

Somerset County Council Demand Led Services Funding

Report to the External Auditor

29th August 2019

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Purpose of the report

Role in supporting the external auditor

In connection with Grant Thornton's (GT) statutory audit of Somerset County Council, the Demand Led Services Team within GT's Public Sector Advisory team were asked to conduct a focused review of the robustness and deliverability of the Medium Term Financial Plan (MTFP) in relation to Children's and Adult Social Care Services, highlighting any areas of concern and any possible remediations.

Review Team

The review was undertaken by:

- Alex Khaldi – Partner, Demand Led Services, GT Public Sector Advisory
- Henry Claridge - Manager, Demand Led Services, GT Public Sector Advisory

The review was facilitated by:

- Peter Barber, GT Audit Partner
- Sheila Collins, SCC Interim Finance Director

Summary of Process

The process has taken the place from w/c 29th July – w/c 26th August. The key stakeholders were:

- Sheila Collins – Interim Finance Director
- Jason Vaughan – Deputy Finance Director
- Stephen Chandler – Director of Adult Services (departing)
- Mel Lock – Director of Adult Services
- Julian Wooster – Director of Children's Services
- Claire Winter – Deputy Director Children's Services
- Adele McClean – Children's Finance
- James Sangster – Adults Finance

The process involved:

1. Initial document review of information provided by appointed auditor
2. Phone conversation with Directors of Children's, Adults and Financial Services to:
 - Outline the purpose of the review
 - Establish the key lines of enquiry
 - Request/ discuss additional documentation to review
3. Desktop review of documentation
4. Face to Face discussion with key stakeholders on questions arising from the desktop review/ key lines of enquiry
5. Write up and submission of report to GT Audit Partner

Lines of enquiry

The lines of enquiry provided the focus for the desktop review of documents and subsequent points of discussion for the face to face meeting.

The key lines of enquiry were:

1. Are specific Children's and Adults transformation and savings plans realistic?
2. Have demand pressures been adequately forecast and provided for?
3. Have cost and market pressures been adequately forecast and provided for? (Cost pressures include the sufficiency and price of placements in both Adults and Children's external markets)
4. Are robust arrangements in place to exercise demand and financial control in Adults/Children's including arrangements for activity monitoring, risk management and financial delegation?

It should be noted for the purposes of this review, we have focused on 'social care' and therefore out of scope of the review are education budgets and the Dedicated Schools Grant.

Review of the MTFP for Children's and Adults

Structure

Following the desktop review and follow up discussions with key stakeholders we have developed a view to the appointed auditor of Somerset County Council as to whether the budget proposals through to 2021/22 within Children's and Adults Social Services are deliverable and to highlight any areas of concern.

Firstly, we have looked at historical financial performance and MTFP budget position (including allowances for pay award and use of Council's Contingency fund)

Then we have made a risk assessment conclusion against the following headings (to reflect our lines of enquiry)

- Delivery of savings
- Demand pressures
- Cost and market pressures
- Financial / demand control
- Other risks

For Children's services we have also set out a number of risk scenarios to test the ability of the Council to deal with potential cost and demand pressures.

Finally, we have applied an overall assessment for each service area under 'MTFP Funding'.

Risk Profile

The risk profile is as follows:

| Risk | Level |
|--------|----------|
| Red | High |
| Amber | Moderate |
| Yellow | Low |
| Green | Very Low |

Benchmarking

As part of our review, we carried out a benchmarking exercise of Children's and Adults services using our CFO Insights (CFOi) and Adult Social Care Insights (ASCI) analytics platforms (see Appendix 3 – CFOi Benchmarking Report and Appendix 4 – ASCi Report.)

The ability to benchmark is an important tool in providing an underpinning evidence base to analyse relative performance against peers and highlight particular areas of cost pressure within the services.

We have used evidence from this exercise to inform our lines of enquiry and discussions with key stakeholders.

