

Report



meeting ADULT SOCIAL CARE AND HEALTH
DEPARTMENTAL BRIEFING

date 28th October 2008

agenda item number **4.**

REPORT OF THE SERVICE DIRECTOR (OLDER PEOPLE AND STRATEGIC PARTNERSHIPS)

THE ADULT SOCIAL CARE AND HEALTH DEPARTMENT BUDGET 2008/09

1. Purpose of the Report

- 1.1 The purpose of the report is to present an overview of the budget for Adult Social Care and Health (ASCH).

2. Background

- 2.1 The report presents an overview of the 2008/09 budget for the Adult Social Care and Health department. It looks at:

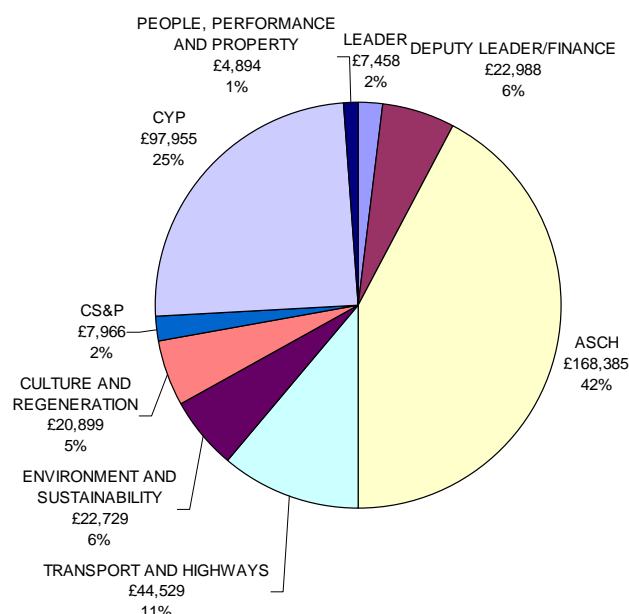
- (i) the relative size of the budget in relation to other portfolios
- (ii) the growth in the allocated budget over the past few years,
- (ii) how the 2008/09 budget is being spent.

3. Adult Social Care and Health Budget 2008/09

3.1 Proportion of Council's Budget

- 3.1.2 The 2008/09 net budget for ASCH totals £174.1 million. This net figure comprises gross expenditure of £274.6 million and income of £100.5 million. The ASCH budget makes up over 40% of the County Council's total net portfolio budget sum of £397 million – see chart below.

County Council Portfolio Budgets 2008/09 (£'000):-



3.2 Growth in ASCH Annual Budget

3.2.1 The general issue of continuing pressure on adult social care budgets is well documented. Essentially this budget pressure arises from the following factors:

- (a) demographic changes – increasing numbers of older people
- (b) increased longevity/reduced mortality
- (c) increased complexity of cases – a consequence, in part of the above 2 factors
- (d) changes in service provision and delivery – e.g. move towards personalised services and the promotion of independence
- (e) the continued requirement to achieve efficiency savings.

3.2.2 These pressures have led to significant increases in spending and budgets for adult services over the last few years.

3.2.3 The table below illustrates the increases in the County Council's net budget for services for adults over the last 6 years.

Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Net Budget (£ million)	103.8	108.8	125.7	139.8	150.7	174.1

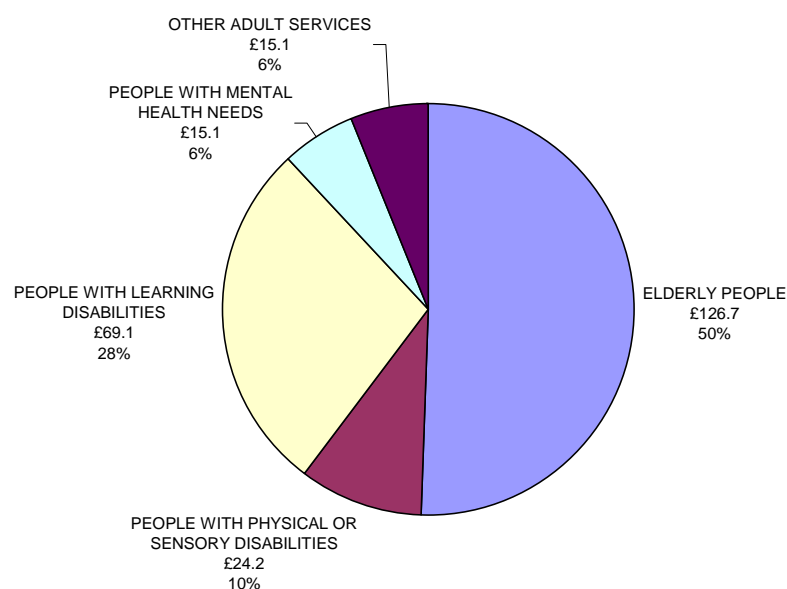
3.2.4 Over the past 6 years the net budget has increased by 68%, equivalent to an annual rate of growth of almost 10%. This rate of increase has been funded by a combination of additional funding from Government, both in terms of general increases in grant support to reflect demographic changes and increasing needs as well as additional specific funding for new and changed policies and initiatives, and additional budget allocations by the County Council to meet increasing needs and to reflect local priorities. This rate of growth has also been achieved even though efficiency savings have been achieved over the same period. In the last 3 financial years alone efficiency savings totalling £13.5 million have been made.

