of: Executive Director of Adult Social Services

Summary

The Council is forecasting an estimated budget shortfall of £46m in 2024/25, £86m in 2025/26, and £105m by 2026/27. After the application of approved and planned savings, and the use of c£17m smoothing reserves in each of the three years, this gap reduces to £1.6m in 2024/25, £30m in 2025/26 and £49m by 2026/27. This position assumes that the savings approved as part of the Medium-Term Financial Strategy in February 2023 of £36.2m over three years are delivered.

This report sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2024.

Recommendations

The Committee is recommended to:

- (1) To consider and comment on the forecast medium term revenue budget.
 - (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.
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Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy. <i>Progressive and equitable city:</i> Our work to deliver Better Outcomes Better Lives is designed to contribute to the creation of a progressive and equitable city – through working with our communities, our people and assets to improve outcomes for those who need care and support
A highly skilled city: world class and home-grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2024/25 revenue budget set by Council on 1 March 2024.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

[Medium Term Financial Strategy and 2023/24 Revenue Budget – Executive 15 February 2023](#)

1. Introduction and purpose

1.1. The report sets out the proposals for the Adults Social Care budget for 2024/25 to 2026/27. It provides:

- (i) An overview of Adult Social Care services and key priorities and positioning within the Manchester Local Care Organisation;
- (ii) A detailed overview of the budget, including:
 - the significant financial challenges on the 2023/24 budget and requirement to resolve them ahead of incorporating the 2024/25 budget proposals;
 - the update to budget growth assumptions for the service as set out in the Council's Medium Term Financial Plan (MTFP);
 - confirmation of an unchanged savings plan 2024-26 at this stage pending further work underway; and
 - future risks and opportunities including significant budget considerations in 2025/26.

1.2. Whilst the focus of this report is on adult social care, the positioning within Manchester Local Care Organisation (MLCO) is of key importance because of the integrated and maturing approach to joined-up operational service planning. The key components of the financial plan have been developed together, to mitigate and collaboratively manage the need to deliver financial targets in social care and health. Joint financial planning ensures the impact of any plans in health or social care work across the system. Strong joint financial leadership is ensuring the process and the outcomes of the joint financial planning work better in Manchester.

2. MLCO overview 'We are Community'.

2.1. MLCO is the public sector partnership organisation that provides Manchester's NHS Community adult and children's Health and Adult Social Care services. It is the partnership vehicle for the delivery of joined up health, care and wellbeing services.

2.2. MLCO was formed in 2018 as a partnership organisation that is part NHS and part local authority. The s75 agreement between Manchester Foundation Trust (MFT) and the Council enables joint accountability for service design and delivery and to support an increasing integrated approach where that adds value for our staff and residents.

2.3. Over 2,100 NHS adults and children's community healthcare staff from MFT and over 1,700 adult social care staff from Manchester City Council are formally deployed to be part of MLCO; they include district nurses, social workers, health visitors, community dentists, therapists, school nurses, reablement teams, rehabilitation teams, intermediate care staff, end of life care professionals, disability supported accommodation staff and many other

health and care professionals. Collectively these staff undertake c.1m contacts in the community every year.

- 2.4. The MLCO enables these staff to work together as integrated teams with other community partners, such as GPs, housing, VCSFE, police and leisure to provide better care to the people of Manchester, keeping people well in the community and out of hospital.
- 2.5. The MLCO uniquely has a deployed commissioning function as part of its operating model; in Aug 2019 some aspects of community health commissioning was deployed into the MLCO from (the former) MHCC and in April 2021 Adult Social Care commissioning was deployed into the MLCO; integrating into our operating model and codified in the MLCO Commissioning Plan.
- 2.6. The MLCO is unique in GM and the s.75 (the means of achieving formal integration between the Manchester University Foundation Trust (MFT) and Manchester City Council) was signed in 2021 and facilitates the effective delivery of integrated health and adult social care.
- 2.7. The adult social care workforce is already deployed into MLCO, working alongside health colleagues. Health and care budgets are aligned rather than pooled. There is scope to revise partnership arrangements in future, either by entering into a pooled budget in future, or by moving other Council services into MLCO. The agreement is for an initial term of three years. It is due to be reviewed and renewed in 2024/25.
- 2.8. The partnership arrangements between the Council and MFT set out that the Council agrees to delegate its adult social care functions to MFT in order to strengthen integration of community health and social care. This builds on the existing partnership arrangements set out in the 2018 Partnering Agreement. An under- pinning financial framework sets out the agreed working principles and assumptions which will govern the financial arrangements between the Council and MFT for the operation of the aligned budgets. The Adult Social Care budget referred to in this report constitutes the Council contribution to the aligned budget.
- 2.9. The budget strategy for Adult Social Care, as detailed in this report, will also be incorporated into the S75 agreement with MFT and this will be included within the overall budget recommendations to the Executive accordingly.

3. Adult Social Care - overview and priorities

- 3.1. Manchester City Council Adults Services range from supporting young adults, to people who are in their later life. Support can range from receiving advice and guidance, through to shorter term support and onto commissioned services. Assessment for services is undertaken through a Care Act Assessment that uses national eligibility criteria defined in the Care Act 2014.

