

Adult Social Care Budget Explained and Month 5 report

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Cabinet Member: Cllr. Heather Shearer

Division and Local Member: N/A

1. Summary

- 1.1.** The Adult Social Care budget makes up over half of the Council's budget. This month's item is an introduction to ASC finances. There will be an explanation of the make-up of the ASC budget including gross spend across statutory and discretionary services, income sources and the net budget requirements. There will be an explanation of how the budget is set each year and what we can do in-year to control demand and costs and manage overspend.
- 1.2.** The month 5 budget position will be explained and will go into detail of the specific and unprecedented pressures on the service because of the longer-term effect of the pandemic. The item will explain the current overspend and actions that are being taken to control and improve this position.
- 1.3.** Going forwards, the Adults and Scrutiny Committee will receive an updated budget position from ASC as part of its formal meetings.

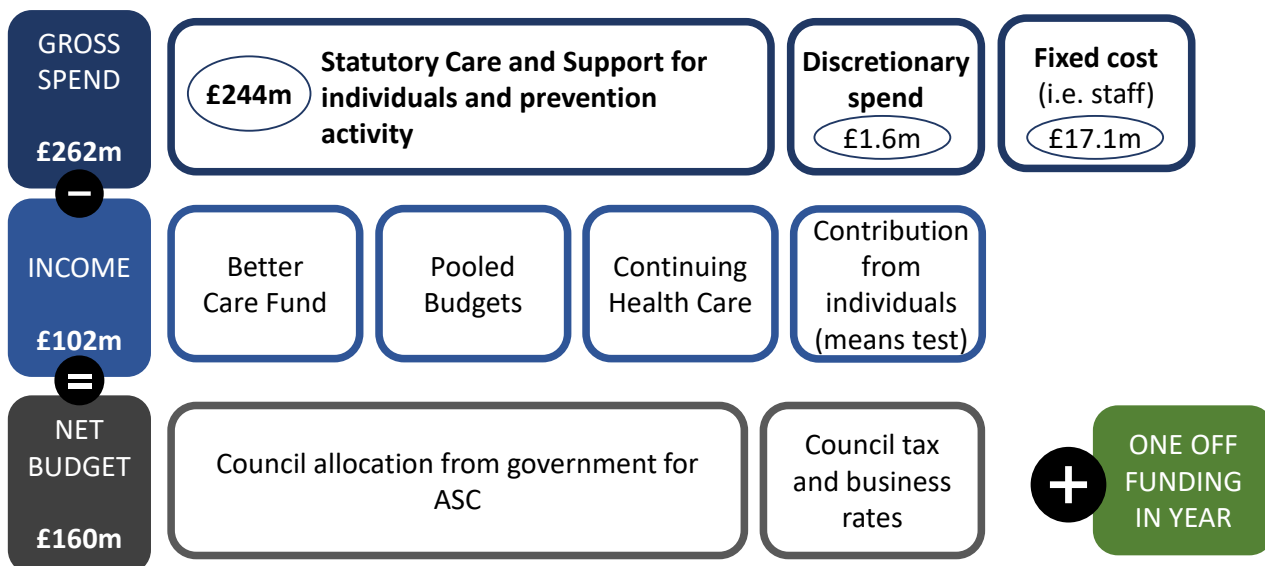
2. Issues for consideration / Recommendations

- 2.1.** That the committee has an improved understanding of the make up of the ASC budget, so they are better equipped to scrutinise the budget and hold the Executive to account concerning the ASC financial position.
- 2.2.** That the committee can ask informed questions concerning the areas of overspend and the plans in place to improve this position.

3. Background

Adult Social Care Finance Explained

The money that is spent in Somerset on Adult Social Care is £262m per year. There is a large contribution from the NHS towards these costs of care and also many individuals receiving care and support pay something towards their costs. This means the budget the Council needs for ASC is actually £160m per year. The council also receives one-off funding from the government during the year to cover additional costs i.e. winter surges in demand.