Children's Services

Historical Financial Performance and MTFP

Children's Services Financial Performance and MTFP

| | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | MTFP Budget | | |
|-----------------------|------------|------------|------------|------------|------------|-------------------|------------|------------|
| | | | | | | 19/20 | 20/21 | 21/22 |
| Children's Budget (£) | 64,703,000 | 72,370,000 | 76,532,000 | 73,846,000 | 66,314,000 | 81,682,900 | 84,010,800 | 84,322,000 |
| Children's Actual (£) | 67,350,000 | 77,068,000 | 80,469,000 | 83,565,000 | 88,635,000 | % change for MTFP | | |
| % Change in Actual | | 14% | 4% | 4% | 6% | -8% | 3% | 0% |

Historical Financial Performance

The table above shows an historical overspend against budget in Children's Services. However, it is acknowledged that previous budgets were unrealistic given the actual levels of spend. This has been addressed through the rebasing exercise during the last financial year (18/19).

Historical financial performance shows a steady year on year increase in spend on Children's Services, with a particularly sharp rise between 14/15 and 15/16. This can partly be explained due to an 'Inadequate' Ofsted rating in 2015, which is typically followed by increased investment/spend to improve the rating (which was achieved in 2017, with a 'Require Improvement to be Good' rating).

The 4% increase seen in 16/17 and 17/18 and 6% in 18/19 is reflective of the demand and cost pressures facing Children's Services and of budgetary increases we have seen through our work with other Councils.

MTFP Budget

The rebasing exercise of 18/19 saw circa £23m added to Children's Services budget. However, given the continued financial pressures facing the Council, savings were also assigned to the service, leading to an 8% reduction in spend from 18/19 in order to deliver to budget in 19/20. The next financial year allows for some increase in spend before maintaining a similar level for 2021/22.

It should be noted that the MTFP Children's Services budget position for 19/20-2021/22 does not include any contingency sums. In addition to reserves, the Council also maintains a contingency budget in recognition of the volatility and risks contained within of some its budgets. The level of contingency built into the Medium Term Financial Plan is £7.2m for the 2019/20 budget, £4.6m in 2020/21 and £4.1m in 2021/22. Historically, Children's Services has drawn from this reserve and therefore it can be assumed that additional sums will be available over the course of the MTFP. (Please see **Slide 7** for further analysis)

Pay Award and Use of Contingency Funding

Pay Award

As per the SCC Audit Findings Report 2018-2019, it is acknowledged that MTFP includes all expected known cost pressures including realistic allowances for pay awards. In the MTFP this amount has been assigned to service areas from a central fund and is based on the % of the total budget that each service makes up.

Corporate Contingency Fund

In addition to reserves, the Council also maintains a contingency sum in recognition of the volatility and risks contained within of some its budgets. The level of contingency built into the Medium Term Financial Plan is £7.2m for the 2019/20 budget, £4.6m in 2020/21 and £4.1m in 2021/22.

Historical Use

Recent historical use has seen Children's Services allocated an average of £5.8m from the Contingency fund for the last four years, which equates to 80% of the total contingency sum for this period. Only a very minimal amount was allocated to Adults Services over this period.

Future assumptions / Scenario's

Given the historical use of the contingency in Children's Services and for the purposes of our review, the table to the right reflects the budget position including the pay award (based on Children's Services making up an average of 30% of the total SCC Budget over the next 3 years) and an assumed 80% allocation of contingency for Children's Services (based on historical use).

MTFP with Pay Award and Contingency

| | Actual | MTFP Budget | | |
|-----------------------------------|------------|-------------|------------|------------|
| | | 18/19 | 19/20 | 20/21 |
| Children's MTFP Budget (£) | | 81,682,900 | 84,010,800 | 84,322,000 |
| Corporate Contingency (£) | | 5,780,720 | 3,649,680 | 3,310,004 |
| Pay Award (£) | | 900,137 | 1,222,790 | 1,531,579 |
| MTFP with Pay and Contingency (£) | 88,635,000 | 88,363,757 | 88,883,270 | 89,163,583 |
| % Change in Actual | | 0% | 1% | 0% |

With pay award and contingency sums factored in, the MTFP budget for Children's Services requires a containment of the current level of spend (as opposed to the 8% reduction displayed in Slide 6).