- 3.2. Aligned to the Care Act's expectations, assessments undertaken will 'consider the person's own strengths and capabilities', and what support might be available from their wider support network or within the community to help. Assessment conversations explore the person's life holistically, considering their needs in the context of their skills, ambitions, and priorities.
- 3.3. In discharging its statutory duty ASC retains discretion to determine how an individual's needs and outcomes should be met within available resources. Adults Eligibility: The Care and Support (Eligibility Criteria) Regulations 2014 sets out the eligibility criteria and determines the circumstances in which an adult meets the eligibility criteria.
- 3.4. In Manchester, we support a large number of Manchester residents with social care needs. We supported:

	31st Dec 2021	31st Dec 2022	30th Sep 2023
Older people (long term support to 65+)	2,995	2,945	3,001
Younger adults (long term support to 18-64)	2,371	2,350	2,375

These figures include:

	31st Dec 2021	31st Dec 2022	30th Sep 2023
Adults with learning disabilities (long term support)	1,220	1,189	1,226
Adults with mental health needs (long term support)	738	774	774
People we support are living in the community	3,735	3,812	3,929
People in residential care	1,072	971	963
People in nursing care	575	516	491

We provide:

	31st Dec 2021	31st Dec 2022	30th Sep 2023
Homecare to	1,863	1,933	2,057
Homecare commissioned hours (weekly)	29,516	31,234	32,648
Supported accommodation to	680	691	714
Support via shared lives schemes to	182	184	179
Support via an extra care scheme or apartment	113	121	113
Cash personal budget or Individual Service Fund	650	642	616

Rolling 12 months:

	31st Dec 2021	31st Dec 2022	30th Sep 2023
Items of equipment and adaptations were installed/provided	10,207	10,989	11,266
Blue badges were issued	7,270	8,162	7,908
People benefitted from our core reablement service	1,612	1,610	1,480
Carers were assessed	1,512	1,675	1,748
Safeguarding enquiries were opened for individuals	6,203	5,803	5,724

- 3.5. The adult social care budget is invested in ensuring that Manchester citizens can stay independent, safe and well. In Manchester, we organise our investment into:
- (i) *Long-term care supporting older and more vulnerable people* in the most appropriate arrangements to support independence, better outcome and better lives This includes investment in services including supported accommodation settings, care homes, home care services and day services;
 - (ii) *Short-term care interventions*, which are very much focused on preventing, reducing and delaying long-term support through maximising independence. This includes investment in equipment and adaptations, technology-enabled care and our in house reablement services. Over 65% of citizens accessing our reablement services don't have an ongoing care need following the short-term intervention. Our carers pathway ensures that we work closely with partners to provide help earlier in a carer's 'caring journey' to equip them with knowledge, information, resources and advice they need to help them continue caring and avoid going into crisis;
 - (iii) *The supporting social worker/assessment and management infrastructure* which we have invested in to ensure that all assessments and reviews are focused on strengths and that our statutory duties are met.
- 3.6. Whilst the fundamental priority for Adult Social Care in 2023/24 remains the safe, effective, efficient delivery of our statutory duties as outlined above in the Care Act 2014 as well as our duties in the Mental Capacity Act and the Mental Health Act, we always put citizens at the centre of everything we do.

Service Transformation and Priorities

- 3.7. In January 2021 we commenced delivery of a major transformation programme – Better Outcomes, Better Lives (BOBL). BOBL is a long-term programme of practice led strengths-based change, which aims to enable the people of Manchester to achieve better outcomes with the result of less dependence on formal care. The strategy of the programme has been to focus

on opportunities to effectively prevent, reduce and delay the point at which someone requires more intensive support. This has required working with people earlier and working in a strengths-based way to provide the right kind of support to maintain or maximise that person's independence.

- 3.8. Prevention will continue to be a priority for the service, providing the right kind of support at the right time. In addition to this, we will continue to focus on working with people to get the best outcomes by promoting independence.
- (i) **Early Help and prevention:** Focusing on the initial part of the persons journey, strengths-based conversations have been launched at the Contact Centre, providing a more exploratory conversation that gets to the real issues behind the call. The Adults Early Support Team, comprised of a Senior Social Worker, Occupational Therapists and Mind Mental Health worker, is now also providing professional expertise for all new contacts. Latest figures from August 23 show that 65% of calls are now resolved at this point, a 10% increase from 2021. This means that people receive the right kinds of support and guidance sooner, along with fewer calls being sent onto INT teams, enabling staff in these teams to focus on complex case work. Next year, this approach will be expanded further, including Learning Disability and Complex Services.
 - (ii) **TEC to support independence:** Technology Enabled Care helps people to remain in their own home, maintain their independence and increase their personal safety. Increasing use of TEC has been and will continue to be a priority. Recent evaluations of kit, such as, Just Checking have provided the evidence to incorporate kit more formally into service pathways to support assessment and review.
 - (iii) **Strengths-based, focused reviews:** proactive, strengths-based reviews that identify the right kind of support to maximise independence has expanded into the Learning Disability Service. By trialling using TEC to support the review process, this has evidenced increased independence for people.
- 3.9. Much of the programme has focused on embedding strengths-based practice across the service. This places greater emphasis on supporting independence, focusing on a person's own strengths, the support available in their local neighbourhood, short-term support including reablement and TEC. Insights from frontline teams has helped to shape commissioning prototypes that focus on gaps in provision.
- 3.10. Aligned to the approach taken in BOBL we are also launching a new programme My Life, My Way. This is a substantial 3–5-year redesign programme including in-house Supported Accommodation, Day Services, Transport arrangements and Short Breaks for adults with a learning disability and/or autism. The overall direction is to enable the service to support citizens with the most complex needs, whilst ensuring care arrangements for lower-level needs are met in the most appropriate ways.

