

## Manchester City Council Report for Information

**Report to:** Health Scrutiny Committee – 4 December 2024

**Subject:** Adult Social Care Directorate Budget 2025-28

**Report of:** Executive Director of Adult Social Services

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### Summary

The Council is forecasting an estimated budget shortfall of £101m in 2025/26, £126m in 2026/27, and £164m by 2027/28. Mitigations approved in previous budget rounds include approved savings of £32m, the use of c.£18m smoothing reserves in each of the three years, and a Council Tax increase of 4.99% (c.£11m) a year. After these mitigations the gap reduces to £29m in 2025/26, £41m in 2026/27 and £77m by 2027/28.

This report provides a high-level overview of the latest position and officer developed options to contribute to the balancing of the overall Council budget. Final options will be proposed following the announcement of the provisional Local Government Finance Settlement, expected prior to Christmas.

The 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 2025. This committee will have the opportunity to review proposals in the context of the financial settlement again in February and make final recommendations to the Executive to consider on 19th February 2025 where the final budget decisions will be made.

### Recommendations

The Committee is recommended to 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

<b>Environmental Impact Assessment</b> -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.
<b>Equality, Diversity and Inclusion</b> - 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	<p>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.</p> <p><i>Progressive and equitable city:</i> Our work to deliver Achieving Better Outcomes Together 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</p>
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 2025/26 revenue budget set by Council on 28 February 2025.

### 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 budget 24.25 Executive 14 February 2024](#)

## **1. Introduction and Purpose**

- 1.1. This report provides an update on the outlook for the Council's medium term financial strategy (MTFS) to support the Scrutiny Committee in its duty to provide oversight and challenge to the council's process for developing the 2025/26 budget. It represents the first opportunity for the Committee to engage with this year's budget setting process and outline expectations for future Scrutiny.
- 1.2. The report provides an overview of the Adult Social Care Directorate service and budget strategy and the officer work on developing further cashable savings options for 2025-28.

## **2. Service Overview and Priorities**

- 2.1. Manchester Local Care Organisation (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, governed through Section 75 arrangements.
- 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. 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.
- 2.4. 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.
- 2.5. In discharging its statutory duty, Adults Services 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. Charges are based on financial assessment in accordance with the Care and Support (Charging and Assessment of Resources) Regulations 2014 and the Council's Charging Policies, for citizens in receipt of chargeable Adult Social Care, care and support services.

2.6. 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.

	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2024</b>
Homecare hours per week	28,389	32,592	36,831
People receiving Homecare	1,889	2,082	2,212
People in Older People Residential and Nursing (Excluding self funders)	842	698	734
People in Physical Disability Residential and Nursing (Excluding self funders)	119	118	123
People in Learning Disability Residential and Nursing	158	163	161
People in Learning Disability Support Accommodation (Incl in-house)	485	492	521
People in Mental Health Residential and Nursing	367	372	390
People in Mental Health Supported Accommodation	332	318	349

The following are provided on a rolling 12 months basis:

	<b>31<sup>st</sup> Dec 2021</b>	<b>31<sup>st</sup> Dec 2022</b>	<b>31<sup>st</sup> Dec 2023</b>
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

2.7. The adult social care (ASC) 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 outcomes 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. The most recent data shows that over 70% 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 (including commissioning and contracting functions)* which we have invested in to ensure that all assessments and reviews are focused on strengths and that our statutory duties are met through the delivery of our own services and those in the care market.

2.8. The fundamental priority for Adult Social Care in 2025/26 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.

### **Overall Service and Budget Strategy**

2.9. **Better Outcomes, Better Lives** (2021-24) was created to develop a service that supports people earlier and better. Delivering strength-based approaches that increase the independence of people in Manchester. Ensuring that we provide the right support at the right time. This has led to improved outcomes and reduced spend on Adults in Manchester compared to other areas.

2.10. **Achieving Better Outcomes Together (2024-27)** is the updated strategy bringing together all change and transformation in Adult Social Care and builds on the principles of Better Outcomes, Better Lives. To continue developing practice and embed sustained system change, Achieving Better Outcomes Together is also focused on the supporting systems and partnerships around practice that can have a significant impact on people's experience of care and support, enabling the continued development of a smarter, strengths-based service.

