

Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 7 February 2024
Executive - 14 February 2024

Subject: Adults Social Care Budget 2024-27

Report of: Executive Director of Adult Social Services

Summary

Local Government is under profound financial pressure, largely due to externally driven cost and demand pressures at a national level particularly affecting Adults Services, Children's Services and Homelessness. It is in this context that the Council must set a balanced budget.

Following the provisional finance settlement announced 18 December the Council is forecasting an estimated budget shortfall of £38m in 2024/25, £79m in 2025/26, and £90m 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, the budget is balanced for 2024/25 and the remaining gap reduces to £29m in 2025/26 and £41m by 2026/27. This position assumes that savings of £21.4m will be delivered next year.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2023. Each scrutiny committee is invited to consider the proposed budget changes that are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 14 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.

The Executive is recommended to approve these budget proposals.

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
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	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 final proposals for the Adults Social Care (ASC) budget for 2024/25 to 2026/27. It provides:
 - (i) An overview of ASC 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 the savings plan 2024-26; 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.
- 1.3. MLCO is in process of developing the Operating Plan for 2024/25 and the underpinning service plans across Community Health and ASC.
- 1.4. The Operating Plan will be drafted by end February and should be finalised by end March 2024.
- 1.5. The approach is embedded into the planning approaches in both Manchester Foundation Trust (MFT) and the City Council; MLCO will deliver one overarching Operating Plan for community health and ASC in one document that meets the requirements of both MFT (and therefore the Integrated Care Board and NHS Planning guidance) and the City Council.
- 1.6. 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 adult and children's Community Health services and Adult Social Care services. It is the partnership vehicle for the delivery of joined up health, care and wellbeing services.
- 2.2. 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.
- 2.3. 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.
- 2.4. 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.
- 2.5. The MLCO is unique in GM and the Section 75 Agreement (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.
- 2.6. 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.
- 2.7. 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.

2.8. The budget strategy for Adult Social Care, as detailed in this report, will also be incorporated into the Section 75 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. Adult 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. Manchester City Council supports a large number of Manchester residents with social care needs. Manchester has a relatively young population profile with around 50,000 residents aged over 65 in 2023, some 8% of the population. The number of residents aged 65 or over has increased by 3,300 from 2010 to 2023, which is 7% growth in 13 years, and lower than the overall rate of growth of the city's population in that time. Information on people supported is presented below.

	31st March 2022	31st March 2023	31st Dec 2023
Homecare hours per week	28,389	32,592	37,548
People receiving Homecare	1,889	2,082	2,214
People in Older People Residential and Nursing (Excluding self funders)	842	698	721
People in Physical Disability Residential and Nursing (Excluding self funders)	119	118	127
People in Learning Disability Residential and Nursing	158	163	163
People in Learning Disability Support Accommodation (Incl in-house)	485	492	514
People in Mental Health Residential and Nursing	367	372	387
People in Mental Health Supported Accommodation	332	318	334

The following are provided on a rolling 12 months basis:

	31st Dec 2021	31st Dec 2022	31st Dec 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 2024/25 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. The three-year transformation programme – Better Outcomes, Better Lives (BOBL) concluded in December 2023. BOBL was a practice led strengths-based change programme, aimed at enabling people in Manchester to achieve better outcomes with less dependence on formal care. The strategy of

the programme has been to focus on preventing, reducing and delaying the point at which someone requires more intensive support, changing how demand is managed. 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. Embedding strengths-based practice has been key to the programme, drawing on the right levers to create the conditions for Social Care practitioners to focus on wellbeing and independence, rather than deficits and needs. When assessing for support, practitioners will start with the persons' strengths, the resources within their own networks and local community before exploring what shorter-term support is available that could enable independence. The potential benefits of all of these options will be explored before longer-term support.
- 3.9. The impact of this strategy has contributed towards managing demand differently, supporting better outcomes and managing costs. Some of the evidence to date from the BOBL workstreams includes:
- 3.10. The **Early Help** workstream has introduced strengths-based conversations at the Contact Centre and established the Adults Early Support Team (AEST). Improving information to resolve more calls, to reduce demand coming in, and provide more accurate support and care. As a result:
 - More calls are being resolved at the Contact Centre, up from 55% in April 2022 to 68% in November 2023, which equates to 1,183 new referrals being resolved at the front door;
 - Repeat calls are on a downward trend since February 2023, meaning more people getting the right advice and guidance first time; and
 - Fewer inappropriate calls are being sent to Integrated Neighbourhood Teams for social work assessments, meaning there are fewer unallocated cases – from 149 in May 2023 to 96 in November 2023, and a 19% reduction in overdue reviews.
- 3.11. The **short-term offer** workstream has expanded **Reablement** and Technology-enabled Care (TEC) use. Reablement is non-statutory, time-limited support that helps people re-learn or re-gain skills for independent living, that may have been lost following illness, accident or disability. Successful reablement means people do not need longer term care, or that they need a reduced package of care. BOBL has:
 - Invested in expanding Reablement to a service with 296 FTE staff and a budget of £9.5 million in 2023/24. Reablement supported 1,444 people through core the offer in 2023, 51 through the complex Reablement offer and 24 people through Short Term Intervention Team;
 - Monthly reporting shows that around two thirds (67%) of those receiving reablement leave with no further care required (62%) or reduced care needs (5%). These numbers fluctuate monthly but have improved in recent years and are above the indicator agreed at the start of BOBL;