3.11. In addition to this the Service is also continuing to scope, plan and deliver work on:

- (i) Improving the workflow, systems recording and payments process through dedicated work on the Controcc System;
- (ii) Strengthening the transition from Children's into Adults Services through the Preparing for Adulthood programme;
- (iii) Transforming Safeguarding into a system that supports people in a timely manner, so that people feel safe and secure where they live;
- (iv) Continued working with GMMH to support their improvement journey into becoming a safe, effective and innovative offer;
- (v) Retendering of commissioned contracts, including homecare and supported accommodation;
- (vi) Working with the care market to address market stability, review market framework rates and support providers with recruitment and retention;
- (vii) Work with VCSE remains a high priority and currently excelling in the field of Home from Hospital – a targeted, low cost, intervention to support mostly older people leaving hospital and requiring no adult social care intervention. The creativity of solution-finding evidenced by 3 VCSE providers, working across the 3 main acute trusts, means that patients leaving hospital receive a high quality, supportive and practical offer focused on preventing readmission and improving people's health and wellbeing at a difficult time;
- (viii) A new priority area for development over the next 6-12 months is the Prevention Strategy, defining more explicitly what prevention is, and coproducing the strategy with VCSE partners, focusing dynamically on deflection and other interventions such as stronger volunteering models as part of grass roots community support

Wider Integration Priorities

3.12. Alongside ensuring our community health and adult social care services achieve operational, financial, quality and safety standards and metrics, it is intended to build on the role of the MLCO as it operates at the interfaces between acute, primary care, mental health and wider public service offers by providing joined up health, care and wellbeing services to the residents of Manchester. In order to ensure the MLCO continues to deliver services at a high standard, but that our operating model continues to evolve the priorities are to:

- (i) Consolidate and further develop the community health and care operating model - 'We Are Community' - to focus on prevention and anticipatory care approaches that support people to remain at home
 - Home First - Mobilise Hospital at Home and Single Point of Access;
 - Design and embed a core Community Health service offer to include community beds and therapies service model across health and social care;
 - Ensure an integrated Learning Disability service model through an aligned commissioning and service plan; and

- Embed Population Health Management beyond INTs to citywide and specialist service models, using population health modelling to develop service offers and priorities.
- (ii) Continue to ensure the conditions are in place for our staff to deliver excellent services:
- Data, digital infrastructure and developments including options to develop a community EPR and developing ControCC.
 - staff engagement/improving employee experience
 - work through Senior Executive Group to develop a future plan for community estates.
- (iii) Leadership role at Manchester system / place level:
- Build on the aligned commissioning model in the MLCO to support the development of an Integrated Commissioning Function for Manchester ICP
 - (with Neighbourhoods Directorate) progress the Manchester Neighbourhood approach – a key MPB priority for 2024/25 – ensuring greater collaboration through the teams around the neighbourhood and documenting the impact they have for residents and our communities.
 - Through the North Manchester strategy implementation, pilot key initiatives across community partners to deliver improved health and wellbeing in the North.
 - Support the next phase of design and delivery of the Manchester CYP reform programme (Thriving Families) led by the Strategic Director Children and Education Directorate, with an agreed plan for children transitioning to adult community health and social care services.

The CQC Assurance Framework

- 3.13. The Health and Social Care Act 2022 puts the Care Quality Commission's assurance of local authorities on a statutory footing. The new duty on the CQC to assess local authorities' delivery of their adult social care duties under Part 1 of the Care Act 2014 came into effect on 1 April 2023. Linked to this new duty is a power for the Secretary of State to intervene, where, following assessment of the new duty, it is considered that a local authority is failing to meet their duties.
- 3.14. Manchester has played an active role in shaping the new CQC Assurance Framework with several senior managers and the Executive DASS participating in Peer Reviews of other local authorities to aid learning to bring into our own assurance inspection preparations. Members will be aware that Manchester was one of the two pilot sites to 'test and learn' with the CQC and received an indicative 'Good' rating, which is very positive.

3.15. A self-assessment has been completed on the suite of quality statements to identify strengths and weaknesses which will inform an improvement plan in due course to ensure that robust plans are in place on areas for development.

4. Service budget and proposed changes

4.1. The gross 2023/24 budget detailed in the table below is £280.764m and the net budget of £215.260m. Income of £65.504m includes client fees £30.416m, Better Care Fund £17.787m, contributions from NHS partners of £10.428m and other income of £6.873m which includes grants and use of reserves. This includes the integration reserve, which is drawn down in accordance with the plan agreed for the year with NHS Greater Manchester – Manchester locality.

