ADULTS SCRUTINY COMMITTEE
28 OCTOBER 2025

Adult Social Care Budget and Projected Outturn 2025/26

SUMMARY REPORT

Purpose of the Report

1. To provide an overview of the Adult Social Care (ASC) budget for Darlington Borough Council, including financial outturns, current pressures and challenges, and the transformation plans in place to address these issues and improve service delivery.

Summary

2. ASC in Darlington continues to face significant financial and operational pressures. These are driven by demographic changes, increasing demand for services, workforce challenges, and the need to modernise service delivery. Despite these pressures, the Council remains committed to delivering high-quality, person-centred care and support, with a strong focus on prevention, early intervention, and community-based solutions.

Recommendation

3. It is recommended that Members of the Adults Scrutiny Committee:

   a) Note the current budget position and financial pressures.

   b) Endorse the transformation plans outlined in the report.

   c) Support ongoing engagement with partners, providers, service users, and carers to shape future service delivery.

Joss Harbron
Assistant Director Adults Social Care

Background Papers

a) Council Plan 2024–2027
b) Market Position Statement and Commissioning Strategy 2024–2027
c) Medium-Term Financial Plan
d) Health and Wellbeing Strategy 2024–2028
e) https://www.darlington.gov.uk/media/q4couxmc/vision-for-adult-social-care-in-darlington.pdf

Joss Harbron: 5278

Council Plan	This report contributes to the Council Plan by involving Members in the scrutiny of performance relating to the delivery of key outcomes with regards to ASC.
Addressing inequalities	This involves members in the scrutiny of the level to which ASC contributes to ensuring that opportunities are accessible to everyone, with a focus on ensuring a good life, good health, home and/or social connections for all.
Tackling Climate Change	This report does not identify any issues relating to climate change.
Efficient and effective use of resources	This report allows for the scrutiny of performance which is integral to optimising outcomes and ensuring efficient use of resources.
Health and Wellbeing	This report supports performance improvement relating to improving the health and wellbeing of residents.
S17 Crime and Disorder	This report does not represent a change in S17 Crime and Disorder.
Wards Affected	This report related to all wards within Darlington.
Groups Affected	This report supports people with care and support needs eligible under the Care Act 2014.
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers.

MAIN REPORT

Information and Analysis

4. In December 2021, the Government published a set of mutually reinforcing reforms which include the Health and Care Bill, Health and social care integration: joining up care for people, places and populations - a white paper which is part of the government's commitment to transform the delivery of care in England, the Build Back Better: Our Plan for Health and Social Care and the ASC reform white paper- People at the Heart of Care.

5. These reforms resulted in a focus on the refreshing of Darlington's ASC priorities and, through a series of workshops with teams across the People group, we developed a new vision for ASC that reflected the new Health and Social Care Act 2022 with the purpose of pulling together all activity into a single transformation plan that linked to the vision.

6. This transformation plan incorporates Commissioning, Quality, Practice and Workforce development into a single plan along with the service reviews/redesigns that sat within the previous 2019 transformation plan. Adult Services have worked closely with the Commissioning and Contracting and transformation team to ensure there is a strong commitment to strength based approaches within the provider market, clear outcome focused approaches and a plan to meet the needs of local people.

7. The new transformation plan is also mindful of the demands, pressures post Covid e.g.:

   a) Demographics, impact of Covid, workforce retention and capacity of the national cost of living situation, budget pressures, health inequalities loneliness, mental health, changing partnerships arrangements through development of the Integrated Care Board (ICB), Integrated Care Partnership (ICP) and place-based commissioning and the need to manage increasing demand.

The new Vision for Adult Social Care in Darlington 2023-2026

8. The ASC vision builds on the overall aims of the Council's strategic vision of THRIVE i.e.:

   a) Together and Inclusive
   b) Healthy and Safe
   c) Resilient and Strong
   d) Independent and Innovative
   e) Valued and Respected
   f) Educated and Aspirational

9. ASC will work together with residents, partners, and communities to enable the citizens of Darlington to maximise their independence (to be resilient, strong and healthy), their wellbeing (healthy, safe and inclusive), to have care and support when they need it (together, valued and respected and safe) and to empower them to contribute to and feel valued in their communities (independence, innovation, valued, inclusive and educated).

