

ASC – BUDGET MONITORING MONTH 8

ASC Scrutiny Update

**MONTH 8 UPDATE****ADULTS, HEALTH AND COMMUNITIES' DIRECTORATE***Adults, Health and Communities Directorate Forecast*

Adults, Health and Communities Directorate	Budget £m	Forecast £m	Forecast Net Variance £m
Adult Social Care	113.455	115.924	2.469
Community Connections	5.673	6.562	0.919

The Adults, Health and Communities Directorate is reporting an overspend of £3.388m at Month 8, of which £2.269m relates to Adult Social Care.

The following pressures and mitigations are flagged:

- Domiciliary Care continues to see an increased demand for intermediate care to support clients' discharge from hospital.
- As assessment waitlists have been reduced, the directorate has seen a significant increase in bedded care clients, as previously included as a risk. Backdated packages have resulted in £0.783m of old year costs being incurred in year.
- £2.369m additional Joint Funding and client income have been identified, correlating to increased package expenditure. A joint funding panel has been established to improve governance and procedures, ensuring the maximum level of funding is recovered.
- Following the insolvency of the previous provider, an inflationary increase was agreed to ensure the continuing delivery of the Community Equipment Service. There is an assumption that additional funding will be recovered via the Better Care Fund.
- The Directorate's Budget Containment Group has been mobilised for 2025/26 and activity is ongoing; the function of the group is to focus on emerging high-risk areas, assigning task groups to identify actions to be taken to contain spend, such as focused package reviews. Work identified includes focus on review and analysis of Domiciliary Care, Bedded Care fees levels and pipeline demand, timescales and planning in increase client in Direct Payments and a focus on the Short-Term Residential clients to identify any barriers to long term care.
- Budget Containment work has produced savings of (£0.801m) by identifying elements of Domiciliary Care that can be recharged to the ICB.

Risks to the Adult Social Care Budget include potential further increases in demand on Care Package budgets and the outcome of the CQC inspection, which may make recommendations that have an impact on budgets.

Total Delivery Plans of £3.425m, including a prior year target of £0.648m, are assumed to be met in 2025/26. The 2025/26 target of £2.733m has been achieved to date, with £0.506m in progress.

Updates on Budget 2026/27

The draft net budget for Adult Social Care in 2026/27 is £121.555m, representing growth of £11.175m. This will bring Care Package budget spend to £140m for the coming financial year.

The £11.175m growth includes:

- £4.352m to cover the impact of the National Living Wage and inflation increases (from £12.21 to £12.71 per hour from April 2025)
- £6.823m to address increasing demand and other inflationary pressures