Table One: Base budget 2023/24

Service Area	2023/24 Gross Budget £'000	2023/24 Net Budget £'000	2023/24 Budgeted posts (FTE) £'000
Long Term Care:			
Older People/Physical Disability	82,454	50,835	-
Learning Disability	64,675	59,169	-
Mental Health	31,265	25,378	-
Disability Supported Accommodation Service	23,129	19,825	461.50
Investment funding	6,599	6,599	-
Sub Total	208,122	161,806	461.50
Short Term Care:			
Reablement/Short Term Intervention Team	11,152	9,006	313.21
Short Breaks/Respite/Day Centres/Neighbourhood Apartments	5,639	5,334	126.03
Equipment & Adaptations (inc TEC)	7,965	5,676	173.00
Carers/Voluntary Sector	3,947	3,485	-
Sub Total	28,703	23,501	612.24
Infrastructure and Back Office:			
Social Work Teams	22,371	17,762	358.66
Safeguarding/Emergency Duty	3,881	2,890	67.00
Brokerage/Care Home Teams	1,925	1,766	-
Management and support	15,763	7,536	263.13
Sub Total	43,938	29,953	688.79
Total	280,764	215,260	1,762.53

4.2. The base budget for 2023/24 was £211.947 and the key change to the budget in the year is the addition of the Market Sustainability and Improvement Fund (MSIF) workforce grant of £4.055m. This was also reduced by a pensions budget adjustment of £-0.602m and Directorate transfers of £-0.140m.

2023/24 In Year Financial Position

- 4.3. The latest global monitoring report to the Executive outlined a £3m ASC 2023/24 overspend and that the underlying recurrent pressure in the long term care budget is significantly more challenging at c£9m. This is being offset non-recurrently in 2023/24 through the approved use of reserves, employee underspends and applying Better Care Fund (BCF), Adult Discharge Fund (ADF) and Market Sustainability and Improvement Fund (MSIF) against eligible costs. In summary, new demand is running at a higher run rate than demographics and preventative programmes. This is compounded by significant price pressure in the care market, and the complexity of need for clients discharged through hospital.
- 4.4. A recovery plan has been initiated to fully mitigate the budget pressure without further need for a new savings programme and from the additional resources proposed as part of this budget process. The key areas can be grouped into three blocks:
- (i) Use of additional resources or expected headroom within the existing budget (line items 1-4 in the table below):
- The forecast underspend of (£0.7m) in the 2023/24 care fee uplift budget. Note the fee uplifts for some out of city placements are still to be concluded and there is a risk the funding will be required. This will be updated for the February report;
 - Apply a further proportion of the growth (£1.4m) across the Adults Discharge Fund and Better Care Fund in 2024/25 to meet existing Council costs to meet rising demand that is related to and eligible for these funding streams.
 - Apply a proportion of the proposed 2024/25 demographic growth budget (£1.5m) to reflect the population needs and increasing demand for home care.
- (ii) Expectations of the impact on the budget of other proposals or current market conditions (line items 5-7):
- Growth in client income (£1m) in line with the growth in client numbers and the increased care fees. A proportion of the additional costs will attract a contribution from clients who are assessed as being able to contribute to their costs of their care;
 - To secure supply, the Council is having to pay above framework rates. The 2024/25 uplift to care fees (funded separately) is expected to significantly negate the current £1.2m spend on top ups to fee rates; and
 - Vacancy factor (VF) – whilst a recurrent increase in VF above the current 6% is higher risk, given turnover is currently running at 10% and there are substantial vacancies, it is considered a non-recurrent increase (£1.1m) in 2024/25 is reasonable and that the rate is reviewed as part of the 2025/26 budget process.

(iii) Specific spend mitigation initiatives (line items 8-10):

- There is a significant increase in the use of one-to-one support in care homes. New business rules have been introduced by practice to more effectively manage these arrangements (£0.3m) and ensure on-going support is reviewed regularly;
- Moving and Handling pilot – this is a proven approach from other Council's aimed at reducing the need for double cover in homecare packages (£1m), spend on which is in excess of £15m (**given the importance of this programme, a further outline is detailed below**); and
- Other homecare initiatives, primarily focused on a robust review programme on hospital discharge pathways and a Reablement first approach (£0.5m).

		£'000
1	Headroom in 2023/24 RLW/care fees uplift fund	700
2	Apply growth in the ADF to fund the cost of social work supporting discharge onto the growth in ADF	800
3	Apply growth in BCF resources to support the pressures	600
4	Demographics	1,500
5	Expected growth in client income	1,000
6	Reduction in framework rate top up	1,200
7	Non-recurrent increase in vacancy factor	1,100
8	Increased one to one control	300
9	Moving and Handling homecare pilot	1,000
10	Other homecare initiatives	500
		8,700

4.5. Optimising Moving and Handling Prototype

- (i) The priority continues to be to deliver safe and effective services for people whilst working with them and alongside providers to enable greater independence wherever possible. Work is underway to deliver a prototype to change how we support people with moving and handling needs. The issue of risk adverse manual handling practices being common practice has been raised in the discussions which leads to a high level of double handed manual handling transfers where there is often scope for safe, more person-centred single-handed approaches. There are financial benefits to be had by embracing a switch to single handed care; mainly in the number of homecare hours commissioned.
- (ii) It is expected that optimising moving and handling techniques will have many benefits including:
- Double handed approaches can negatively impact on the experience of the person needing support. An individual's dignity can be enhanced by a reduction in the number of people providing intimate support whilst potentially they benefit from less intrusive

responses to achieving outcomes associated with their activities of daily living.