10. The vision is grouped under a number of key themes and strategic objectives to produce a delivery plan:

The Transformation delivery plan 2023-2026

Themes	Strategic objectives
❖ **Amazing practice** through strength-based working and strength based workforce	• Service user/carers engagement, feedback and co-production (the person's voice is central to everything we do). • Ensuring Strength based approaches and practice (working with partners and the community). • Highly trained and skilled workforce working in line with internal strategies and procedures. • Ensuring people can maintain independence or are re-abled to regain their independence. • Ensuring we support the prevention, reduction of delay of social care needs. • Assess, support and commission support and care where and when needed.
❖ **Creating the right conditions** through Market developing, shaping and commissioning	• Commissioning Services to meet current and future need.

Themes	Strategic objectives
	• Working wider community assets providing outcomes and making a real difference. • Work with partners in the system to develop, deliver and achieve positive outcomes for people within our community.
❖ **Ensuring safety and wellbeing**	• Effective Safeguarding - Ensuring safety for person, safe systems of practice and working. • Ensuring continuity of care including supporting young people through to adulthood.
❖ **Enabling delivery** ❖ **Ensuring quality is everyone's business**	• We will ensure there is strategic leadership and a learning workforce enabling successful delivery of our statutory responsibilities. • We will ensure we are a learning organisation; we will listen, improve and know our services and ensure we achieve positive outcomes for people. • Systems, polices, procedures, practice guidance and governance (that support effective social work and social care practice). • Inspection readiness- baselines, evidence collation. • Efficient, well managed budgets delivering services and support within the budget, being response to pressures and anticipating demand. • Intelligence led Service development and planning. • Intelligence Led Business Planning. • Improved Digital and Communications (inc. web, information, self-service, use of technology.

11. The Council's transformation strategy is guided by the Market Position Statement and Commissioning Strategy 2024–2027, which outlines the following priorities:

    a) Prevention and Early Intervention: Investing in digital technology, aids, and adaptations to support independence.

    b) Community-Based Support: Expanding housing options and care at home to reduce reliance on residential care.

    c) Integrated Working: Strengthening partnerships with health, housing, and VCSE organisations.

    d) Carer Support: Enhancing access to information and support for unpaid carers.

    e) Market Engagement: Building strong relationships with providers to co-design services and ensure quality assurance.

Budget Overview

12. Darlington Borough Council has allocated a significant portion of its overall budget to ASC. However, the service continues to operate under considerable financial strain. The Council has identified savings of £3.651 million in 2025/26 and £21.4 million over the next four years, with ASC identified as a key area of pressure.

13. Budget for 2025/2026 based on the most recent data from Darlington Borough Council's Medium Term Financial Plan and Adults Scrutiny Committee reports, the gross ASC budget for 2025/26 is approximately £64.9 million, and it is broken down across the following key service areas:

Adult Social Care Budget Breakdown by Service Area (2025/26)

Service Area	Budget (Gross) (£m)	Description
Older People Services	26.7	Residential, nursing, and home care for older adults.
Learning Disabilities	21.8	Supported living, day services, and residential care.
Mental Health Services	3.9	Community and residential support for adults with mental health needs.
Physical Disabilities and Sensory Impairment	7.8	Support for adults with physical disabilities and sensory needs.
Carers Support and Direct Payments	0.3	Support for unpaid carers and personal budgets.
Management and Overheads	4.4	Staffing, ICT, training, and operational costs.

Total gross expenditure	**Income**	**Grant Income**	**Net Budget**
£64.9M	£14M	£3M	£47.9M

14. Current Budget Position at Quarter One (June 2025): Overall project variance is an underspend of £18k.

15. External Packages of Care (EPC) movement of approximately £69k.

    (a) Reductions:

    i. £175k due to delays in hospital discharges

    ii. £442k additional grant income

    (b) Pressures:

    i. £447k for residential placement

ii. £110k new home care provisions

16. Learning Disability Long Term Conditions budget pressure of approximately £40k:
    (a) Holicote – pressure of £32k due to additional agency costs and repair costs.