This is more realistic for the service and therefore it will be important to consider the adjusted amount when forming a view on the deliverability of MTFP budget for Children's services.

Children's Services – Risk assessment

Delivery of Savings

Risk Assessment

Low

- As part of the MTFP Children's services have a savings target of £4.592m for 19/20.
- The savings proposal was developed in partnership with PeopleToo, who, following a review in 2018, worked with the service to outline a 3 year programme of savings and efficiencies. PeopleToo currently chair the Children's Transformation Board.
- Whilst we believe the external challenge from PeopleToo serves a purpose (along with holding them to account for the delivery of their proposals), through our discussion greater clarity was needed over ownership of the savings, not just from a strategic level but through specific named officers owning the plans.
- Current financial reporting shows that the service has delivered £3.340m of the 2019/20 savings to date, and is on track to deliver the remaining £1.246m
- Some of the 'on track' items are in areas of demand volatility e.g. Placements budget and so are subject to external pressures which increase the risk of delivery.
- Strong reporting measures are in place to monitor progress, with a Transformation dashboard summarising the position and assessing risk against 'savings' and 'plans' and facilitating close working with senior leadership and finance colleagues.

Demand Pressure

Risk Assessment

Moderate

- A number of measures have been put in place in order to reduce the need for care and manage children in the system differently. There are good examples of progress at the front door where working with partners has helped redefine the Council's offer and ensured referrals only occur where there is an actual need and all other potential options exhausted. This has led to the referral rate starting to decline.
- Notwithstanding good recent work to manage demand there is an inherently high vulnerability to future demand pressures. It will be important for SCC to have identified their highest risk care cohorts and to have carried out forecasting work based on need, demography and unit cost. In turn the Council should be able to develop more robust 'target cost and demand' profiles/scenarios against which their transformation plans can be deployed.
- Discussion with key stakeholders suggested demand for Children's Services is under firmer control, and the strategy is focused on better management of the current demand and where possible improving the stability of placements. However, given the savings assigned to the service, and the need to contain current cost levels, this puts a significant amount of pressure on these controls, with any increase in spend impacting on the financial position and ability to deliver to budget.
- The pressure on the service can be seen in the 2019/20 Revenue Budget Monitoring – Month 3 Highlight Report which reports a predicted overspend of £1.046m on external placements. This is partly due to a carryover of pressures from the previous year due to additional residential placements however, it is reflective of the impact of unexpected demand on the budget.
- To address pressures on the service, a contingency sum exists that can be drawn upon. However, even with a contingency sum applied to the budget, as a minimum the service will be required to meet all current savings targets and to ensure spend is in line with the previous year.

Children's Services – Risk assessment

Cost and Market Pressures

Risk Assessment

Moderate

- Benchmarking with statistical neighbour local authorities (see Appendix 3) suggest unit costs for Children's Services in Somerset are high. Benchmarking is currently undertaken as part of the South West Quarterly Benchmark Report. However, this is primarily focused on performance measures. There is additional benefit in being able to benchmark financial performance, and having a better understanding of unit costs and where high cost areas sit within the service.
- Historically, cost pressures have been driven by a shortage of more cost effective placements such as foster care, resulting in more expensive placements in residential care. It is also as a result of practice where once a child has entered the system, a very low number would move back into their family setting. This follows a broad assumption that any cost associated with a child would be maintained for the course of their childhood (as opposed to working to move the child back into the family setting and therefore removing the associated costs of care).
- Measures have been put in place to change practice, through more regular reviews with the family, and a particular focus on the 10-15 year old age group.
- Lack of placement stability has also had an impact on cost and market demands. Lack of stability requires new placements to be identified, often at short notice particularly where breakdowns have occurred. This is acknowledged as an area of improvement for the services, and they have seen an improvement since focusing on this area.
- Somerset CC is in a Peninsula Framework through which services are purchased. The framework caps pricing for independent fostering and residential provision. Discussion suggested that Somerset did not always benefit from this arrangement (often they are getting cheaper rates off-framework), and that there could be an opportunity to pursue individual relationships with providers in order to generate a Somerset specific market, based on local needs.
- The Somerset market is saturated by residential homes. There is also a significant amount of local supply being used by external councils.