- There is also a significant workforce challenge for Providers who highlight the difficulties they routinely face in securing sufficient staff to undertake transfers.
 - The doubling up of calls places restrictions on how support at home providers rota and use their staff flexibly within a person centred, outcomes focussed model. Employing single handed care techniques can increase flexibility for staff, free up hours and provide greater scope to provide an outcomes-focussed service.
 - The lack of clarity within manual handling plans as to the exact role of the second staff member can lead to potentially ambiguous and unsafe manual handling practices.
 - Double ups can, unintentionally, undermine an asset-based approach to support at home by working in opposition to approaches that engage and utilise the support of family, friends, and other informal carers.
- (iii) A shared set of policies and practices will be developed from the outset. There will be significant engagement with citizens and families and carers to support and agree any changes to future care arrangements.

Savings Plan 2024-27

- 4.6. Savings of £4.4m were approved for 2024-26 and are detailed in **Appendix 1**. Implementation plans are being developed and at this stage, there are no proposed amendments to this programme.
- 4.7. The focus of the savings programme is now moving to Provider Services, the 'My Life My Way' programme (detailed in section 2 above). Work is currently taking place to ensure the conditions for success are fully understood. This is a highly complex programme and the key issues under review are:
- (i) Governance – ensuring overall project structure is in place and working as intended.
 - (ii) Capacity – the £3m investment programme approved last year includes £0.385m of dedicated capacity for the programme in 2024/25 including programme and project management and clinical support. A further £0.324m is invested in setting up a dedicated review team. However, recruitment difficulties are such it is proving difficult to attract experienced complex social workers and occupational therapists. The prioritisation of the social work assessment programme is being carefully considered.
 - (iii) Estate - delivering the programme is strongly contingent on the provision of suitable accommodation and facilities for people with complex needs and the modernisation of the in-scope existing property portfolios. Accommodation in Manchester for citizens with learning disabilities and/or autism is in extremely short supply. This is due to a

range of factors including land values, higher rent levels for enhanced accommodation and the specifications required to support the needs of this cohort. Opportunities for expansive developments are limited, as smaller concentrations of properties are required for these citizen cohorts which is a challenge due to the availability of land for development in the city.

My Life My Way programme's property needs will require significant capital investment over a 3–5-year period to support the delivery of activity and revenue savings. Local strategic partners (Registered Housing Providers) outline that to develop such accommodation within current market conditions, will need pump prime investment to support sustainability, and the strategy will require a blend of a short term acquisitional approach and new purpose-built schemes. Engagement with partners across Greater Manchester have indicated that the current timelines for delivery of the acquisitional approach is a minimum of 18 months, increasing to 2-3 years where new built schemes are concerned.

- (iv) There is an inherent risk that a citizen, family or advocates can decline a move into a new placement impacting upon the delivery of activity, savings and the programme vision. A full communication and engagement programme is being developed with Legal support aimed at overcoming any resistance.

4.8. In the context of the above, the planned delivery of the 2024/25 savings will be reviewed to determine whether they are fully achievable in their current form of whether additional measures will be required.

4.9. The Directorate has committed to the delivery of an additional workforce savings target from reducing a number of long term vacant posts in the establishment by £0.255m for 2024/25.

Growth and Pressures 2024-27

4.10. Growth and pressures of £26.372m were approved for 2024-26 and are detailed in **Appendix 2** together with the £5.936m of base assumptions for 2026/27. Together the current MTFP includes £32.308m of funding of which £6.074m relates to the transfer of grant funding in accordance with the statutory conditions, the MSIF original allocation (£3.105m) and the Adult Discharge fund (£2.969m), with the balance of £26.234m Council funding for demographics and towards the care fee uplift, including use of the ASC precept.

4.11. There are additional pressures recognised within Adult Social Care and the proposals are incorporated into the revised draft Medium Term Financial Plan. The key increases are as follows and are also detailed on **Appendix 2**.

- (i) Additional demographics in 2024/25 of £3.735m including £2m for transition of children to adult support, with increases of £1.064m in

2025/26 and £0.764m in 2026/27 to set the demographics budget to £4m in each year. The funding reflects the latest modelling of Manchester's population change and the known transition cohort. Due to the timing of the development of the budget work being completed far ahead of the end of the financial year, there will always be an inherent requirement for the demographics budget to be used part retrospective, addressing the full year affect of the previous year, and then the part year effect of packages that commence in the forthcoming year;

- (ii) Additional funding towards the care uplift of £3.500m in 2024/25;
- (iii) Mainstreaming the cost of new care models £1.300m from 2026/27; and
- (iv) A £1.779m reduction in the 2024/25 MSIF workforce grant from £4.055m to £2.276m.

