

ASC Scrutiny Commission Finance Update

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Financial monitoring process

Annual process consists of:

- Budget setting – estimate of the spend and income
- Budget monitoring – during the year, the current budget is compared with forecast spend and income
- Outturn – end of year reported, actual spend for each financial year



Budget setting

Budget assumptions are based on the following factors:

- Existing cost base i.e. people currently receiving care
- Growth – increase in care needed for current packages and increase in future numbers of people supported
- Inflation
- Expected income from people paying for their care and shared costs with health
- Targeted grants i.e Market Sustainability and Improvement Fund (MSIF)



Budget approved at Full Council in February.

Cost mitigation

Key part of our budget strategy is cost mitigation which means taking action so that current and future costs are lowered or avoided.

- ASC would have spent £24m more in 2025/26, rising to £41m in 2026/27.
- Control costs of existing packages and lower growth in new packages.
- Income maximisation also part of it – e.g. other partners contribute their fair share.



Cost mitigation delivery

Some examples are:

- Quality in Care – ensuring packages are right-sized - £1.8m
- Double handed care – reduction in number of home care packages utilising double handed care - £1.2m.
- Transport – development of a pricing tool for consistent calculation of transport cost component of packages - £0.1m



Budget monitoring

In-year process consists of:

- Quarterly report to Overview Select Committee
- Contains narrative for all council departments including Adult Social Care
- Forecast of current year position made based on spend and income to date – taking into account the level of care currently provided



Outturn position

Year	Budget (£000)	Outturn (£000)	Variance (£000)	Percentage
2022-23	130,256	128,398	-1,858	1.4%
2023-24	153,466	146,960	-6,506	4.2%
2024-25	157,774	152,343	-5,431	3.4%
2025-26 (P6 forecast)	179,127	175,260	-3,867	2.2%
2026-27	191,500	Tbc	Tbc	tbc



Outturn analysis

- Between 1.4% and 4.2% below budget, current year forecast is 2.2%
- Main reasons across all years has been lower care costs than budgeted, income from people or other partners, and carrying vacancies
- Income dependent on changes in health conditions of people receiving care
- Income in one year is not guaranteed to arise in the following year



Any questions?