2.11. Achieving Better Outcomes Together will move us from Strength's Based practice into a Strengths-Based System:

- Our Social Care Systems: Delivering enabling systems that support effective practice;
- Strengths-Based Commissioning: delivering the largest tender exercise in a decade to shape services including Supported Living, Day Services in Adult Learning Disability and Autism and Mental Health as well as homecare;

- Transform mental health services to ensure holistic strengths-based approach across the city;
- Developing our Quality Assurance and Practice Framework to support a high standard of delivery;
- Equip people with the right information about the costs of their care, and tighten processes to support better financial management;
- Developing solutions using co-production with people who draw on services and carers to create impactful solutions;
- Continued work on maximising independence and managing demand into services including through our Adults Early Support Team, expanded reablement offer, technology-enabled care, Trusted Assessor, Moving and Handling and short and long-term work on Hospital Discharge; and
- Continuation of the delivery of My Life, My Way our programme of work focused on transforming learning disability and autism services with a focus on our in-house services as well as Preparing for Adulthood (transition). This includes long-term work on the development of a modern supported accommodation offer in Manchester, working with colleagues in Development.

2.12. The ASC budget position continues to be challenging. The ASC budget strategy is predicated on managing and avoiding demand, and is delivering a combination of cost avoidance, alongside cashable savings. Given forecast increases in demand, the focus of demand management work is weighted towards cost avoidance which will work to reduce the impact of forecast increases in demand, whilst we also ensure we are delivering budget reductions.

2.13. The strategy detailed above is being progressed through Achieving Better Outcomes Together as described above. A brief summary of the most significant that relate to the delivery of a sustainable budget are as follows:

(i) My Life My Way

The programme's remit is services that predominantly work with people within the learning disability and/or autism cohort. The vision of the programme is the transformation of the services to ensure that they are accessible by people with highly complex needs and responsive to future demands. This will be achieved by developing accessible accommodation and facilities with a highly skilled and flexible workforce to reduce the requirement to commission expensive external services and provision by enhancing people's skills to enable them to live as independently as possible.

(ii) Trusted Assessor

The project aims to right size packages of care by working with providers and empowering and trusting them to recommend changes to packages of care. The cohort is adults (18+) who are in receipt of commissioned home care and under review responsibility within INTs. The project aims to maximise independence ensuring support needs

are being met whilst managing demand on social work time and the delivery of commissioned hours.

### Moving and Handling

The project is embedding holistic functional assessments and incorporating moving and handling advice and techniques, equipment, adaptations, CATEC and a referral to rehab for citizens who are in receipt of double cover care as an element of their package of care, or where this is being considered on discharge from hospital. The aim is to enhance a person's independence by ensuring they are receiving the right level of care by implementing single handed care solutions where possible

#### (iii) Hospital Discharge

The aim of the short term project is to improve the decision-making for people being discharged from hospital. This is to reduce the significant pressures on Pathway 3, the discharge of people into long-term residential or nursing care, by maximising a person's independence to support them to return home.

This is being achieved through Social Worker capacity embedding into the three hospitals and attending board rounds to start a person's discharge planning from admission through a collaborative and timely Multi-disciplinary Team (MDT) approach. The MDT will focus upon a Home First approach by working to proactively support a person to return home. This will include options such as Reablement, Technology Enabled Care (TEC) and additional wrap around support with a subsequent reduction in the usage of Discharge to Assess (D2A) and long-term care bed capacity.

#### (iv) System wide programme – Urgent and Emergency Care

Alongside the immediate work outlined above, Adult Social Care is working with MFT (with a focus on Manchester Royal Infirmary) and the ICB and the whole health and care system with a focus on admission avoidance, supporting further improvements to discharge planning within the hospital as well as maximising independence on discharge. This is all focused on a 'home first' methodology – ensuring that days kept away from home are minimised through integrated working. This programme is being supported by an external consultancy (Newton Europe) with the intent of delivering long term sustainable cashable savings across the system.

#### (v) Adults Early Support Team

A key pillar of our prevention strategy is to expand the Adults Early Support Team to provide a prevention offer to more people. This is being further expanded in a phased approach, resulting in a single point



of contact for ASC referrals which providing a prevention offer to everyone contacting us for support. The current work is focused on expansion to safeguarding contacts, with further areas in 2025/26 including Transitions and Complex Services

(vi) Expanding Reablement

Reablement development and expansion is part of our prevention work. The purpose is to develop a comprehensive offer so that people who access Adult Social Care have a reablement offer, prior to entering long term services and support. Building on the success of the Core Reablement offer which enables people from hospital discharge and stepping up from the community, a new team (incorporating the existing smaller Complex and Short Term Intervention Teams) will provide an inclusive offer that better meets the needs of other cohorts in preventing, reducing or delaying care and support needs.