- To better understand impacts, we are looking at the cost avoidance from packages of social care that those people would otherwise have needed, and the reductions in demand on hospitals from fewer admissions (on average, 4 less days); and
- Further investment in Reablement will allow expansion to support people with Learning Disabilities and Mental Health, and to provide an offer for all people being discharged from hospital with social care needs.

3.12. **Technology-Enabled Care (TEC)** provides technological devices to help people maintain their independence and remain living in their own homes, alongside improving their personal safety. BOBL has embedded a TEC-first approach in Social Care over time, by developing a smart suite venue that showcases the TEC offer, a Champions Network for staff, a mandatory e-learning package, prototyping of new TEC devices, communications and branding. BOBL has:

- Increased the use of TEC, so 27% of support plans included TEC in 2022, up from 14% in 2021. This includes installation of 112 Just Checking and 32 Just Roaming motion sensors in supported accommodation to date;
- There are examples of lower cost care packages being required than otherwise through the use of TEC but more evidence is needed.
- There is an opportunity to build TEC into more care reviews as well as new packages.

3.13. **Extra Care** is supported accommodation for older people with an onsite care team commissioned by Adult Social Care, with commissioners acting as the gateway to placements and monitoring care and levels of need:

- Manchester had 6 Extra Care Schemes with 232 apartments in 2014. A new growth strategy was developed. By November 2023 there were 12 schemes with 762 apartments. This is one of the highest rates by population in the country (21 per 1000 people), compared to the national average of 12 and the CIPFA comparator areas average of 13.
- A further 3 schemes are already in the pipeline. Recent Housing Needs Analysis shows an estimated 33% increase in Manchester's over 65 population by 2043, with increased prevalence of dementia and related conditions. We are planning for 1,260 Extra Care apartments by this time from around 13 schemes.

3.14. **Unpaid Carer support** is being scaled up, led by Carers Manchester, a partnership of 18 organisations that supports unpaid carers in the city. Carers Manchester works closely with the ASC Carers Team to ensure carers are aware of the offer for carers, information and advice available, and statutory carers assessments. The Carers pathway provides help earlier in a carer's caring journey to help them continue caring (build up resilience) and avoid going into crisis:

- The numbers of Carers registered is increasing, in 2022/23, 1101 'new' unpaid carers were identified and supported: 183 new Carers were

registered in November 2023, much higher than the monthly average of 87 in the last year; and

- The number of Carers assessments is also above the better outcome indicators – 151 in November, and higher than the better outcome indicator of 138. There were 2,043 calls to Carers Manchester in past 12 months.

3.15. The Service will continue to have an overarching strategy of achieving the best outcomes, by supporting people to be as independent as possible, and being practice-led about delivering change. Priorities for large-scale transformation are:

- (i) **Expanding Early Help and prevention offer** to ensure that people access the right kinds of support at the earliest opportunity. This aligns to the development of an MLCO Prevention Strategy, referenced below. Sequencing to be defined:
 - Continued focus developing Adults Early Support Team and front door;
 - Ensuring our Reablement offer is accessible to more cohorts including people with a Learning Disability and more complex support;
 - Greater therapy input, to support increased independence, particularly for people requiring the support of two people with their movement; and
 - Expansion of TEC offer across the MLCO.
- (ii) **My Life, My Way and Learning Disability:** My Life, My Way is a substantial 3–5-year redesign programme focused on in-house Supported Accommodation, Day Services, Transport arrangements and Short Breaks for adults with a learning disability and/or autism. The programme seeks 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. The development of a system-wide vision for Learning Disability is currently being scoped.
- (iii) **Controcc Programme:** Creating an effective, robust and accurate financial and payments system. Improving the workflow, systems recording and payments process.
- (iv) **Preparing for Adulthood Programme:** Strengthening the transition from Children’s into Adults Services
- (v) **Transforming Safeguarding:** into a system that supports people in a timely manner, so that people feel safe and secure where they live and that Safeguarding is personalised.
- (vi) **Working with GMMH** to support their improvement journey into becoming a safe, effective and innovative offer;

- 3.16. In addition to the above, working with the VCSE remains critical to unlocking prevention in our communities. A recent example from Home from Hospital – a targeted, low cost, intervention to support mostly older people leaving hospital and requiring no adult social care intervention. Demonstrates the creativity of solution-finding evidenced by three VCSE providers, working across the three main Acute Trusts, means that people 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.

Wider Integration Priorities

- 3.17. Alongside ensuring our community health and adult social care services achieve operational, financial, quality and safety standards and metrics, the MLCO operates at the interface between acute, primary care, mental health and wider public services. Providing joined up health, care and wellbeing services to the residents of Manchester. 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, supporting care market sustainability;
 - Ensure an integrated Learning Disability service model through an aligned commissioning and service plan;
 - Embed Population Health Management beyond INTs to citywide and specialist service models, using population health modelling to develop service offers and priorities; and
 - Develop an MLCO prevention strategy building on our work to embed technology into our service models, a reablement first approach and our learning from BOBL and the Population Health management work in our Integrated Neighbourhood Teams.
- (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, developing ControCC and mobilising a Single Point of Access (SPOA) for Community Health Services;
 - Continuing to build on our principles of Freedom to lead through varying methods of staff engagement and putting solutions in place to improve the employee experience, this includes joining up the approaches across community health and ASC; and
 - Work through the Manchester Strategic Estates 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; and
- Develop a service strategy for Sickle cell and Thalassemia across MFT building on our understanding of the needs of service users and their families through a bespoke community engagement commission.

Preparation for Inspection under the CQC Assurance Framework

- 3.18. 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.
- 3.19. 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.
- 3.20. A self-assessment is underway 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 £285.023m and the net budget of £219.666m. Income of £65.357m includes client fees £30.416m, Better Care Fund Grant £17.791m, contributions from NHS partners of £10.267m and other income of £6.883m 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

- 4.2. The start budget for 2023/24 was £211.947m with key changes to the budget in year being the addition of the Market Sustainability and Improvement Fund (MSIF) workforce grant of £4.055m and pay award allocation of £4.347m. The budget was also reduced by a pensions budget adjustment of £-0.602m and Directorate transfers and other adjustments of £-0.081m.

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	83,040	50,957	-
Learning Disability	64,897	59,391	-
Mental Health	31,562	25,675	-
Disability Supported Accommodation Service	24,200	20,896	462.50
Investment funding	6,073	6,073	-
Sub Total	209,773	162,993	462.50
Short Term Care:			
Reablement/Short Term Intervention Team	11,929	9,782	316.62
Short Breaks/Respite/Day Centres/Neighbourhood Apartments	5,989	5,684	132.46
Equipment & Adaptations (inc TEC)	8,371	6,082	174.42
Carers/Voluntary Sector	3,962	3,500	-
Sub Total	30,251	25,049	623.50
Infrastructure and Back Office:			
Social Work Teams	23,083	18,558	360.85
Safeguarding/Emergency Duty	4,045	3,037	67.00
Brokerage/Care Home Teams	2,011	1,853	-
Management and support	15,860	8,177	273.70
Sub Total	44,998	31,624	701.55
Total	285,023	219,666	1,787.55

Growth and Pressures 2024-27

- 4.3. The November 2023 Scrutiny report outlined that:
- (i) Growth and pressures of £26.372m were estimated and included in the Medium Term Financial Plan (MTFP) for 2024-26, as part of the 2023/24 budget approvals process. These are detailed in **Appendix 2** together with an additional £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 proposed ASC precept.