    (b) Supported Living – Pressure of £26k due to agency costs

    (c) Day Services – saving of £17k, due to additional income

17. Mental Health Long Term Condition – Saving of £8k due to staffing.

18. Older People Long Term Condition – Pressure of £8k due to maternity cover.

19. Service Development and Integration – Saving of £5k for reduction in phones charges, replaced with Wavenet.

20. Current Debt Position – June 2025

    The total outstanding debt is broken down into two categories: Residential & Nursing and Non-Residential, with further segmentation by the age of the debt.

	Residential & Nursing	**Non-Residential**
60–89 Days:	£229,047	£37,163
90–180 Days:	£428,044	£85,117
180–365 Days:	£1,005,341	£140,015
Over 365 Days:	£2,273,330	£1,185,044
	Total: £3,935,762	Total: £1,447,339

21. Some of the outstanding debt is attributed to specific circumstances:

    a) Individuals lacking mental capacity, now managed by the Financial Protection Team.

    b) Direct payment recipients.

    c) Debt escalated to legal recovery.

    d) Executors awaiting probate.

    e) Cases on hold due to complaints or disputes.

    f) Individuals under safeguarding.

    g) Awaiting family to apply for appointeeship or deputyship.

22. These situations can delay debt recovery for months or even years.

23. ASC and the Finance team are working together to reduce debt and improve processes through the transformation programme by:

a) Strengthening Financial Capacity & Support:

i. Early identification of individuals lacking mental capacity and prompt referral to the Financial Protection Team.

ii. Proactive engagement with families to encourage timely applications for appointeeship or deputyship.

iii. Provide clear guidance and support for navigating financial responsibilities, especially for carers and families.

b) Improved Direct Payment Oversight:

i. Introduce regular audits and check-ins for individuals receiving direct payments.

ii. Use prepaid cards or managed accounts to improve transparency and reduce misuse.

iii. Offer training and support to help individuals manage their budgets effectively.

iv. Delivering co-produced training to ASC teams on Direct payment usage.

c) Legal and Probate Processes

i. Work closely with legal teams to streamline debt recovery once cases are escalated.

ii. Maintain a tracking system for executor cases to ensure timely follow-up.

d) Tackling Aged Debt Proactively

i. Identified an aged debt recovery role focused on debts over 180 days.

ii. Use predictive analytics to identify cases at risk of becoming long-term debt.

iii. Prioritise high-value cases for early intervention.

e) Enhanced Communication & Engagement

i. Improve billing clarity and frequency to reduce confusion and disputes.

ii. Use multi-channel reminders (letters, calls, emails) for overdue payments.

iii. Offer flexible payment plans to encourage partial repayments.

f) Strengthened Internal Processes

i. Ensure timely financial assessments and invoicing.

ii. Reduce delays caused by complaints or safeguarding investigations through faster resolution pathways.

iii. Invest in staff training and digital tools to improve efficiency.

g) Monitoring and Reporting

i. Regularly review debt data to identify trends, problem areas and monitor progress.

ii. Share monthly dashboards with operational teams to drive accountability.

Key Pressures and Challenges

24. Demographic Change: Darlington has an aging population, with 20.5% aged 65+, higher than the national average. This trend is expected to continue, increasing demand for care services.

25. Workforce Shortages: Recruitment and retention of care staff remain challenging, impacting service capacity and quality.

26. Financial Constraints: Rising costs, inflation, increases in national living wage and employer national insurance contributions have increased ASC costs.

27. Complex Needs: There is a growing need for services that support people with complex needs, including supported living and transitions to adulthood.

28. Market Sustainability: Ensuring a diverse and resilient provider market is critical, especially in light of post-pandemic recovery and economic uncertainty.

29. Integrated care Board structure changes including exploration of tightening the Continuing Health care eligibility could shift the financial burden to local authorities, delegation of healthcare tasks whilst ICB's focus on strategic commissioning.

Consultation

30. Ongoing engagement with partners, Members, people using services, carers, and providers is central to the transformation approach.

31. Feedback mechanisms are embedded in commissioning processes to ensure services reflect local needs and preferences.