Financial/ Demand Controls

Risk Assessment

Very Low

- As the budget outturn reflects, Children's Services has seen an increase in spend year on year since 2014/15.
- It is acknowledged that during this time, more could have been done to manage demand costs and this has led to specific actions to improve financial grip.
- Placements are now closely monitored and tracked on a weekly basis against the approved budget. Any potential overspend will be clear and can be reported, escalated and remedial action put in place where variance surpasses manageable levels.
- There was clear evidence of controls through the reporting structure of the transformation programme, where monthly highlight reports update on status of projects against milestones, costs, resources and benefits.
- Spend is very tightly controlled, with sign off only through the DCS or Assistant DCS
- The service is also required to submit Finance and Quality Performance Reports, where each service manager submits a report on behalf of their service, and then this is discussed in a forum, with wider service and financial colleagues offering challenge. This has led to service managers taking a greater degree of responsibility for their budget performance, and a greater understanding of their budgets.

Children's Services – Risk assessment

Other risks

Risk Assessment

Low

Staffing

- Following the 'Inadequate' Ofsted rating in 2015, there was large investment in workforce to reduce caseloads
- This has led to an average caseload of 14 which can be considered reasonable when compared with other councils
- According to External Placements Budget 2019/20 document shared, staffing costs is the biggest area of expenditure for Children's Services.

New Opportunities

- As part of the discussion with stakeholders, we asked if additional opportunities beyond the current MTFP had been proposed or what contingency options could be introduced to address any budgetary pressures.
- The service was able to identify a number of opportunities such as introduction of the Mockingbird scheme, a prevention agenda focusing on child exploitation and domestic crime along with additional savings identified through the PeopleToo review. Given inherent demand and cost flexibility, it will be important for the service to increase their stock of contingency savings options.

Financial Risk Scenarios - Children's Services

Given the scale of change deployed in Children's over the past year, it is difficult to apply budget growth assumptions with confidence. However it is plausible to suggest that the outturn reduction for 19/20 will not be fully achieved, and further that cost will grow at per annum thereafter. To illustrate the materiality of higher Children's Services cost growth than planned, we have set out a number of alternative scenarios based on a number of assumptions.

Assumptions

- The '19/20 Revenue Budget Monitoring – Month 3 Highlight report' describes an external placement forecast overspend of £1,046,000. (This has improved from £2,600,000 at the beginning of the financial year.) However, given the relative lack of movement since Month 2 (there has actually been an adverse movement) for the purposes of the risk scenarios we have assumed this overspend remains at year end.
- Over the last 3 years, Children's Services spend has increased at an average of 5% per annum. For the purposes of the risk scenarios we have modelled the impact of a 1%, 3% and 5% increase against the MTFP budget.
- Given the historical use of the contingency fund in Children's Services, for the purposes of the scenarios, the budget position includes the pay award (based on Children's Services making up an average of 30% of the total SCC Budget over the next 3 years) and an assumed 80% allocation of contingency for Children's Services (based on historical use).

These scenarios look to test the ability of the Council to deal with costs and demand pressure based on historical performance, and non-delivery of current cost and demand reduction measures and to assess the total potential level of under/overspend against budget for the 3 year period 2019/20 to 2021/22.

