

## **MINUTE EXTRACT – ADULT SOCIAL CARE SCRUTINY COMMISSION, 25 JANUARY 2023**

### **6. DRAFT GENERAL FUND BUDGET AND CAPITAL PROGRAMME 2024/25**

The Deputy City Mayor for Social Care, Health and Community Safety introduced the item highlighting the significant concerns locally and for other local authorities with responsibility for adult social care across the country in terms of growing needs and challenges to budgets. It was noted health and social care services continue to work together to fulfil the legal duty to meet the needs of residents but there are increasing pressures with a substantial proportion of the budget required to support a small percentage of people in the city.

The Director for Adult Social Care and Safeguarding and Director for Adult Social Care and Commissioning provided a presentation to set the context in which it was noted that:

- Individuals seeking adult social care support and complexity of need has increased nationally. There has also been an increase in number of older people requiring long term care.
- Most local authorities are predicting adult social care will overspend. Social Care reforms were paused and there are no funding solutions proposed to address financial challenges in the sector.
- Benchmarking data illustrates Leicester are supporting a higher proportion of older people resulting in a higher spend for adult social care. Unit costs to pay for services such as home care and supported living compare well to the national average.
- Growth has reduced with alternative support arrangement and less reliance on statutory support – although this is still above proposed budgeted growth. Prevention is important to reducing statutory spend and social care continue to work with the joint integrated board.
- Four key work programmes have been identified to manage demand and associated costs including, reducing the average costs of supplied care packages; reducing the number of new entrants and overall service demand; raising effective productivity levels and improving partnership and stakeholder processes and joint service delivery.

The Head of Finance presented the report, and it was noted that:

- The budget has been managed with reserves in recent years which are expected to run out in 2024/25. Further savings are required, otherwise a Section 114 notice would be likely in 2025/26 as the budget would not balance.
- £14m budget growth is required for adult social care to support the growth in demand and needs with care packages as well as ensuring payment of the national living wage.
- Any additional adult social care funding has been on an ad hoc basis rather than from a systematic reform of the overall funding. Government have indicated increased public sector funding overall from 2025/26 but the institute for fiscal studies have indicated increases for the NHS and defence means

that there is likely to be a reduction in real terms funding for all other areas of expenditure including local government.

- Other budget pressures include £17m growth in children's social care driven by increasing children in care, complexity of need and unaccompanied asylum-seeking children; home to school transport for SEND pupils is also a cost pressure with the number of requests for education, health and care plans doubling since prior to the pandemic; and additional pressures within homeless services requiring spend on temporary accommodation due to lack of affordable rental accommodation.

In response to questions and comments from Members, it was noted that:

- Spend is higher on supporting older people per head of population compared with other local authorities and can be attributed to various reasons. The health and wellbeing survey indicated people are more likely to seek statutory support if they do not have a community network they trust. The health profile of the city requires more people to be supported earlier and for longer due to diabetes and cardiovascular and respiratory conditions etc. As an area of high deprivation, we have less self-funders who pay for their own care, and therefore we see more people seeking support from the Council for their care.
- Prevention is important to manage demand and the budget whilst also recognising the profile of the city with different communities to take a holistic approach to build capacity and resilience. The Authority is looking more widely at how communities can help support residents, for example utilising community connectors and health champions to share information to signpost to services earlier.
- The sector is doing what it can within the constraints of its finances but in reality, the workforce is paid minimum wage and does not have a career structure as seen in health to create opportunities. An open conversation is needed at national level to identify what social care should look like and how it can be adequately and sustainably funded.
- The Government's People at the Heart of Care 10-year plan encouraged innovation and launched the Accelerating Reform Fund to provide local authorities with additional resource. However, this is a limited fund, with final allocations yet to be confirmed, but at best will, equate to £815k over two years across Leicester, Leicestershire & Rutland.
- Plans are in place for the division to review all spending within the budget including programmes to identify good practice and inefficiencies although this is unlikely to be the long-term solution required to address financial challenges. It was agreed that further information can be shared with the Commission in line with budget monitoring.
- An additional £16m (including standard inflation) will be paid to the private care sector for care packages to meet the growth in demand and complexity of need as well ensuring providers pay the national living wage.
- The proposed draft budget includes decisions already taken to make savings, including £300k relating to Hastings Road Day Centre, £300k relating to the enablement service and £213k relating to the employment service.
- The existing capital programme includes the provision for supported living scheme and the Commission requested they be kept informed.

- Reviewing care packages can result in alterations which could impact the budget as individuals receiving care may require additional support, the support may be appropriate, or needs may have improved to not require as much support. Timelier reviews could enable changes to be identified earlier to provide support that does not require use of statutory services, but the team continue to work through the current backlog of reviews given ongoing pressures.
- The proposed council tax adult social care precept will generate around £3m income for 2024/25. Government announced an additional £500m for local authorities which will equate to around £3m locally for 2024/25.

The Chair noted the Commission's thanks to the continued work of the division to provide services to the most vulnerable in the city despite the increasing financial pressures.

**AGREED:**

- The Commission noted the report.
- Additional information to be circulated to Members regarding home-to-school transport pressures.
- Further reports to be shared with the Commission regarding budget monitoring.