- (ii) Further pressures were detailed in the November report including:
- A £9m pressure into 2024/25 arising from the 2023/24 financial forecast position (as at August 2023), which was fully mitigated through a combination of additional resources and specific service initiatives detailed (and now presented in this report in the savings section below);
 - 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;
 - Additional funding towards the cost of care uplifts of £3.500m in 2024/25;
 - Mainstreaming the cost of new care models £1.300m from 2026/27; and
 - An expected £1.779m reduction in the 2024/25 MSIF workforce grant from £4.055m to £2.276m (the provisional settlement was slightly better at £2.316m).

The above representing an additional £8.584m, bringing the total investment 2024-27 to £40.892m (**also detailed at Appendix 2**).

- 4.4. The recurrent underlying position for 2024/25 has become significantly more challenging over the last five months notably:
- (i) A 15.2% increase in commissioned homecare hours in the year to December 2023 from 32,592 hours per week to 37,548 hours per week, following a previous 14.8% increase over 2022/23;
- (ii) Older people and people with physical disabilities in residential and nursing care as at December were 32 above the start of year, from 816 people to 848 people (excluding self-funders) and there are increased one to one support costs, assessed need top up and price pressure above framework rates;
- (iii) People with mental health needs or a learning disability in supported accommodation (including in-house provision) has increased by a net 31 as at December, from 817 people to 848 people with significant additional cost of new starters in provision against those that have left provision, reflecting an overall increase in complexity of need;
- (iv) The In-house supported accommodation service is supporting more clients and higher level of complexity; and

- (v) The long term care budget included £5.5m of demand management savings with progress being made on £4m of this relating to older people and learning disability initiatives such as discharge to assess and reviews, but outweighed significantly by incoming demand pressures outlined above on residential, nursing, supported accommodation and homecare, and challenges delivering the £1.5m element relating to mental health social work.
- 4.5. Whilst the budget challenges outlined are significant, it is important to set in the context of the demand management BOBL work programme outlined earlier in the report and in particular, progress and outcomes delivered through: early help, reablement, TEC, support to carers, extracare and strength based practice. Due to cost effective management of demand, Manchester's social care financial pressures are less than many comparable authorities. Further commentary on the national comparative position is outlined in the cover report from the Deputy Chief Executive and City Treasurer.
- 4.6. The full year cost into 2024/25 of clients in long term care as at November is assessed at £20.812m above the existing budget. In addition, it is prudent to provide £1.5m for further growth in homecare to the end of the financial year. Furthermore, in relation to the increases outline in the November report, set out in 4.3 (ii) above, the £2m for transition of children to adult support and been increased to £3m and 2024/25 demographics increased by £1.295m
- 4.7. To complete the update on budget pressures, an investment requirement for capacity supporting mental health practice of £1m is included, £0.5m for commissioning, contacting and system hub capacity and the approved savings programme covering the provider review (detailed later in the report) has been reduced by £1m. Overall there are £27.107m of additional budget pressures **(Appendix 2)**. Substantial work has been completed to mitigate these pressures, with a plan of £19.8m set out below but which leaves a residual additional budget requirement of £6.807m from the position reported at November and this has been included in the proposed update to the medium term financial plan, with £0.807m to met from additional social care grant per the provisional settlement and the balance further cash limit growth. The financial plan has also been updated with the £0.040m change in the provisional settlement for MSIF.
- 4.8. The proposals outlined in the report bring the total gross investment into Adult Social Care spending to £68m over 2024-27. All funding in relation to the care cost uplift is held centrally within the ASC budget and allocated into service lines once commissioned packages are updated.
- 4.9. 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.

Savings Plan 2024-27

- 4.10. Savings of £4.4m were approved for 2024-26 and are detailed in **Appendix 1**. The November report outlined the focus that was underway to look at the Provider Services, the 'My Life My Way' programme. Accommodation in Manchester for citizens with learning disabilities and/or autism is in extremely short supply. 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. The planned approach to and delivery of the 2024/25 savings has been reduced by £1m and is summarised in the table below. Future years savings remain unchanged and will be reconsidered within the 2025/26 process.

Amendments to Approved Savings Programme

Item	Update	Plan 2024/25 £'000	Revised 2024/25 £000
Day services	Priority area for 2024 will be DSAS and the approach to day services will be reconsidered within 2024 for the 2025/26 budget	500	0
Short breaks	Priority area for 2024 will be DSAS and the approach to short breaks will be reconsidered within 2024 for the 2025/26 budget	250	0
Transport	Reduced opportunity	150	75
Disability Supported Accommodation Service (DSAS)	Increased opportunity from Reablement, TEC and therapy to improve independence. Also step down opportunities	750	900
Extra care	No change	50	50
LD Joint funding	Further time needed for integrated joint commissioning with ICB to mature	500	175
Total		2,200	1,200

- 4.11. The additional mitigation plan presented in November, which totalled £8.7m has been further developed and increased to £19.8m. The plan has two components, £13.4m of additional funding and reallocated budgets which is secure and £6.4m of service actions which will be added to the approved savings programme and which include a level of risk. There are however no consultation requirements arising.