4.12. The above represents an additional £8.584m, bringing the total investment into ASC over 2024-27 to £40.892m.

4.13. In addition, provision has been made for inflationary price increases and potential pay awards. This is held corporately and will be allocated to service budgets when the details are available. As part of this annual exercise an inflation assessment is being undertaken on the partnership arrangements with GMMH and a sum has been earmarked within the 2023/24 corporate inflation allowance, which could be released once the exact inflationary pressures have been verified. If the inflationary pressures do materialise these will be recurrent and flow into the 2024/25 budget if approved.

Government Grants and Other Investment Funding 2024-27

4.14. The specific funding for ASC is detailed in the table below with supporting commentary detailed.

	2024/25 £'000
Market Sustainability Improvement Fund	11,624
Adult Discharge Fund	7,420

- (i) Market Sustainability Improvement Fund
This grant is intended to assist local authorities to make tangible improvements to adult social care, and in particular to address: discharge delays; social care waiting times; low fee rates and workforce pressures. Manchester received a core allocation of £6.243m in 2023/24 rising to £9.348m in 2024/25. The supplemental MSIF Workforce fund is £4.055m in 2023/24 and £2.276m 2024/25. The total allocation in 2024/25 is therefore £11.624m. There are no funding announcements beyond 2024/25. All MSIF funding in 2024/25 will be incorporated into the funding envelope for the care fee uplift.

- (ii) Adult Discharge Fund
 ASC Discharge Fund (£4.451m 2023/24 increasing to £7.420m 2024/25) - this is intended to form part of BCF plans, aimed at reducing delayed transfers of care and the funding will need to be pooled with the NHS. The NHS is receiving broadly the same amount to also put into BCF plans. The additional resource will be used to sustain funding for social worker capacity supporting the hospital discharge programme, the uplifted cost of D2A beds for 2024/25, with a balance of just over £1m available for further short term offer investments with areas under consideration covering next phase of reablement expansion, the TEC offer and support to Carers.
- (iii) Social Care Grant
 The grant (£18.8m 2023/24 rising to £25.7m 2024/25) is ringfenced for adults and children's social care. This is funded nationally from the funding earmarked to fund the social care reforms which have been deferred until October 2025. This grant isn't passported in the same way as the above but the funding is directly supporting the cash limit allocation and the growth outlined over 2023-25.
- (iv) Better Care Fund (BCF)
 The BCF will continue in 2024/25. Government will publish a policy framework in due course. The planning assumption is the minimum BCF contribution to social care will rise by a flat 5.66% at a health and well-being board level. This equates to c£1m. It is assumed the iBCF is not being increased for inflation as per 2023/24. The increase in BCF will be used to fund investment in the Control Room establishment, commissioning capacity and in part, the recurrent impact of the 2023/24 budget pressures on 2024/25.

Customer and Client Income 2024-27

4.15. The 2023/24 budget for client charges is £30.416m and this includes income from both assessed charges under the national framework and specific non assessed charges for services such as community alarms and transport provision. There is a clear connection between the increase in care costs and income from client contributions. The 2024/25 budget includes income growth of £1.8m rising to £2m in 2025/26. This is in line with the trend over recent years. Growth in income is partially included in the funding envelope for the care uplift but also to support budget pressures within the long term care budget detailed above.

4.16. A summary of the key budget movements is shown in the table below.

	2024/25	2025/26	2026/27
	£'000	£'000	£'000
Cashlimit	215,260	235,686	243,497
<u>Growth</u>			
Demography	2,636	2,936	3,236
Demography - Additional	1,735	1,064	764

	2024/25	2025/26	2026/27
Demography - Transitions	2,000		
Grants			
ADF for new investments	2,969		
MSIF	3,105		
MSIF Workforce - Reduction	-1,779		
Care Costs			
Price	458	2,011	
ASC Precept passthrough	2,274		
Real Living Wage	5,983	4,000	4,000
Fair Cost of Care	3,500		
Saving Programme			
Savings	-2,200	-2,200	
Additional Vacancy Factor	-255		
	235,686	243,497	251,497

- 4.17. **Appendix 3** provides an overview of the forecast medium-term budgets by service. **Appendix 4** provides an objective analysis of the 2023/24 budget to also set out the key areas of income. **Appendix 5** provides a further analysis of the make-up of the income budget.
- 4.18. Whilst there is additional investment proposed for the ASC budgets they remain under considerable pressure and the fragility of the social care market, the increased demands for mental health services in particular remain key risks.

