

Appendix 3 – Finance Strategy

Purpose

The purpose of this paper is to align the long-term strategy for adult health and social care with budget planning and a longer-term financial strategy.

Financial Strategy

Successful implementation of the adult health and social care strategy will have cost benefits:

- people will live independently for longer requiring less support
- improved communication, joined up working and clearer person-centred processes will improve efficiency and ensure that people get the right support more promptly
- a more fulfilled workforce and sustainable market will offer a wide range of personalised, high-quality value for money support.

Implementation of the strategy will also require investment at the same time as we continue to meet the needs of Sheffield residents who rely on formal care.

The financial implications of this strategy are magnified by the current context of a restrictive budget and covid-driven costs. However, aligning business planning with the adult health and social care strategy will drive investment in more preventative approaches as financial benefits are realised.

Our long-term financial strategy to support the implementation of the adult health and social care strategy consists of three elements:

1. Supporting people to be independent
2. Secure income and funding streams
3. Good governance

The strategy detail outlined above is all subject to the strategy being affordable for the City Council and will be kept under review through normal monitoring processes.

Supporting people to be independent

Our strategy prioritises **independence, choice, and recovery**. The intended outcome is that increasing numbers of people can be supported at an earlier stage, using less formal support.

This focus on independence and recovery is consistent with the Care Act (2014) which places a duty on local authorities to **prevent, reduce, and delay** the need for formal social care services. This is achieved by supporting people to remain independent throughout their life, from living well at home, to universal services, enabling support, and long-term care. Some people will always need high-level formal support, and this will form part of a flexible system that adapts to people's changing needs, including alternative approaches and more inclusive universal services.

The key elements of our strategy which will drive the financial sustainability of adult social care are:

- a. Strengths-based practice - Flexible, creative and personalised support planning avoids a traditional one size fits all approach. This ensures we do not over provide or create unintentional barriers to people meeting their goals and remaining independent.

b. Timely empowering interventions - Providing the right support at the right time can prevent the trauma of crisis, and timely reviews can reduce dependence on services. These can have lasting impacts on people's independence, financial and social inclusion and the long-term cost of providing support.

c. High quality, value for money support - Quality joined up services and simple, transparent, and understandable access routes and communication improves efficiency, reduces unnecessary demand (and cost) from complaints, queries, and escalation of need.

Income and Funding

Maintaining income into Adult Health and Social Care is a key element of our financial strategy.

Adult Social Care is means tested and the national funding model is reliant on the continued contributions of the people who access services to pay what they can towards the cost of their care. In Sheffield we support people to make their contributions by focusing on financial inclusion and preventative support. Our approach for supporting people with financial inclusion centres on three areas:

a. Strength based support through financial conversations and financial assessments which optimise the financial resources of the person including specialist advice and supporting access to benefit income

b. Timely interventions - access to good information and early advice on the financial cost of social care and early help to support regular payments. This ensures that people understand the cost of care and what that might mean for them

c. Accurate, timely and reliable invoices with a range of easily accessible ways to pay contributions that meets the needs of the person and supports people to avoid debt.

Preventative community-based support and less reliance on formal social care also moves us away from a funding model based on means tested contributions. This will be important in the context of potential legislative reforms.

As prevention has benefits across the system, we will continue to explore options with our partners for joint funding, new funding streams and investment in improved health and well-being outcomes across the city. We will maintain our good working relationships with health colleagues as they transition from Clinical Commissioning Group arrangement to the Integrated Care System.

Prevention is also delivered beyond the scope of social care, requiring city-wide sponsorship and a system-wide approach to reducing isolation and increasing citizen engagement (e.g. Health, transport, housing, libraries etc.).

Governance

Good governance enables us to test how well we are delivering the vision of the adult health and social care strategy and how well we are keeping to the principles it sets out.

Governance does this by establishing how we will measure our performance on the things that matter to people. It will identify who is responsible for reporting on and improving our performance, and who we will work with to design and deliver those improvements.

The Council will evaluate the success of its financial strategy against a **"Provision Mix"**. Typically, higher intensity support costs the public purse more than a preventative,

community led option. If we can keep more people independent, safe and well, with less formal support, then people will achieve better outcomes at lower cost.

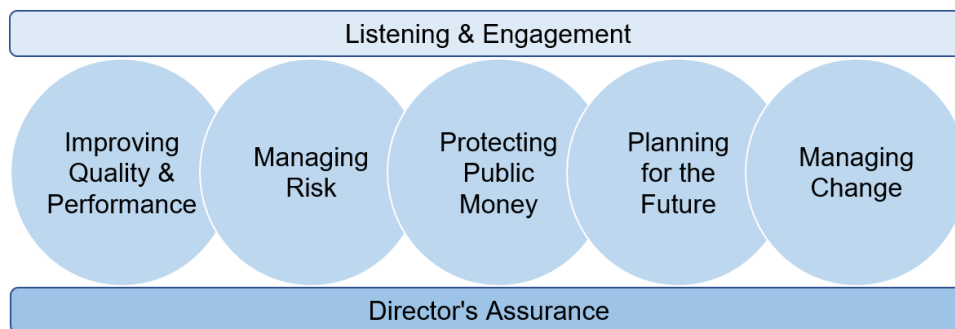
Financial success aligned to this strategy will also be measured by the management overhead, or **unit cost**, of adult social care. By driving quality and improving the experience of the person and by reducing reliance on council contact we will remove avoidable demand and associated costs, including debt, to enable reinvestment in front line services.

Ultimately the financial success of the adult health and social care strategy will be in a **sustainable system** that operates within budget. This means a framework of accountability across the system, from front-line staff, first-line managers, and budget holders, to manage resources and deliver best value for money in the context of people’s needs.

Financial governance will be aligned with the adult health and social care strategy to ensure that opportunities are recognised and developed by accountable owners. An emphasis on enablement and less formal support will be embedded through processes that identify a strengths-based practice at the point of assessment and review.

Improved efficiency will form part of our Performance Management Framework. This in turn will reduce costs related to failure driven demand, created by delays, miscommunication, poor information, over-provision, and avoidable barriers to support.

A Care Governance Framework for adult health and social care is currently under development which will set out the processes for driving service improvement and ensuring accountability across five domains, with a sixth domain for listening and engagement linked to each area.



Two of the domains will have a key role in regulating future spend and driving value for money: the Quality and Performance domain and the Protecting Public Money domain.

These domains will include the following elements which will help ensure that the strategy is delivered:

Domain	Key Elements	Financial implications
Quality and Performance	Practice Quality Framework	Include practice standards and development to improve practice, prevention and decision making
	Care Quality Framework	Includes contract management arrangements in relation to quality and value for money

	Performance Management Framework	Drive performance and monitor delivery of the strategy including efficiency, financial performance and accountability
Protecting Public Money	Operational processes	Includes package approval processes, establishment control, contract register , CHC and other income processes
	Monthly processes	Financial monitoring , reporting, accountability, and decision making
	Annual processes	Use of resources, medium term planning, budget setting and fee rates
	Governance Processes	Including the implementation of an Audit and Finance Board for Adult Health and Social Care chaired by Director of Finance

Governance structures bringing together budget management with performance, practice and commissioning will break the cycle of emphasising formal support, creating dependency, and escalating need.