The consolidated and expanded team will focus on providing a reablement and enablement offer to a wider cohort of people, including those with Learning Disabilities (LD), Mental Health, Neurodiversity, complex needs, autism and distressed behaviours.

(vii) TEC Expansion

Piloting and evaluating pieces of technology throughout Better Outcomes, Better Lives has identified an opportunity to roll out a piece of technology that has demonstrated both better outcomes and supported right sizing packages of care. Just Checking uses sensors around the home to monitor activity and can provide an objective and accurate picture of how someone moves around their home. Just Checking is being rolled out on an 'opt-out' basis into the reablement pathway, with everyone being considered for it. This will provide a tool to understand how someone is progressing on their reablement journey to increased independence.

TEC continues to support people to live more independently at home. Analysis of the impact of TEC has shown improved independence outcomes as well as a reduction in the size and spend on a package of care. Through continued staff engagement, a TEC first approach will continue to be pushed so that opportunities to use TEC are not missed in care planning, this also now includes offering TEC as part of the Adults Early Support Team who can provide TEC at the first point of contact.

- 2.14. The service developments and plans outlined above are all critical within the **Achieving Better Outcomes Together** strategy which includes a strong focus on demand management and cost avoidance as well as delivering core practice responsibilities to support Manchester residents. The success of this strategy will undoubtedly significantly influence the best possible chance to deliver a sustainable budget in the face of many challenges.

### 3. Service budget and proposed changes

- 3.1. The gross 2024/25 budget detailed in the table below is £314.151m and the net budget of £249.063m. Income of £65.088m includes client fees £33.971m, Better Care Fund Grant £18.872m, contributions from NHS partners of £9.324m and other income of £2.921m which includes grants and use of reserves.

Table One: Base budget 2024/25

<b>Service Area</b>	<b>2024/25 Gross Budget £'000</b>	<b>2024/25 Net Budget £'000</b>	<b>2024/25 Budgeted posts (FTE) £'000</b>
<b>Long Term Care:</b>			
Older People/Physical Disability	99,298	65,800	-
Learning Disability	78,181	73,181	-
Mental Health	39,548	31,737	-
Disability Supported Accommodation Service	25,193	22,295	462.76
<b>Sub Total</b>	<b>242,221</b>	<b>193,013</b>	<b>462.76</b>
<b>Short Term Care:</b>			
Reablement/Short Term Intervention Team	12,119	9,983	323.05
Short Breaks/Respite/Day Centres/Neighbourhood Apartments	5,740	5,217	132.73
Equipment & Adaptations (inc TEC)	7,982	5,503	188.00
Carers/Voluntary Sector	3,907	3,445	-
<b>Sub Total</b>	<b>29,748</b>	<b>24,148</b>	<b>643.78</b>
<b>Infrastructure and Back Office:</b>			
Social Work Teams	22,273	18,247	332.03
Safeguarding/Emergency Duty	3,673	2,912	65.00
Brokerage/Care Home Teams	1,944	1,837	-
Management and support	14,209	8,825	310.30
Investment Plan	82	82	-
<b>Sub Total</b>	<b>42,182</b>	<b>31,903</b>	<b>707.33</b>
<b>Total</b>	<b>314,151</b>	<b>249,063</b>	<b>1,813.87</b>

#### 2024/25 In Year Financial Position

- 3.2. The latest revenue monitoring to the end of September 2024 report to the Executive in November outlined an Adult Social Care projected overspend of £9.984m, driven by long term care placements, transitions and cost pressures which are outpacing demand management interventions. The long-term care budget is forecast to overspend by £11.567m across learning disability services, Disability Supported Accommodation Service (DSAS) and older person care, offset by underspends on short term care, workforce establishment and back office.