5. Commissioning and procurement priorities

- 5.1. There is heightened work underway across Commissioning, Contracts and Market Development in response to the fragility of the current care market. The overarching framework for how commissioning is delivered is through the [MLCO Commissioning Plan](#) which is intended to act as a key communication tool with providers, partners, wider stakeholders, citizens and the commissioning workforce. This Plan sets out the key principles of how commissioning is intended to be more 'responsive' to the frontline staff as part of the Better Outcomes Better Lives transformation programme, and for staff to highlight where there are perceived gaps in provision. There are 58 actions contained in the Commissioning Plan and 11 key measures of success to ensure that accountability and performance is embedded in practice.
- 5.2. The fragility of the care market, particularly care homes, is extremely acute this year with a number of care homes failing; this necessitated a Market Oversight Review which has been presented to MLCO Executive and ICB colleagues so that key issues and concerns are well understood. This report highlighted the following key issues:
- (i) Providers are experiencing challenges around workforce capacity, recruitment and retention, especially in areas of the city where there is new business growth and more competitive rates of pay;

- (ii) A lack of investment in existing and new infrastructure – some of the care home stock in the city is outdated (typically large Victoria homes) and there is very little activity from new providers coming into the city and seeking newbuild opportunities;
- (iii) The city has lost 275 beds since 2021, particularly affecting South Manchester;
- (iv) Given the success of Extra Care Housing in diverting many older people with moderate/high care needs away from residential care, the current provision is now almost exclusively being used for complex needs, where citizens are unable to be cared for in their own home or within Extra Care; and
- (v) Providers are experiencing financial challenges in terms of their own stability as a business, and notably equally affected by the Cost of Living and Energy Cost crises.

5.3. In response to those market challenges, commissioners are:

- (i) Supporting providers with recruitment and retention through arranging Jobs Fairs (Etihad and Wythenshawe Forum);
- (ii) Increasing the number of providers who pay the Real Living Wage, to aid recruitment and retention;
- (iii) Developing a long-term care home strategy, which will highlight infrastructure challenges and stimulate more growth in provision, encouraging more national providers to come to Manchester;
- (iv) Reviewing the framework rates to ensure that providers remain viable during the current national financial challenges;
- (v) Providing bespoke support to individual care homes to prevent provider failure; and
- (vi) Recruitment to a dedicated Commissioning Manager role to work with the Sector and progress the Care Home Strategy.

5.4. A particular nursing home is a typical example of potential provider failure that has been averted. The home is in administration through a complex shareholder/financial arrangement and have appointed a suitable care provider to run the home whilst the home's future is determined. This is a 68-bedded nursing care which takes citizens with very complex Dementia and Nursing Needs and the city already has a known shortage of nursing care provision. Currently there are 44 beds occupied. Following a lengthy process, and, to protect the capacity of the home, the Council has stepped in short term to support financial viability and avoid a home closure over winter months, whilst a new provider is actively sought. Should the home close, there is very little provision both inside the city and beyond, in GM, to provide the capacity to relocate the residents.

5.5. Commissioning is also proactive this year in retendering high value contracts. A number of retenders, all concerned with statutory duties, have already been completed including:

- (i) Statutory Healthwatch;

- (ii) Support to Unpaid Carers through a new Carer Pathway Support and helpline for Carers (via Carers Manchester Contact Point);
- (iii) Independent Advocacy.

In addition, significant retendering work is focused on two main areas for 2023/24 including:

- (i) Reprourement of Learning Disability and Mental Health Supported Accommodation (value circa £33m); and
- (ii) Reprourement of Homecare (value £26m)

- 5.6. Further significant work in Mental Health is supporting the Executive DASS with the delivery of GMMH's transformation programme, ensuring that citizens with mental health needs receive timely Care Act Assessments and suitable placements are identified that meet those needs. This will be monitored as part of the s75 agreement which is actively being progressed.
- 5.7. The Control Room and Brokerage Team is now developing as a Centre of Excellence for both discharge from hospital and the sourcing of placements of Care Homes and Homes, offering a centralised approach and reducing workload of Social Workers. Due to the success of this model, the Brokerage Team is now being expanded to include Mental Health and Learning Disability Placements over coming months, providing a coordinated activity that will ensure timely placements and tighter controls over placement costs.

6. Workforce Implications

- 6.1. The total workforce has increased from 1,467 FTE in 2019/20 to currently 1,782 FTE, 21% increase.
- 6.2. Going into 2023/24 Adult Social Care had received significant investment to deploy within the establishment to support demand and develop capacity in key areas. Discussions have taken place with Senior Managers over the past few months to look at developing new types of roles where required, as well as the ability to trial approaches across services, such as Moving and Handling Optimisation Prototype and the Adults Early Support Team. To date, 71% of the roles funded by investment have been established and 32% of the overall investment roles are now filled. Some of the new posts have provided opportunities for internal progression.
- 6.3. The Recruitment and Retention Strategy has continued to drive good outcomes in priority areas including Reablement, Social Work and Disability Supported Accommodation. The new posts funded by investment monies have further added to our vacancy figure, however progress is being made, with 60 new starters in Quarter 2. It is worth noting that overall recruitment progress to some roles, for example Occupational Therapists, remains challenging due to the competitive and limited labour market.
- 6.4. The continued national challenges in filling posts within the sector also means that the council is working hard to ensure we are an employer of choice and

can attract people and minimise the pressures on our existing workforce. This includes work focused on recruiting qualified social workers, as well as a significant recruitment campaign into our Reablement services. Support has also been provided to the external care market given wider recruitment and retention challenges affecting adult social care and the impact on sustainable delivery in the sector.

