

Dear Provider,

Friday, November 10th 2023

I am writing to you regarding the recent news around the financial situation we are facing at Somerset Council.

First of all, I want to thank you. I am very grateful for your commitment to caring for our most vulnerable adults and making a real difference to the lives of people in Somerset.

As you are likely aware, many councils are struggling due to a lack of national government funding in social care coupled with soaring costs and demands, particularly within Children's and Adults services.

Latest budget figures show Somerset Council is facing a funding gap of £100m for 2024/25 due in large part to an expected increase of £70m in the cost of adult social care for 2024/25.

Without immediate action this could lead to Somerset being forced to follow Birmingham and Woking councils by issuing a S114 notice – effectively declaring the council bankrupt. The government will continue to provide statutory funding, even in this situation.

Executive members have now voted to declare a financial emergency and controls are being put in place across the organisation to limit spending. They also agreed to dispose of commercial investments and pledged to step up ongoing talks with the Department for Levelling Up, Housing and Communities (DLUHC).

Somerset's Lead Member for Adult Social Care, Cllr Dean Ruddle has written to the Minister of State (DHSC), Helen Whatley to seek urgent assistance. In his letter, he outlines the seriousness of the financial situation in Somerset and also nationally, highlighting the need for urgent reform to the social care funding model. [You can read this letter, here.](#)

We understand that this news may be worrying and want to take this opportunity to reassure you that you will continue to be paid for contracts we have with you and any set up in the following period. As you know, all support for eligible adults is statutory. There is no risk of non-payment – we will pay for all services.

I hope you understand that this situation does mean that we will have to make some tough decisions, so it is more important than ever that every pound spent has a demonstrable positive impact on the lives of the people we collectively serve.

Therefore, we would like to work with you on making services as efficient and effective as possible – it is vital that we work in close partnership.

While acknowledging the great work that your organisation delivers, we want to work even more closely with you to collectively address the following objectives:

1. **Managing demand:** As our demand increases over the winter period and the Somerset System is under pressure, our collective ability to support demand and flow out of our acute hospitals is critical. We need to work together to ensure that resources are allocated efficiently and in ways that guarantee the best possible care for people.

2. **Demonstrating good quality outcomes:** We must provide evidence that our joint efforts consistently deliver positive outcomes for people. This includes demonstrating that we are continuously assessing and improving our practices to achieve the best possible standards of safe and effective care.

This is a challenging time for us all, but it does provide a strong mandate for change. By tackling these challenges together, we can reinforce the quality of care provided and demonstrate our shared commitment to achieving the best outcomes for the people in our care.

We would welcome your input as to how we can make the best possible use of resources, so if you have any suggestions or questions, or require further information, please do not hesitate to contact us. Email: commissioningteammailbox@somerset.gov.uk .

Thank you for your continued support and commitment.



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