- 3.3. A number of mitigating measures have been initiated to reduce the budget pressure and the output from this work will be reported back to Executive alongside those from other Directorates. The key ASC areas developed to date are set out below totalling £5.300m with £2.194m incorporated into the latest forecast.
- (i) Lag in recruitment programme for establishment investments £0.5m.
  - (ii) Robust challenge of recruitment and agency usage, including a skill-mix and caseload review across teams. The aim is to contain workforce costs without impacting service delivery (£0.3m);
  - (iii) Client income (£2.650m) – a further increased assessment of income raised above budget assumptions reflecting both an increase in the number of people in receipt of long-term care and also the increase in the cost of care;
  - (iv) The hospital discharge arrangements for homecare provides for 4 weeks of non-chargeable care. This is a legacy of the government funded covid arrangements. With the ending of associated funding, the Directorate has now updated to remove this discretion and it is expected to raise further income (£0.650m);
  - (v) Discharge to assess provision has been reviewed and it is planned to reduce bed capacity pending notice periods and negotiation (£0.2m); and
  - (vi) Existing savings programme (£1m) – the approved savings programme for 2024/25 is £7.855m. In the latest revenue monitoring to the end of September 2024 report to the Executive £4.159m was achieved and £0.583m expected to be achieved, the balance being £3.113m. Work is therefore focused on ensuring at least a further £1m of the outstanding balance is delivered by 31 March.
- 3.4. All demand funding has been deployed into the forecast prepared. Realistically further long-term care packages will be required over the balance of the year. A predictive financial model is in place. Using a linear growth model there is a financial risk of up to £2.567m not included in the current forecast.
- 3.5. Following completion of the above work and reporting to the Executive, a further update will be provided to this Committee in the February report. At this point, post financial settlement, the MTFP assumptions will be clear and the recurrent budget requirements of 2024/25 into 2025/26 fully determined.

#### Savings Plan 2025-28

- 3.6. Savings of £2.2m were previously approved for 2025/26 and are detailed in **Appendix 1**. Implementation plans are being developed and at this stage, there are no proposed amendments to this programme.
- 3.7. Officers have developed additional savings options of £14.275m 2025-28 and they are also detailed in **Appendix 2**. £2.275m of these savings are retained to offset the loss of the ASC reserve funding in the base budget, in line with the existing budget strategy and £12.000m will be available to support

balancing the Council's budget as part of its Medium Term Financial Plan (MTFP) savings programme. The key components of the additional savings options are:-

- (i) Client income (£7.5m) – client income raised has been increasing by c. £3m p.a. over the last few years. This is due to both an increase in the number of people in receipt of long-term care and also the increase in the cost of care. The Directorate is working closely with the Corporate Core to introduce a new on-line financial assessment tool in 2025 whereby potential users of social care services can fill in their own financial details to determine if they are eligible for Council paid for support towards meeting the costs of their care and what their contribution would be. This is alongside other changes to policy, process and practice (outlined at Section 5)
- (ii) Extended approach to reviewing complex packages, ensuring joint funding or Continuing Health Care (CHC) funding is in place where eligible and using recognised costing tools such as Carecubed (£2.075m) – Reviewing high cost packages of care, where the citizen is eligible securing alternative funding sources, review of high level support needs with a focus on maximising independence and least restrictive options and ensuring internal provision is used (where appropriate) to prevent out of city placements and/or to support repatriation back into Manchester. A care cost calculator tool (Carecubed) will also be used as a complementary approach to assess the reasonableness of existing (targeted) packages of care, as well as supporting cost avoidance with new packages of care.
- (iii) Integrated commissioning with the ICB (£1.5m) – this saving options is backloaded across 2026-28. Officers are progressing discussions on developing a partnership approach to assess and step down jointly funded packages and this may include investment requirements in new provision or interventions.
- (iv) Demand management (£2.5m) (expanding reablement £0.640m and urgent and emergency care £1.860m) – not expected to be fully delivered until 2027/28 and reflective of expectations for increasing confidence in the demand management interventions detailed earlier in the report and further expansion notably reablement and joint work with partners on the urgent and emergency care programme.
- (v) Absence Management (£0.5m) - this will be focused on the service areas that incur agency to cover sickness creating a 'double-cost' and where the budget reflects a history of this, i.e. predominantly DSAS. These areas are included in the monthly absence focused meetings with the casework team where there has been a decrease in some of the long-term absence cases. Further consideration on the use of agency to cover absence is also looked at as part of the current Resourcing Approval Process with the oversight of the Executive Director and Deputy Director.

- (vi) TEC (£0.1m) – further roll out via reablement services.
- (vii) Direct payments (£0.1m) – conservative value factored into the review programme.

Growth and Pressures 2025-28

- 3.8. Growth and pressures of £18.011m were approved as part of the 2024/25 budget process for 2025-27 for expected demand growth and the annual care fee uplift. A review of any additional future demand pressures and the funding strategy for this, will be dependent on the outcome of the local government finance settlement.
- 3.9. Provision for any inflationary price increases and potential pay awards, is assessed corporately and will be allocated to service budgets when the details are available.

