

Appendix 2: Social Care Department Risks

Department & Division	Short Description of Risk	Risk				Mitigation
		2023/24 Value (£000's)	2024/25 Value (£000's)	2025/26 Value (£000's)	2026/27 Value (£000's)	
All divisions	Cost of Living - Current retail price index (RPI) are 14% and consumer price index (CPI) is 9.3% (Both November 2022) and the Office of Budget Responsibility is anticipating RPI to be 9.1% and CPI to be 7.4% in 2023. Inflation has been assumed for 23/24 at 5% and if Social Care providers are settled at 10% (including London Living Wage increases) there will be a cost pressure of £3.4m.	3,422	3,422	3,422	3,422	Commissioning and Finance will assess each individual provider request for additional uplift and present any variation after assessment. The department has submitted the workings through the Fair Cost of Care exercise as part of the remaining Social Care Reforms. Any inflationary increases will be as part of moving towards this rate (subject to budget availability) and a new ringfenced market sustainability grant will assist support funding of the settlement.
All divisions	Support at home (Homecare) procurement of new service contract model.	2,241	4,670	4,670	4,670	Outcome to be known as part of procurement exercise. As part of the social care reforms, there is a fair cost of care exercise has been undertaken and initial indications suggest the hourly home care rate is likely to be higher than the current assumed modelling for the home care procurement exercise (subject to budget availability).
All divisions	The local policy is for the direct payment rate to be consistent with the Home Care hourly rate (spot market.) As the Home Care rate is to be re-procured there is a likelihood that the direct payment hourly rate will also increase.	1,402	1,402	1,402	1,402	Outcome to be known as part of procurement exercise.
Learning Disability	Additional funding is required for the LD budgets to fund the increasing number of disabled young people transitioning into adult services. We have estimated that there are likely to be 65 more young people by 2026/27 creating a cost pressure on an already overspending budget.	364	561	561	561	Regular and robust review of residents' care is needed to ensure that care plans accurately reflect current assessed care needs.
All divisions	Social Care Reform - Impact of income tariff changes by raising the upper capital limit from £23,350 to £100,000 and the lower capital limit from £14,250 to £20,000. Means capping will be a proposed introduction of an £86,000 cap on personal care costs from October '25. (In LBHF this will be for residents who receive residential and nursing care services in care homes)	0	0	341	681	LA's to lobby for additional funding for the Social Care income related reforms.
All divisions	Covid-19 impact on mental health services, isolation, increasing drugs and alcohol and obesity will place further pressure on adult social care budget. Further modelling will be undertaken to estimate the financial risks involved.	?	?	?	?	Tight monitoring of the budget on a monthly basis, reprioritising and changing support as appropriate and as required.
Total		7,429	10,055	10,396	10,736	