- 6.5. The further development of the GM Care Academy over the coming year will support the brand for social care careers through an enhanced range of development options and career pathways.
- 6.6. The identified savings proposals will have a limited impact on workforce due to the holding of vacant roles in the two main service areas of review - Day Services and the Disability Supported Accommodation Services (covered by agency in the interim). This approach supports the wider review to take place and will mean that once proposals are ready to be implemented, there should be minimal impact on existing permanent staff. Within DSAS, significant recruitment has taken place in 2023 with an incredible response and 103 posts filled. Quarter 3 within DSAS will focus on a strong induction into the service for the new starters and it is expected that recruitment will recommence in Quarter 4, in line with the outcomes of the review referenced above.
- 6.7. If the proposals to focus on more complex citizens are implemented within DSAS, this will require a review of current roles and structures to ensure the requirements of the new service offer can be met. The workforce impact is difficult to fully define until the ongoing Provider Services review is concluded.
- 6.8. In addition to the work ongoing in the past 12 months, turnover has been a key focus. Turnover has improved over this time period from 10.6% in Sept 22 and currently stands at 8.1%.
- 6.9. It is proposed that we again increase the vacancy factor within ASC in the coming year. Through this approach we are releasing finances by recognising that a large number of our roles are vacant across the period and therefore do not require their full allocation of funding. A review of these vacancy levels has led to a proposal for an increase in the vacancy factor to 7.4%. The factor will be reviewed again in 2025/26 to reflect the updated recruitment position at that time.

7. Equality and Anti-Poverty Impact

- 7.1. The outcomes from equality impact work in particular are being built into the programme including ensuring that the advocacy is provided to citizens, that careful consideration is given to the way in which changes are communicated to citizens and their families and that the development of the new service model is developed through engagement with existing and future citizens, families and carers.

- 7.2. Work is also underway on the way in which equalities data is collected in ASC, supporting the ability to be better informed on the impact of changes being made to services. This will be informed by greater emphasis on Equality Impact Assessments (EqIAs), working with the Corporate Equalities Team, on emerging new approaches.
- 7.3. The anti-poverty strategy '[Making Manchester Fairer](#)' will strongly influence the work in ASC by ensuring there is a heightened focus on more marginalised communities and those with protected characteristics. The Carers Emergency Fund, for example, is one way of supporting unpaid carers to receive emergency help at a time of genuine crisis with small cash grants, white goods etc. to carry on caring.

8. Future opportunities, Risks and Policy/Strategy Considerations

- 8.1. Adult Social Care in Manchester continues to deliver services supporting citizens to remain independent and where appropriate, access care placements in the most appropriate setting. The national health and social care landscape is regularly subject to media attention with concerns focused on sustainability. This is coupled with very significant and complicated change programmes outside of business as usual and as a result, there are many risks that are being managed, some of the most significant include:
- (i) The overall funding position, the continued Government short term approach of in-year allocations with insufficient planning time and ambiguity on intent with regards to the funding reforms;
 - (ii) The pressures in the care market, detailed in the commissioning section above;
 - (iii) Demand levels and general increased acuity of need and transitions, reflecting both population change and policy direction to support citizens in the community;
 - (iv) The specific complexity of change programmes including the Provider review and retender programme;
 - (v) Progress on integration within the wider Health and Social Care system remains constrained by statutory and organisational matters;
 - (vi) The specific service delivery arrangements for Mental Health through GMMH. The refresh of Mental Health Section 75 Partnership Agreement with GMMH has resulted in the mobilisation of several improvement workstreams. Within this activity is the need to review the FTE establishment delivering delegated Care Act functions and duties. The outcome of this rebasing exercise may result in additional financial cost to MCC if further resources are required to deliver the ratified activity demand within the system.
- 8.2. All of the above, signal an immense challenge as the Directorate moves through 2024 and looks ahead to the 2025/26 budget position. At this point in time, without funding reforms and significant investment from Government into Social Care it is difficult to envisage, if a significant savings target is set, how the budget will be balanced. There are budget opportunities, but they are difficult to realise, some of the key areas include:

- (i) Continued substantial investment in the short-term offer including a increased and wider reablement offer covering mental health, TEC, support for carers etc. The BOBL approach to prevent, reduce and delay is key to avoiding demand growth and is the cornerstone why Manchester is comparatively stronger than the national picture;
- (ii) Reducing the number of out of city and crisis placements, linked to the Provider review, working closely on market shaping with Manchester Providers and strengthening arrangements to prevent instances of crisis occurring;
- (iii) The spend on homecare and particularly the growth in double cover support and average package size present key line of enquiry that are being actively considered, the moving and handling pilot is a key initiative.
- (iv) There are income opportunities on discretionary charges, however the approach in the recent couple of years has been to limit changes to protect Manchester citizens from inflation on care costs if possible; and
- (v) The opportunities of working within a health and social care system remain strong in terms of joint commissioning, joint investment programmes, avoiding cost shunting and working together on having the best possible support arrangements for Manchester citizens that need care.
- (vi) Development of best practice in order to meet the exacting areas of the CQC Assurance Framework and to ensure a satisfactory rating outcome.

8.3. There had been ongoing delays with Liberty Protection Safeguards (LPS) that were inextricably linked to Advocacy provision; the government has now announced that the LPS will no longer be implemented in this parliament; however, the provider has worked closely to prevent this causing major disruption.