Government Grants and Other Income 2025-28

- 3.10. The specific funding for ASC is detailed in the table below with supporting commentary detailed. The Government’s Autumn Statement 2024, outlined additional funding at a national level for a number of grant funding streams, but exact local authority allocations will not be known until the finance settlement, expected in mid-December.

	<b>2024/25 Baseline £'000</b>
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 currently £11.664m.
- (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 is being used to sustain funding for social worker capacity supporting the hospital discharge programme, the uplifted cost of D2A beds, with a balance of just over £1m being used to support the investment programme detailed below including the next phase of reablement expansion, the TEC offer and

support to Carers. There are no specific funding announcements beyond 2024/25. The budget plan assumes £0.420m growth in 2025/26 using the same planning assumption as the BCF. The expected increase in ADF is factored into support for the investment programme detailed below.

(iii) Social Care Grant

The Social Care Grant has been set at £65.773m and is ringfenced for adults and children's social care. This grant is allocated as part of the finance settlement and is therefore allocated as budget directly to the service with any increases in funding used to finance increases in budget to meet demand. The national grant increased by £500m in the 2024/25 final settlement, of which Manchester received £5.555m. In the February 2024 MTFs the lateness of the announcement meant that this was assumed to be a one year increase only. It is now expected that this will continue.

The budget announced a further increase of £600m of ASC funding nationally. The estimated share for the Council is £9.2m, based on the Councils share of Adults relative needs formula and an assumption that the amounts raised through the 2% Adult Social Care precept will be taken into account as part of the grant distribution, in line with previous allocations. The current financial planning assumption is a net increase in Social Care grants of around £6.9m.

(iv) Better Care Fund (BCF)

The BCF will continue in 2025/26. 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 for 2025-27. This equates to additional c£2.8m over two years. The Improved Better Care Fund is expected to remain at 2023/24 levels at £31.7m. The expected increase in BCF is factored into support for the investment programme detailed below.

#### **4. Care Uplift 2025/26**

4.1. The 2024/25 MTFP assigned £6m of funding for the 2025/26 uplift to care rates paid to providers (approx. 3%). Consultation with sectors will run through November-December to understand cost pressures and enable modelling of options. A key consideration will be the following national budget announcements on 30 October.

- (i) Employer National Insurance Contributions (NICs) will increase by 1.2% points to 15%, coupled with lowering of the secondary threshold on which NICs are paid (from £9,100 per year to £5,000 per year); and
- (ii) A 6.7% increase in the National Living Wage.

It is expected that the NI increases, alongside that of the National Living Wage, will impact key suppliers to the Council, especially in the social care

market. It is unclear whether the Council will receive any additional funding to enable the compensation of social care providers at this stage.

- 4.2. The Market Sustainability Improvement Fund (as detailed above) has been deployed over 2023-25 to support a significant increase in care rates and a 'move towards' the fair cost of care. A further update on the plans for 2025/26 will be provided in February.

## 5. **Charges and Income**

- 5.1. Unlike health care, which is free at the point of care and funded by the NHS, the cost of social care is the responsibility of the resident, unless they are assessed to be eligible for Council support. Where residents are assessed as being eligible for financial support, the Council pays for the care and collects a contribution towards these costs from the resident. The financial assessment is based on the national framework and guidance set by the Department for Health and Social Care. The client income budget is currently £33.771m. Care contributions raised have been growing by c £3-3.5m p.a. since 2021/22 and this reflects both the increase in the number of people supported through a long-term package of care and the cost of that care, which has been increasing more sharply over this period. For financial planning purposes £7.5m of growth has been assumed over the period 2025-28 and this is a core element of the new budget proposals.
- 5.2. With the growth in income and its importance within the Directorate budget, some focus is being given to looking at related policy and practice arrangements. There has been a number of issues starting to present including:
  - (i) **Income and Debt Management Policy**

The financial assessment process is intended to confirm those able to contribute towards care based on charging rules set nationally. Further work is being undertaken to look at debt management and how support and advice can be provided to, often vulnerable, citizens at the earliest opportunity but also to strengthen collection procedures. Some investment into the income collection team and approach working with Legal services is being developed. The financial risk in this area is considered very high.
  - (ii) **Deferred Payments Policy**

The Council offers a Deferred Payment Agreement (DPA) facility for people requiring long term residential care and where specifically financial assessment requires a property to be included within the calculations (set criteria for such). This option prevents the need to sell the residents property within the person's lifetime, which may be helpful. Work is underway to strengthen these arrangements and ensure people have the best information available on the options available but also know that without such an agreement the Council has an obligation to bill for and recover costs of care in line with financial assessment.

