

HEALTH SCRUTINY PANEL - MONDAY, 27TH MARCH, 2017

SUPPLEMENTARY PAPERS

The following Papers were tabled at the meeting.

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
4.	Member Questions <i>Statement on Adult Social Care Budget 2016/17 and 2017/18</i>	1 - 2	-

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SLOUGH BOROUGH COUNCIL

REPORT TO: Health Scrutiny Panel **DATE:** 27 March 2017
CONTACT OFFICER: Alan Sinclair Director Adult Social Care
(For all Enquiries) (01753) 875752
WARD(S): All

FOR INFORMATION

STATEMENT ON ADULT SOCIAL CARE BUDGET 2016/17 and 2017/18

1. **Purpose of Statement**

This statement provides the Panel with an update on the expected end of March 2017 outturn for the adult social care budget, the 2017/18 budget and the implications of the recent announcement in the spring budget about additional investment into Adult Social Care over the next three years.

2. **Adult Social Care Budget 2016/17**

2.1 The total net budget for adult social care for 2016/17 is £31.607m
Projected outturn is £32.463
A projected overspend of £855,000

2.2 The net budget for social care has gradually reduced from £40m in 2012/13 to £31.6m in 2016/17

2.3 There are two main reasons for the overspend

- a continued increase in the levels of need for existing clients above the planned and expected levels. This has led to increase in the number of additional domiciliary care hours being delivered for existing clients.
- an increase in the price being paid for care – mostly care home prices – partly related to national living wage increases.

2.4 These pressures are similar to pressures faced by other councils in the south east and across the country and have been discussed nationally and been in the national press with social care being described as reaching a tipping point by several national organisations – including the Kings Fund and the Care Quality Commission.

2.5 Savings of £2.1m have had to be achieved in 2016/17

These are all on target to deliver apart from the care act re-assessment savings plan. This relates to the first point under 2.3 above as the reduction of personal budget levels has not been possible as existing peoples needs have been on the whole increasing. A new approach to this area of saving will be implemented in 2017/18 with the increased use of equipment.

3. **Adult Social Care Budget 2017/18**

3.1 The adult social care budget as agreed by council in February 2017 for 2017/18 will be £32,224,884.

3.2 The adult social care precept of 3% delivers an additional £1.5m of budget for adult social care within this allocation.

- 3.3 The council agreed growth of £550k for demographic pressures for people with disabilities and £500k for the care act new burdens responsibilities. The council also agreed inflation pressures of £861,584.
- 3.4 Savings of £1.294m have also to be delivered during 2017/18 as part of the 4 year adult social care transformation programme.
- 3.5 Even with the additional funding and the planned savings being delivered it is anticipated that if the levels of need for existing clients continues to increase as per the last two years there will still be a £2m shortfall between the budget and expected expenditure.
- 3.6 A budget recovery plan is being developed to meet this financial gap for 2017/18.

4. **Additional £2bn for adult social care announced in the 2017Spring Budget**

- 4.1 Although this funding is welcomed it is being seen as a sticking plaster as:
- it is one off funding and not recurrent
 - it tapers over the 3 years - £1bn in 17/18, £674m in 18/19 and £337m in 19/20
 - we don't know the conditions that will come with it when the improved BCF guidance is published
 - the Association of Directors of Social Services (ADASS) in its annual budget report had identified the standstill shortfall for all councils for social care of £1bn for next financial year
 - Local councils are facing increasing demand for social care – ADASS estimates £4bn a year in demographic pressures plus increasing costs, with the national living wage cost alone being £612m this year (the ASC precept only delivers £380m this year)
 - Since 2010 councils have been making savings of approx. £1bn a year as the government revenue support grant to councils has been reducing.

It was also announced in the spring budget that there will be a new green paper on the future sustainability of adult social care and adult social care budgets.

- 4.2 The additional funding announced in the budget will mean an additional £2.1m for Slough in 17/18, £1.4m in 18/19 and £726k in 19/20. This is all one off funding and not recurrent.
- Conditions permitting it will hopefully allow us to continue with similar levels of purchasing to this year assuming all the savings and recovery plans we have put in place deliver.
- This will not be about additional activity for Slough but should mean we won't have to reduce activity levels as we were expecting to do because of the anticipated £2m budget gap next year.
- As the additional funding tapers in future years we will need to look at what this means as the year progresses and the benefits of our transformation programme are delivered.