3.3 **ASCH Gross Expenditure**

The charts below present the gross expenditure on services for adults by service user and by type of service.

3.3.1 **Analysis by Service User Group**

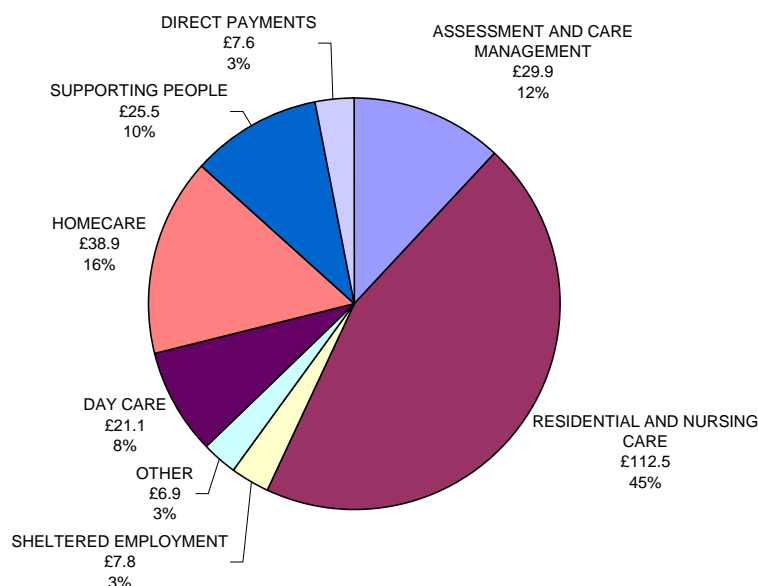
Gross expenditure by service user groups (£M):-



The chart above shows that around half (50%) of the gross budget for adults is spent on older people. Just over a quarter (28%) of the total gross budget is spent on people with learning disabilities. The remainder of the budget (22%) is spent on people with physical or sensory disabilities, people with mental health needs, and other adult services of which the majority of expenditure forms part of the supporting people programme.

3.3.2 Analysis by Type of Service Provided

Gross expenditure by type of service (£M):-



The chart above shows that the greatest proportion of the budget is spent on residential and nursing care (45%). A further £38.9million (16%) is spent on homecare, £29.9 million (12%) on assessment and care management (largely social care staff), £25.5 (10%) on the Supporting People Programme and £21.1 million (8%) on day care services. The remaining 9% of the gross expenditure is spent on Sheltered Employment (3%), Direct Payments (3%), and various other services (3%) including grant aid.

4. Development of 2009/10 Budget

- 4.1 The significant growth in recent years in the budget for services for adults was identified earlier in the report. Some of the major factors contributing to this increase were also identified. The budget pressure arising from these factors is on-going and will continue to influence the development of the budget for 2009/10 and future years. The implications for the County Council's 2009/10 budget as a result of these factors are being estimated and will be considered as part of the County Council's 2009/10 budget decision.

5. Conclusions

- 5.1 The Adult Social Care and Health budget forms a significant proportion (42%) of the County Council's overall net budget.
- 5.2 The size of the Adult Social Care and Health net budget has increased significantly (68%) over the last 6 years.

- 5.3 The factors which have resulted in the significant increase in the Adult Social Care and Health budget over recent years are ongoing and will need to be considered by the County Council in the development of budgets for 2009/10 and future years.

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