- (iii) Top-Up Policy

People often request that the Council commission their care in a provision of their choice which may charge fees in excess of those set by the framework rates negotiated by the Council. In these instances they are required to pay a top up through family or using a DPA. There have been a number of instances of such arrangements failing and the Council has been left to fund the additional cost or require a placement change (which can be disruptive to the resident and generally should be avoided). Work is underway to strengthen the arrangements and develop a 'top-up' policy and practice guidance to ensure these arrangements are operating correctly, with evidence that residents have the means to pay the top up arrangements.
- (iv) Non-Residential Charging Policy

A section of the Council budget consultation has been made available to specifically consult on a proposed change to the non-residential charging policy. Manchester currently does not require people with savings and assets above the upper threshold of the financial assessment framework (£23,250) to fully self-fund all care. Self-funding care costs at the upper threshold is the most common practice across GM and core cities. Instead, current Manchester policy uses a tariff-based charging system where a charge of £1 per week is made for every £250 or part £250 in savings or assets over the £14,250 lower limit, with no capital upper limit. The consultation proposes that the tariff-based charging system is removed for people with capital above £23,250 making those individuals responsible for the full cost of care arrangements. The consultation also invites views on transitional relief to protect those people affected. An Equalities Impact Assessment of this proposed change is in draft.
- (v) Discretionary Charges

In line with the approved budget report for 2024/25 the Directorate is advancing the implementation of an extra care well-being charge (expected to be set at £10-£20 a week) and an increase in the transport to day care charge from 40p to £2.50, following user engagement consultation and benchmarking. The community alarm menu of charges has been held for a number of years and, in line with the general fees and charges approach, it is proposed an annual uplift will commence effective 2025/26 in line with inflation as at January each year (CPI). All three of the areas will then be subject to inflationary uplifts for 2026/27 onwards.
- (vi) Reviewing all charging arrangements in place for all services to ensure they are up to date and reflective of assessed need and the financial assessment.



## 6. Establishment and Investment

- 6.1. The 2024/25 budget report to this Committee in February 2024 outlined that the increase in the Adult Discharge Fund (ADF) in 2024/25 provided c £1m for additional investment with areas under consideration covering next phase of reablement expansion, the TEC offer and support to Carers.
- 6.2. Work has been progressing on development of the new investment programme further linked to the Directorates overall budget strategy and approach to demand management and cost avoidance set out earlier in the report. The available funding from the ADF has been combined with assumptions for Better Care Fund (BCF) growth 2025-27, and available balances from the ASC reserve and prior year social care precept to create an investment programme with funding rising to £4.652m over 2024-27. Further work is still being undertaken in the areas detailed and an update will be included in the February report. A brief overview is provided below.

	2024/25 £'000	2025/26 £'000	2026/27 £'000
Reablement expansion	515	1,288	2,060
Carers support	193	406	406
System hub	372	496	248
Commissioning capacity and plans	522	724	724
Other establishment options		379	361
Recruitment slippage assumption		-198	0
	<b>1,602</b>	<b>3,095</b>	<b>3,799</b>
Balance of investment funding			853
<b>Total</b>	<b>1,602</b>	<b>3,095</b>	<b>4,652</b>

- (i) Reablement (£2.060m) – expansion to focus on providing a reablement and enablement offer to a wider cohort of people, including those with Learning Disabilities (LD), Mental Health, Neurodiversity, complex needs, autism and distressed behaviours.
- (ii) Carers support (£0.406m) – reset of the budget in line with current payments.
- (iii) System hub (£0.248m) – mainstream funding for establishment structure (an element over 2024-26 is time limited);
- (iv) Commissioning capacity and plans (£0.724m) – investment in the contracting team with particular reference to the new homecare procurement and commissioning structure (£0.489m) together with funding for commissioner priorities focused on development of a new Autism post-diagnostic support pathway and the development of a comprehensive Befriending Offer for all citizens to be better supported around social isolation and loneliness.
- (v) Other establishment options – indicative investments subject to business case to invest in expansion of the carers team, the team managing ASC debt, Adult Early Support Team, Transitions Team and clinical resource for the My Life My Way programme.