We have modelled three scenarios

- Scenario 1 – External placements overspend and 3% budget increase
 - We believe this to be the 'most likely' scenario modelled. It assumes an improvement to the cost increase per annum during the MTFP based on measures introduced within the service but still reflects an annual budget pressure based on the volatility of cost and demand in Children's Services
 - The outcome of the Scenario 1 leads to an underspend of £3,179,096 across the 3 year period.
- Scenario 2 – External placement overspend and 5% budget increase
 - This scenario reflects the 'do nothing position'. It assumes that the measures introduced by the service have no impact, and instead cost pressure reflects historic trends.
 - The outcome of Scenario 2 gives the Council an overspend of £7,280,125 (with contingency and pay awards factored in) across the 3 year period.
- Scenario 3 – External placement overspend and 1% budget increase
 - This scenario assumes significant improvement as a result of measures introduced with limited need for draw on the contingency fund.
 - The outcome of Scenario 3 leads to an underspend of £13,367,779 across the 3 year period.

Financial Risk - Scenario 1

| | Actual | MTFP Budget | | | |
|--|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 18/19 | 19/20 | 20/21 | 21/22 | |
| Children's MTFP Budget (£) | | 81,682,900 | 84,010,800 | 84,322,000 | |
| External Placement Overspend | | 1,000,000 | | | |
| 3% Budget increase | | 2,480,487 | 2,554,902 | 2,631,549 | |
| | | | | | Total Scenario Spend |
| Scenario Spend (£) | 88,635,000 | 85,163,387 | 87,718,289 | 90,349,837 | 263,231,513 |
| Corporate Contingency (£) | | 5,780,720 | 3,649,680 | 3,310,004 | |
| Pay Award (£) | | 900,137 | 1,222,790 | 1,531,579 | Total MTFP Budget |
| MTFP with Pay and Contingency (£) | 88,635,000 | 88,363,757 | 88,883,270 | 89,163,583 | 266,410,609 |
| | | | | | Total Variance |
| Variance between Scenario Spend and MTFP Budget | | -3,200,370 | -1,164,981 | 1,186,255 | -3,179,096 |

Assumptions

- £1,000,000 overspend at the end of 19/20
- 3% increase on budget (including 19/20 overspend)

- The table above shows the impact of an assumed overspend in the external placement budget and a 3% increase in spend for the MTFP period
- Over the last 3 years, Children's Services spend has increased at an average of 5% per annum. Taking into account improvements as a result of change measures introduced, 3% can be considered a reasonable increase for the purposes of this modelling exercise.
- The table shows that for 19/20 and 20/21, the MTFP budget (including Pay award and contingency) is sufficient to manage the external placement overspend and 3% annual increase in spend. For 21/22 the budget is not sufficient. However, if you consider the total variance over the MTFP period (with 19/20 and 20/21 well under budget if Pay Award and Contingency is included) then there is sufficient contingency to address the final year position and manage the budget risk.
- For this scenario there is a low risk profile against delivery to budget.

Financial Risk - Scenario 2

| | Actual | MTFP Budget | | | |
|---|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 18/19 | 19/20 | 20/21 | 21/22 | |
| Children's MTFP Budget (£) | | 81,682,900 | 84,010,800 | 84,322,000 | |
| External Placement Overspend | | 1,000,000 | | | |
| 5% Budget increase | | 4,134,145 | 4,340,852 | 4,557,895 | |
| | | | | | Total Scenario Spend |
| Scenario Spend (£) | 88,635,000 | 86,817,045 | 91,157,897 | 95,715,792 | 273,690,734 |
| Corporate Contingency (£) | | 5,780,720 | 3,649,680 | 3,310,004 | |
| Pay Award (£) | | 900,137 | 1,222,790 | 1,531,579 | Total MTFP Budget |
| MTFP with Pay and Contingency (£) | 88,635,000 | 88,363,757 | 88,883,270 | 89,163,583 | 266,410,609 |
| | | | | | Total Variance |
| Variance between Scenario Spend and MTFP Budget | | -1,546,712 | 2,274,628 | 6,552,209 | +7,280,125 |

Assumptions

- £1,000,000 overspend at the end of 19/20
- 5% increase on budget (including 19/20 overspend)

- The table above shows the impact of an assumed overspend in the external placement budget and a 5% increase in spend for the MTFP period
- Over the last 3 years, Children's Services spend has increased at an average of 5% per annum. This scenario assumes that the improvements, as a result of change measures introduced, have no impact on the budget and instead follow along historical lines.
- The table shows that for 19/20 the MTFP budget (including Pay award and contingency) is sufficient to manage the external placement overspend and 5% annual increase in spend. However for 20/21 and 21/22 the budget is not sufficient. Despite an underspent position for 19/20, this does not provide enough contingency for future years, with the service overspent by £7,280,125 over the period of the MTFP.
- For this scenario there is a high risk profile against delivery to budget.