- 4.12. The £13.4m of additional funding and repurposed budget covers:

- (i) Use of grants and the better care fund allocation £2.6m;
- (ii) Expected growth in client contributions £2.5m, 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;

- (iii) Use of demographics budget allocation £4m;
- (iv) A specific price inflation allocation £2m; and
- (v) Release of pre 2023/24 budget held for backdated care cost uplifts £2.3m on the basis all material liabilities have now been addressed.

4.13. To respond to the significant pressures outlined above, £6.4m of service actions have been identified, which form a new savings programme (further detailed at **Appendix 1**), covering:

- (i) New business rules have been introduced by practice to more effectively manage one-to-one support in care homes (£0.3m) and ensure on-going support is reviewed regularly;
- (ii) 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;
- (iii) 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 and the budget updated at that point;
- (iv) Additional client income through correction to system configuration allowing accurate billing of care in block contract and extra care arrangements (£0.5m);
- (v) Reassessment of the Discharge to Assess budget requirement for 2024/25 £0.5m;
- (vi) Work with system partners to deliver an agreed programme of work that minimises discharge from hospital direct to Residential and Nursing care (Pathway 3) and avoids over-prescription of inappropriately large homecare packages (Pathway 1) on discharge (£0.5m);
- (vii) Moving and Handling pilot – this is a proven approach from other Council's aimed at reducing the need for double cover in homecare packages (£1.5m), spend on which is in excess of £15m; and
- (viii) Other homecare and direct payments initiatives, primarily focused on a robust review programme on hospital discharge pathways and a Reablement first approach (£0.8m).

4.14. The Directorate has also 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.

Government Grants and Other Investment Funding 2024-27

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

	2024/25 £'000
Market Sustainability Improvement Fund	11,664
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 £2.316m 2024/25. The total allocation in 2024/25 is therefore £11.664m. 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 Social Care Grant has been set at £60.218m, £0.807m higher than anticipated and is ringfenced for adults and children's social care. 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 2024-27.
- (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. The Improved Better Care Fund will remain at 2023/24 levels at £31.7m. 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

4.16. 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 £3.3m rising by £1m in 2025/26 and 2026/27. The increase in 2024/25 reflects both a budget reset to reflect the forecast outturn 2023/24 and 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.

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

		2024/2 5	2025/2 6	2026/2 7
		£'000	£'000	£'000
Cash limit	Para	219,666	247,439	255,250
<u>Growth</u>				
Demography	4.3 (i)	2,636	2,936	3,236
Demography - Additional	4.3 (ii)	1,735	1,064	764
Demography - Transitions	4.3 (ii)	2,000		
Additional Long Term Care Pressures and Homecare	4.6	22,312		
Transitions and Demographics	4.6	2,295		
Mental Health investment	4.7	1,000		
Commissioning and contracting capacity and system hub	4.7	500		
Less: additional funding and repurposed budget mitigation plan	4.1 2	- 13,400		
<u>Grants</u>				
ADF for new investments	4.3 (i)	2,969		
MSIF	4.3 (i)	3,105		
MSIF Workforce - Reduction	4.3 (ii)	- 1,739		
<u>Care Costs</u>				
Price	4.3 (i)	458	2,011	
ASC Precept passthrough	4.3 (i)	2,274		

		2024/2 5	2025/2 6	2026/2 7
Real Living Wage	4.3 (i)	5,983	4,000	4,000
Fair Cost of Care	4.3 (ii)	3,500		
<u>Saving Programme</u>				
Savings	4.1 0	- 2,200	- 2,200	
Amendment to existing programme	4.1 0	1,000		
New saving programme	4.1 3	- 6,400		
Additional Vacancy Factor	4.1 4	-255		
		247,4 39	255,2 50	263,2 50

- 4.18. **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.
- 4.19. 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. Furthermore, the cost of utilities, particularly in care homes, is now a regularly reported issue that is consuming a higher proportion of fee rates;

- (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

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

- (i) Supporting providers with recruitment and retention through arranging Jobs Fairs (Etihad and Wythenshawe Forum) and a further Jobs Fair planned for March 2024;
- (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) Consulting providers and 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. At present, the home is meeting a genuine need in the city for Discharge to Assess beds (D2A), which is offsetting some of the financial pressures, which is very positive.