## 7. **Strategic Commissioning and Procurement Priorities**

- 7.1 The overarching framework for how commissioning is delivered 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. The Commissioning Plan is currently being refreshed and a further update will be provided in February 2025. The plan will encompass a variety of areas including prevention, early intervention, approach to the care market and wider strategic intentions.
- 7.2 Over the past twelve months, there has also been further significant investment in functions to support the commissioning cycle including (but not exclusively):
- (i) In March 2024, there has been a tapered approach and handover of brokerage (placement sourcing) duties for Learning Disabilities, Autism and Mental Health services, which is now centrally managed via the Manchester Control Room;
  - (ii) Investment in Contract Management resource to ensure we have a greater oversight of contracts, particularly high-risk areas in the care market; and
  - (iii) Investment in 2 x co-production posts, to improve our approach around involving citizens when shaping local services.

### Current Key Procurement Activity

- 7.3. **Single procurement for Supported Accommodation and Day Services Learning Disability/Autism and Mental Health (Independent Sector)** - aimed at ensuring a sound contractual footing but will also ensure the work of providers is aligned with the Adult Social Care Department's aspirations to build on citizen's strengths and maximising independence. The procurement process is now in the "due diligence" phase within the commissioning timeline. Contract mobilisation will take place during Quarter 4 of 2024/25, with the new framework coming into force from 1 April 2025. Commissioners will also work with incumbent providers during this period, to conduct the direct award process of existing business, as per the commissioning strategy for this tender, to ensure stability of the local market.
- 7.4. **Homecare Tender** – has been published on the procurement chest with a closing date for bidders of 23<sup>rd</sup> November. The outcomes of the tender are likely to be known during Q1 of 2025/26. It is envisaged that the new contract will ensure appropriate homecare capacity in the city for the next four years.

### Estates Strategy for Older People plus Adults with a Learning Disability, Autism and Mental Health Conditions

- 7.5. In 2023, Commissioners engaged the Housing Learning and Improvement Network (LIN) who are a nationally recognised organisation, to co-develop a 10 year strategic plan around future demand in the city for Supported-and General Needs Accommodation, for Adults with a Learning Disability, Autism

and Mental Health conditions, as well as Extra Care provision for Older People from 2023-2033. The work resulted in the following assumptions and requirements over the next 10 years:

- (i) 540 units of Supported Accommodation across Learning Disability, Autism, and Mental Health
- (ii) 170 units of General Needs/Mainstream Accommodation across Learning Disability, Autism and Mental Health
- (iii) 806 units of Extra Care Provision within Older People's Services

7.6. It is essential that future requirements are planned, adopting a strategic "long term" programme management approach. Commissioners are working with various stakeholders including Development and Strategic Housing to better plan how we will deliver on the needs and future demands. This will require a clear capital investment strategy, on an "invest to save" basis. To illustrate demand, since September of the last financial year 2023/24, there has been an approximate 6% increase in supported accommodation placements in LD/Autism (indicative). The availability of good quality and appropriate accommodation enables better opportunities to deliver high quality and efficient care models. This will be contingent to effective demand management and the realisation of future revenue savings across the directorate.

7.7. Regarding Registered Care Homes. Commissioners are also engaging with developers, investors, and providers for registered care homes to establish a 10-year market strategy, it is anticipated that this strategy will support the longer-term investments needed to create care homes for the future.

7.8 Extra Care - five extra care housing schemes are in the commissioning 'pipeline':

- (i) Russell Road – Whalley Range: Russell Road the first LGBTQ+ scheme in the country is now at its final stages in the planning process with a decision being made on 26 September 2024. If planning is successful, it is expected the build will take approximately two years to complete.
- (ii) Jurby Avenue – Blackley: a small 16 self-contained apartment Dementia specialist Extra Care scheme in partnership with Irwell Valley Housing Association.
- (iii) Mount Road – Gorton: will help to meet an identified need for LDA accommodation and Extra Care accommodation in line with the objectives of the Manchester Housing Strategy (2022-2032) and the Enabling Independence Accommodation Strategy.
- (iv) The Grange, Grey Mare Lane: masterplan was endorsed at the Executive in September 2024 with a completion date of 2030.
- (v) Millwright Street Newton Heath: 50-unit extra care facility that has a completion date of 2030. The site forms part of Newton Health Neighbourhood Development Framework (NDF).