Financial Risk - Scenario 3

| | Actual | MTFP Budget | | | |
|--|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 18/19 | 19/20 | 20/21 | 21/22 | |
| Children's MTFP Budget (£) | | 81,682,900 | 84,010,800 | 84,322,000 | |
| External Placement Overspend | | 1,000,000 | | | |
| 1% Budget increase | | 826,829 | 835,097 | 843,448 | |
| | | | | | Total Scenario Spend |
| Scenario Spend (£) | 88,635,000 | 83,509,729 | 84,344,826 | 85,188,275 | 253,042,830 |
| Corporate Contingency (£) | | 5,780,720 | 3,649,680 | 3,310,004 | |
| Pay Award (£) | | 900,137 | 1,222,790 | 1,531,579 | Total MTFP Budget |
| MTFP with Pay and Contingency (£) | 88,635,000 | 88,363,757 | 88,883,270 | 89,163,583 | 266,410,609 |
| | | | | | Total Variance |
| Variance between Scenario Spend and MTFP Budget | | -4,854,028 | -4,538,443 | -3,975,308 | -13,367,779 |

Assumptions

- £1,000,000 overspend at the end of 19/20
- 1% increase on budget (including 19/20 overspend)

- The table above shows the impact of an assumed overspend in the external placement budget and a 1% increase in spend for the MTFP period
- Over the last 3 years, Children's Services spend has increased at an average of 5% per annum. This scenario assumes significant improvements as a result of change measures introduced.
- The table shows that the MTFP budget (including Pay award and contingency) is sufficient to manage the external placement overspend and a 1% annual increase in spend. There is sufficient contingency within each year to manage the budget risks.
- For this scenario there is a very low risk profile against delivery to budget.

MTFP Funding Assessment

Children's Services – MTFP Funding

Risk Assessment

Moderate

Children's Services are in the early stages of the journey to address historical cost and demand pressures and have introduced a number of measures to control and manage current demand. The rebasing of the budget has set a more realistic budget target for the service, albeit with challenging savings targets to reduce spend from previous years. Cost and market forces add to this pressure.

Given the need to contain current spend, along with the delivery of MTFP savings targets, there is a significant amount of pressure on the service to manage demand. These pressures can have a big impact on the projected budget and the potential to be overspent. This is reflected in the 2019/20 Revenue Budget Monitoring – Month 3 Highlight Report which reports a predicted overspend of £1.046m on external placements.

Given this position at Month 3, we have modelled a number of scenarios to test the ability of the service to deal with cost and demand pressure as part of the MTFP. There is sufficient contingency for up to a 3% increase on the budget, taking into account pay award and use of the Council's contingency fund.

Additional work has begun to better forecast demand for Children Looked After and Children in Need but more could be done to understand what is driving demand and where the significant cost pressures arise. This will help to understand future pressure and enable the service to generate a strategy to address this and ensure (as far as possible) it does not impact on the future budget.

As a result, there is a moderate risk to the delivery of the MTFP for Children's services. However, given an assumption that Children's Services will be the main beneficiary of the Council's Contingency Fund and the evidence from the risk scenario exercise carried out, we believe there is capacity to manage this risk.

The service has evidently embarked on a very positive change journey, which has created stronger financial grip, and a clear strategy. There are early signs these efforts are resulting in financial improvement.

