

Emerging pressures and challenges for services in relation to the 2022/23 Budget

Adult Care and Well Being Overview and Scrutiny Panel – 15 November 2021

The Head of Finance outlined that the Adult Services budget, as at the end of Quarter 2, was forecast to be broadly balanced by the end of the financial year. Risk areas included increased placement costs for Learning Disabilities and a forecasted reduction in income generation. There were underspends in Direct Payment income recovery and Physical Disability services.

Looking forward to 2022/23, risks and potential pressures included increases to the cost of care, taking into account increases to the National Minimum Wage, costs associated with staff shortages and general living costs as a result of both the pandemic and leaving the European Union. An increase in service demand above forecast and the impact of delayed discharges from acute hospitals were also risks. The level of Government funding was never certain, and the impact of the lifetime care cap would become clearer in time.

In response to Member questions, the main points included:

- Learning Disability forecasted income reduction was as a result of health reviews of each client in receipt of NHS Continuing Healthcare funding
- Income Recovery from Direct Payments would take place after conversations and engagement. A contingency was acceptable, however, if the Council was funding over and above the level of outgoings and welfare was not at risk, then it was the correct course of action to recover some of the payments made
- For the benefit of new Members, further information would be shared on the Directorate's Transformation Plan, the '3 Pillar' Strategy
- The Head of Finance clarified that all budgets were a fair forecast.