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) - scheduled to be advertised Spring 2024; and
- (ii) Reprourement of Homecare (value £26m) which is now advertised on The Chest procurement portal from late December, with an implementation date of Summer 2024

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 has now been expanded to include Mental Health and Learning Disability Placements.

5.8 In summary, the care market remains fragile, however, the Market Sustainability and Investment Fund (MSIF) issued to providers, and continued work to sustain the quality of provision (Manchester now 2nd highest in GM for care homes rated Good or Excellent (91%)) and engagement with providers means that the situation in Manchester is less acute than our comparators at GM/Core Cities. Commissioners will continue to take a pro-active approach to safeguard provision and ensure best value/use of resources where possible.

6. Workforce Implications

6.1. 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 to look at developing new types of roles where required, as well as the ability to trial approaches across services, such as the Moving and Handling Optimisation Prototype and the Adults Early Support Team. To date, 89% of the roles funded by investment have been established and 57% of the overall

investment roles are now filled. Some of the new posts have provided opportunities for internal progression.

- 6.2. The recruitment and retention strategy has continued to drive good outcomes in priority areas including Reablement, Social Work and Disability Supported Accommodation (DSAS). The new posts funded by investment monies have further added to our vacancy figure, however progress is being made, with 76 new starters in Quarter 3. 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.
- 6.3. The continued national challenges in filling posts within the care 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 system.
- 6.4. The anticipated 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. This will be supported further by the Department of Health and Social Care work on developing a new care workforce pathway from entry level for Adult Social Care to help professionalise and promote the image of social care roles as a career.
- 6.5. The identified savings proposals as currently identified will have a limited impact on workforce, with savings to come from the review of services as opposed to deletion of a significant number of vacancies.
- 6.6. Previously, vacant roles were held in two main service areas that were under review - Day Services and the DSAS (covered by agency in the interim). Recruitment into these services is now underway, as there is sufficient scope to make any required changes to roles through vacancies that become available through normal anticipated turnover. 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 (further recruitment is now being progressed at the end of Quarter 3).
- 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. Adults (overall) turnover has also been a key focus and has improved over this time period from 10.6% in Sept 2022, with the latest figures from Nov 2023 showing a reduction to 7.4%.

- 6.9. It is currently 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 would be reviewed again in 2025/26 to reflect the updated recruitment position at that time. This proposal may need to be reviewed as part of an on going review of current vacancies and potential to delete a number of roles that do not have a clear future plan for recruitment in support of imperative service delivery.

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 for the Council and Government messaging about likely future settlements for Local Government. Coupled with short term in-year allocations of social care funding 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) Despite the progress made to reduce demand pressures through transformation and prevention programmes, there are still significant demand pressures in terms of numbers of people requiring care and their acuity of need;
- (iv) The specific complexity of change programmes such as the Provider review and tender programme;
- (v) Progress on integration within the wider Health and Social Care system remains constrained by financial pressures affecting NHS partners and 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 the City Council if further resources are required.

8.2. These and other issues are creating very significant challenges in the 2024/25, 2025/26 and future financial years. Areas for action to address these issues include:

- (i) Continued substantial investment in the short-term offer including an increased and wider reablement offer covering mental health, TEC, support for carers etc. This will build on the BOBL programme focusing on prevent, reduce, delay and strengths based ways of working, which has helped Manchester to avoid the most significant increases in demand affecting other Local Authorities;
- (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) Working with NHS partners on a joint programme of work to reduce discharge from hospital into high cost Residential, Nursing and Homecare packages where these involve over-prescription and care needs can be met through alternative packages of care. This includes strengthening the role of social workers in determining care packages on discharge from hospital, expansion of Reablement, Discharge to Assess reviews, building on the Hospital at Home work, the moving and handling pilot, and reducing double cover arrangements when appropriate;
- (iv) Review of Manchester care policies and procedures, within the Care Act assessment process to ensure that the funding available is sufficient to meet the needs of the entire local population;
- (v) Review the application of discretionary charges while limiting the impact of any changes on Manchester citizens; and
- (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.