## **8. Workforce implications**

- 8.1 Recent focused activity around workforce has been in support of the budget programme, with the development of a workforce savings delivery plan. This is concentrated on several key areas as follows:
- (i) Regular monthly meetings with Finance, linked to the financial reporting cycle and to provide oversight of workforce activity and spend. This is in addition to attending monthly service monitoring meetings with senior managers to provide an element of challenge to how workforce budgets are utilised.
  - (ii) Review of all vacancies and agency placements with Service Managers to determine if there is a genuine business need for vacancies held for long periods of time and to ensure there are exit strategies in place for long term agency placements. The newly introduced Corporate Resourcing Approval Process has also added a level of senior management oversight into whether roles need to be filled, and if the requirement for continued use of agency is the most appropriate approach (Strategic Director agreement required).
- 8.2. This review has yielded an amount of savings through the deletion of a small number of posts, the costs of which will contribute towards the school and college leaver placements and to cover any funding gaps that have been identified as priority.
- 8.3. The overarching vacancy position continues to be scrutinised each month and reported through Finance Contracting Performance Group and Adults Performance Board. This focus has resulted in a reduction in vacancies from 16.97% (figure at time of last budget report in February) to 13.97% at the end of October. Of these vacancies, c75% are covered by agency. This is against a target of 14% for 2023/24
- 8.4. Establishment of new roles, and restructures, are also now monitored via a weekly meeting with the Corporate Workforce Change Team to ensure organisational principles are adhered to, clear business cases are submitted and requirements for additional investment are captured and considered through weekly meetings chaired by the Deputy Director. These meetings also cover requests for 'Act Up' and 'Honoraria', so that we can understand the business rationale for temporary arrangements and can follow up on the longer-term strategies.
- 8.5. As part of the absence reduction objectives, there are monthly absence meetings in place with the HR Casework Team which concentrate on services with high absence levels with a view to developing strategies to reduce absence. These meetings include review of the top 5 absence cases in that service (in terms of risk) are also looked at for consideration of interventions where there may be particular barriers in place relating to employees being able to return to work in a timely manner or where managers may be struggling to progress cases.

- 8.6 Additional capacity is also being provided by the Assistant HR Business Partner to support managers on cases that are highly complex in nature.
- 8.7 Absence clinics have been set up across the majority of services and a number of long-term cases have been resolved which should show an impact on absence rates across the Directorate in the coming months.
- 8.8 Establishment and Investment - of the positions established through investment monies to support demand and the development of capacity in key areas, (including new deliver models), 95% are now on the structure with the majority of these filled. There are a small number awaiting appointments that will commence in November. Further investment asks for 2025/26 are currently being considered.

## **9. Equality and Anti-Poverty Impact**

- 9.1. We will continue to use the outcomes from our equality impact work to design and deliver services that meet the needs of all our citizens. We have invested in additional capacity through the creation of two new Co-production roles to support our engagement activity with communities, citizens, families and carers. Through the strengthening of our advocacy offer and our learning to date we aim to continue to develop. We will use the findings from the recent Making Manchester Fairer community engagement maturity assessment work and the new Quality Standards to shape our approach.
- 9.2. Work is ongoing to improve 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. We are currently exploring with colleagues from the Directorate of Public Health and The University of Manchester how we can use the Manchester measuring Inequalities Toolkit to support our work. This, alongside our emphasis on Equality Impact Assessments (EqIAs) and working closely with the Corporate Equalities Team will drive our continual improvement.
- 9.3. The anti-poverty strategy '[Making Manchester Fairer](#)' will continue to strongly influence the work in ASC by ensuring there is a heightened focus on more marginalised communities and those with protected characteristics. The increased activity with Carers and the strong Carers' Offer is one way in which we are striving to ensure we provide support to those who support some of the most vulnerable citizens in Manchester.
- 9.4. All of the work linked to transformation and underpinning the proposals outlined here will be (or already are) underpinned by Equalities Impact Assessments at the appropriate time, utilising the insight and data described above. This will ensure that service changes are designed in a way which understands any impact on residents with protected characteristics.

## **10. Future opportunities, Risks and Policy/Strategy Considerations**

10.1 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 the previous 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 and care uplift sections 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 with multiple interdependencies and a mix of immediate, medium and very long term changes being made
- (v) Progress on integration within the wider Health and Social Care system can be impacted by financial pressures affecting NHS partners and statutory and organisational matters;
- (vi) The specific service delivery arrangements for Mental Health through GMMH, following a decision in principle to not renew the section 75 arrangement. The outcome of detailed work now underway to strengthen the service delivery arrangements may result in additional financial cost to the City Council if further resources are required following detailed due diligence work underway.
- (vii) The introduction of the local authority assurance by the Care Quality Commission requires detailed and comprehensive preparation to ensure that the improvements made to services in recent years are recognised through the rating process.

## **11. Appendices**

- 11.1 Appendix 1 Savings Schedule – Approved Programme  
Appendix 2 Savings Schedule – Future Options