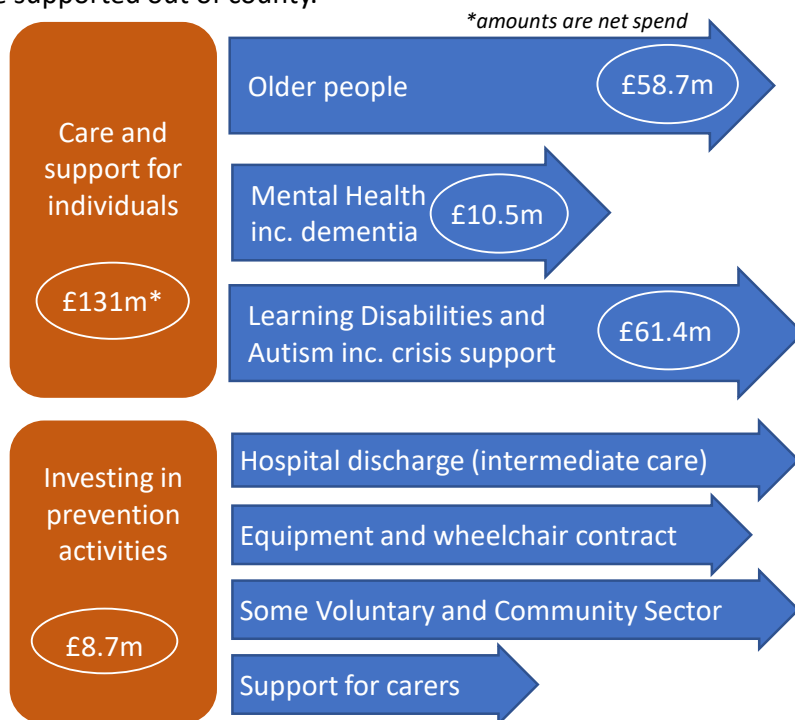


Statutory Services

The council is legally obliged to meet the assessed needs of its population, the services that meet these needs are call statutory services and they make up the vast majority of the council’s budget. There are 7500 people within Somerset who are in receipt of some kind of statutory service and a further 500 somerset residents who are supported out of county.

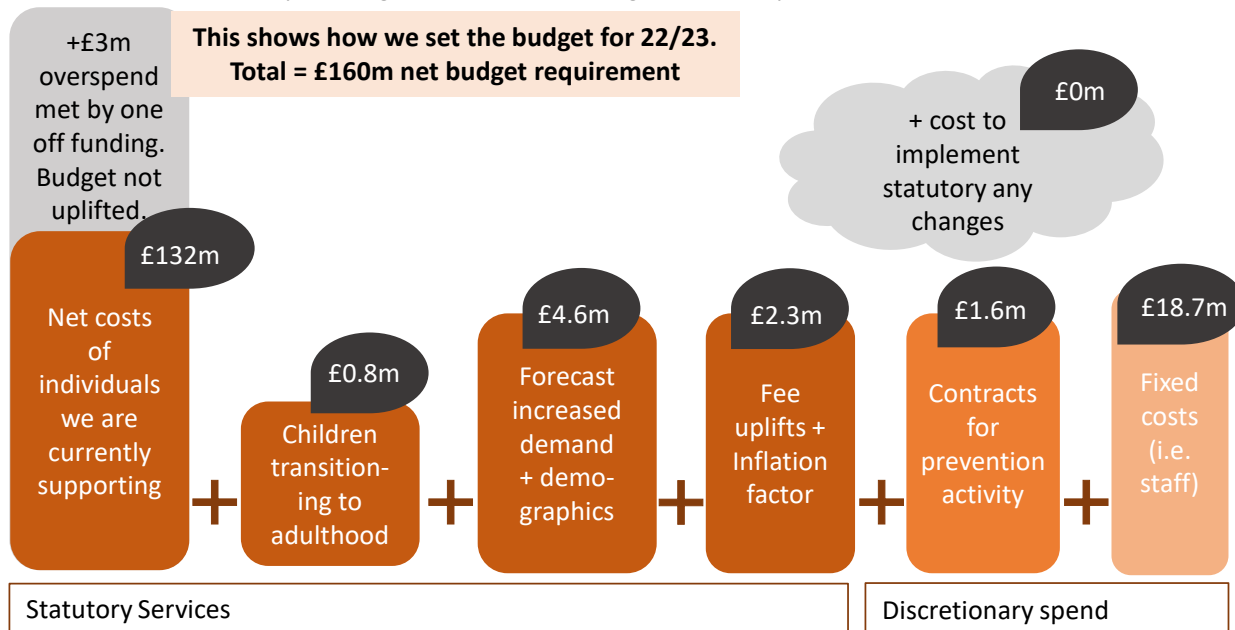
- ✓ If the individual is assessed as requiring care and support under the **Care Act** or **Mental Health Act**,
- ✓ And the individual falls **under the financial threshold** for receiving funded or part-funded support.
- ✓ Then the council is responsible **by law to meet their ongoing care needs** and pay for all or part of this.

- We also have a duty to **prevent, reduce or delay the need** for more formal care and support
- Investing money in this means that we can better manage the demand for our statutory services and **save the council money in the long term**
- These services **help people to live independent lives** for longer



How do we set the Adults budget?

The budget is set each year by starting with the cost of the individuals we currently support. We then add on to this the children we know are transferring into adulthood and also a factor for growing demand and demographics. We then add inflation and other increases to our costs. We also have to factor in the cost of any new legislation that is coming in the next year.



In most years, demand and inflation growth factors, plus one-off funding, can cover any pressures we see in our forecasts. However, this year these pressures have been too unpredictable to forecast, and too large to absorb.

4. Consultations undertaken

4.1. Not applicable

5. Implications

5.1. The Council has statutory responsibility to fulfil its duties of care towards Adults in Somerset. The demand and costs for these services have been growing at increased rates since the pandemic. The Service and the Council need to improve the overspend position in advance of the next budget setting round for the new Somerset Council.

6. Background papers

6.1. Adult Social Care Finances Explained – presentation to be delivered at the meeting including Month 5 budget figures.

Note For sight of individual background papers please contact the report author