

## Integration Joint Board

Date of Meeting: 28 May 2025

Title of Report: Social Work / Social Care Financial Recovery

Presented by: James Gow, Head of Finance

The Integration Joint Board is asked to:

- Endorse the recovery actions outlined in this report.
- Note this report sits alongside other work on the delivery of approved savings and development of further options.
- Request integrated impact assessments and that appropriate community engagement is carried out in respect of relevant proposals.

### 1. EXECUTIVE SUMMARY

1.1 The Social Work budget as approved by the IJB in March 2025 had a balance of savings still to be identified. This is a shortfall from the start of the year totalling £500k. The purpose of this report is outline a specific recovery plan to address this. The actions outlined in this paper are in the context of:

- This gap is in addition to £1.5m of financial savings planned for 2025/26.
- There is a larger gap in 2026/27 due to £3m of non-recurring funding no longer being available. This requires to be addressed urgently and it is intended that there is some overlap between short term recovery actions and the longer term requirement to reduce costs substantially.
- There are strategic pieces of work underway which include consideration of dis-investment in some existing services.

1.2 The Finance & Policy Committee requested from officers a paper in March 2025 which outlined potential options for managing down the deficit. Work is on-going in respect of these with a view to formal decisions being made during the course of the current year. This report was also considered by the Finance & Policy at its meeting on 19 May 2025 (all board members were invited to attend this meeting), it was agreed that the HSCP would commence consultation on its proposals where appropriate.

1.2 The drivers of the financial challenge are described in more detail in other reports, in summary these are:

- Real terms reduction in funding over a number of years.
- Increasing demand for services due to the ageing demographic.
- On-going shortages of staff resulting in increased dependency upon agency staffing.

The Health and Social Care sector is in a difficult position due to the financial challenge and lack of a national strategic vision for the sector at present. Most IJBs have significant forecast deficits and depleted reserves, a recent report prepared by the Chief Officers Group confirms this and has been communicated

to Government Ministers to again highlight the scale of the problem. IJB's are also featuring in Health Board financial forecasts as a cost pressure and financial risk, contributing to Board overspending. Audit Scotland have repeatedly reported that the sector is not operating on a financially sustainable basis. As general reserves reduce, service reduction is now required and is driven by real terms reductions in budgets in the face of increasing demand. This process is being taken forward by IJBs individually. Similarly the NHS element of the budget is not in balance and discussions are on-going with NHS Highland in respect of the approach to this, the scale of that gap is £4.2m and a plan to address this element of the budget gap has been formally requested.

## 2. Recommendations

2.1 The Integration Joint Board is recommended to:

- Endorse the recovery actions outlined in this report.
- Note this report sits alongside other work on the delivery of approved savings and development of further options.
- Request integrated impact assessments and that appropriate community engagement is carried out in respect of relevant proposals.

## 3. DETAIL OF REPORT

3.1 The HSCP is required to seek approval for a financial recovery plan designed to convert the outstanding savings target into tangible and measurable actions. Approval of this report provides service management with authority to progress these as timeously as possible.

These actions are on top of an already approved and challenging savings programme. Further savings cannot be delivered without some reductions in service and capacity within the HSCP. Almost all social care services are provided to individuals with protected characteristics (children, older people, people with disability). Therefore it is also not possible to reduce services without having a disproportionate adverse impact on these groups (and those experiencing financial exclusion / poverty not covered by the legislation in the same way). The table below summarises the proposals, estimated values and highlights those proposals that require further stakeholder engagement and integrated impact assessments:

Saving	Saving £'000	Recurring	Description	Engagement & EQIA
Additional Fostering Income	100	TBC	Income from other LAs for fostering service. May be a recurring saving.	Operational – Impact Assessment not required
Direct Payment Recovery	50	No	One-off income from review of DP balances where clients have not been able to spend on their assessed care needs.	Operational – Impact Assessment not required
SLT Vacancy Savings	25	No	Non-recurring vacancy saving from gaps in SLT.	Operational – Impact Assessment not required
Remove vacant Handyperson Post - KCC	31	TBC	May require some additional support with room changeovers to be provided from other locations.	Operational – Impact Assessment not required
Return 2 voids Lorn Campbell	5	10	Vacant flats and Lorn Campbell Court to be	Operational – Impact Assessment not required

Court			handed back to the landlord as the HSCP has been covering the cost of the voids for some months. A review of the service is ongoing.	
Day Service Review	50	TBC	Nature of saving to be confirmed, review is currently underway and due to report shortly. The saving will either be from a reduced service offer based on the evidence provided in the review or from increased charging. Detail will be provided upon completion of the review.	Consultation is being carried out as part of the review process. Depending upon the recommendations further engagement and consultation may be required. An Integrated Impact Assessment will be prepared as part of the review documentation.
Transport services	25	118	Commence negotiations to scale back community transport provision. This would be a change in approach by the HSCP to cease / reduce funding community transport for social care services. Notice will be provided timeously.	Although this is a non-statutory service, the HSCP will commence a consultation process to inform an Impact Assessment before taking steps to reduce / end community transport services.
Ceiling of Care	80	TBC	The HSCP is developing a proposal to place a ceiling upon the number of hours of care normally offered by the care at home service.	A consultation and engagement process will commence in June to inform an Integrated Impact Assessment to inform the proposal and decision-making process.
Agency Care @ Home - Oban	90	TBC	Four posts have been removed from efficiency work relating to homecare packages saving up to £7k per week inc. accommodation and travel. Some of this saving is required to contribute to other savings targets.	Operational – Impact Assessment not required
Internal Care Home Efficiency	44	TBC	Review expensive provision and aim to either reduce costs or increase charges / review shift patterns and agency staffing.	Operational – Impact Assessment not required
<b>Total</b>	<b>500</b>			

Additionally the following will remain in place:

- All vacancies to be approved by vacancy monitoring group prior to advert.
- Presumption against new spend or development.
- Moratorium on new agency staffing and renewals signed by Head of Service and Chief Officer.

- All contracts and grants to be reviewed on a systematic basis, particularly where arrangements have been put in place in one area and are not A&B wide.

The HSCP will be taking greater account of available resources when committing to new care provision. This will be a challenging change for teams not used to working in this way and will in turn have an impact on those who require support. Some service budgets are fully committed to support packages already in place. There is little or no budget to action new assessments. Without sufficient budget, support will only be available in exceptional circumstances. Further consideration and review will also be required of the level of support given to those already assessed and in receipt of support.

Messaging and communication to staff and stakeholders is a critical part of the financial recovery process. A shift in culture is required to help reduce spending and re-set expectations. The HSCP will need to identify further ways of reducing cost during the course of 2025. It is unlikely that this can be achieved without identifying a way forward to dis-invest in some services, reduce internal costs and staffing costs as well as reducing external contracts.

Detailed consultation and engagement work will commence upon approval of the approach to financial recovery in 2025/26 outlined in this report. It is anticipated that Integrated Impact Assessments and final proposal will be provided to assist formal approval at the next meeting of the IJB.

#### **4. RELEVANT DATA AND INDICATORS**

- 4.1 The data presented in this report is largely derived from financial data held in the systems of Argyll & Bute Council and performance data held on Care First and the Integrated Performance Management Framework.

#### **5 CONTRIBUTION TO STRATEGIC PRIORITIES**

- 5.1 The HSCP is required to operate within the resources made available to it by both partners.

#### **6. GOVERNANCE IMPLICATIONS**

- 6.1 Financial Impact – the above savings or alternatives require to be actioned to enable the HSCP to balance its Social Work / Social Care budget in 2025/26. This is a legal requirement.
- 6.2 Staff Governance – implications will require to be considered in detail if any of the options outlined are progressed. Professional HR input is a gap within the HSCP management team at present.
- 6.3 Clinical Governance – implications will require to be considered in detail if any of the options outlined are progressed.

#### **7. PROFESSIONAL ADVISORY**

- 7.1 Professional leadership are involved throughout discussions on financial management. Further professional and legal advice will be required through the Integrated Impact Assessment and implementation phase of some aspects of the recovery plan.

## 8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 There will be adverse impacts on individuals covered by equality legislation associated with the contents of this report. Integrated Impact Assessments will be provided prior to implementation of policy or service changes.

## 9. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

- 9.1 None.

## 10. RISK ASSESSMENT

- 10.1 This report is intended to address the immediate financial sustainability risk associated with the HSCP budget. There are health and care risks associated with savings options. There are also risks associated with legal challenge in respect of service changes, the HSCP will continue to liaise with its legal advisors in this respect to mitigate these risks as far as is reasonable and proportionate.

## 11. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

- 11.1 The HSCP will be required to engage effectively with communities in respect of changes to services and the financial challenge it currently faces, a communications plan is under development.

## 12. CONCLUSIONS

- 12.1 This report seeks to outline a recovery plan to address the Social Work / Social Care element of the HSCP budget shortfall in 2025/26. Implementing these will assist with the budget gap in 2026/27.
- 12.2 None of the options are easy to implement and all have associated risk and detriment to the service. However, failure to implement changes that are likely to be effective in reducing spend will likely result in the failure of the HSCP to operate on a financially sustainable basis (Social Work / Social Care services).

## 13. DIRECTIONS

Directions required to Council, NHS Board or both.	<b>Directions to:</b>	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

## 14. PREVIOUS REVIEW OF THE REPORT

Meeting	Title of report	Date	Output (if relevant)
SLT	<i>Savings Options – Social Work / Social Care</i>	<i>5/2/2025 and 7/2/25</i>	<i>Concerns raised and amendments made to draft</i>
SLT	<i>Social Work Recovery Plan</i>	<i>16/4/25 and 30/4/25 final</i>	<i>Supported and some</i>

		<i>version</i>	<i>amendments made</i>
<i>Council ELT</i>	<i>Social Work Recovery Plan</i>	<i>22/4/25</i>	<i>Endorsed</i>
<i>Finance &amp; Policy Committee</i>	<i>Social Work Recovery Plan</i>	<i>19/5/25</i>	<i>Further work on Consultation and Impact Assessments requested. Report amended.</i>

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