Based on our analysis we suggest three areas of further action:

1. Whilst there is positive benefit to an improvement Partner, Council officer ownership and accountability for savings and demand management will be vital and should be considered.
2. We suggest, in the context of the MTFP, that better understanding and analysis of highest risk pressures is needed. Work on volatile cohort financial risk would give better direction to both transformation and financial management activity.
3. More work on placement sufficiency is required to ensure the Council gets best value for money in the context of dramatic increases (nationally) in the cost of placements.

Adult Services

Historical Financial Performance and MTFP

Adults Services Financial Performance and MTFP

| | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | MTFP Budget | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------|-------------|
| | | | | | | 19/20 | 20/21 | 21/22 |
| Adults Budget (£) | 132,717,000 | 138,902,000 | 138,337,000 | 133,716,000 | 132,186,000 | 126,063,800 | 125,082,800 | 123,894,700 |
| Adults Actual (£) | 133,603,000 | 139,985,000 | 147,477,000 | 133,716,000 | 132,186,000 | % change for MTFP | | |
| % Change in Actual | | 5% | 5% | -9% | -1% | -5% | -1% | -1% |

Historical Financial Performance

The table above shows a steady increase in spend between 14/15-16/17 before a significant reduction in spend in 17/18 saw the service achieve it's budgeted position which it maintained in 18/19.

It should be noted that over this period (particularly in 17/18), Adult Social Services has drawn on earmarked reserves and made use of capital receipts to invest in transformation. However, as the budget shows, the benefits of the service transformation activities have now been realised, to the extent that earmarked reserves have been replenished as a result of a planned underspend in 18/19.

MTFP Budget

The MTFP budget for Adult Services shows a continued reduction in spend of 5% in 19/20. However, as previously mentioned, the service was actually underspent in 18/19 by circa £6m but with transfers to earmarked reserves and use of capital receipts the outturn is still reported as £132m (as shown in the table above). Therefore, based on the underspent amount for 18/19, the budget for 19/20 looks to maintain the 'as is' level' of spend.

The MTFP budget is consistent with the historical financial performance and is reflective of the transformation activity of the previous years and the continued grasp of cost and demand.

Pay Award and Use of Contingency Funding

Pay Award

As per the SCC Audit Findings Report 2018-2019, it is acknowledged that MTFP includes all expected known cost pressures including realistic allowances for pay awards. This amount has been assigned to service areas from a central fund and is based on the % of the total budget that each service makes up.

Corporate Contingency Fund

In addition to reserves, the council also maintains a contingency sum in recognition of the volatility and risks contained within of some its budgets. The level of contingency built into the Medium Term Financial Plan is £7.2m for the 2019/20 budget, £4.6m in 2020/21 and £4.1m in 2021/22.

Historical Use

Recent historical use has seen Adults Services allocated a very minimal amount from the Contingency fund for the last four years.

Future assumptions / Scenario's

For the purposes of our review (and to mirror our assessment of Children's services), the table to the right reflects the budget position including the pay award (based on Adult Services making up an average of 45% of the total SCC Budget over the next 3 years) and an assumed 20% allocation of contingency fund (assuming Children's Services are allocated 80% this is the remaining amount).

MTFP with Pay Award and Contingency

| | Actual | MTFP Budget | | |
|-----------------------------------|-------------|-------------|-------------|-------------|
| | | 18/19 | 19/20 | 20/21 |
| Adults MTFP Budget (£) | | 126,063,800 | 125,082,800 | 123,894,700 |
| Corporate Contingency (£) | | 1,445,180 | 912,420 | 827,501 |
| Pay Award (£) | | 1,389,209 | 1,820,599 | 2,250,356 |
| MTFP with Pay and Contingency (£) | 132,186,000 | 128,898,189 | 127,815,819 | 126,972,557 |
| % Change in Actual | | -2% | -1% | -1% |

As Slide 17 describes, the MTFP budget for Adult Services looks to maintain the 'as is' level' of spend (noting the underspend in 18/19.) With pay award and contingency sums factored in as well, Adult Services are in a very strong position to deliver to the MTFP budget, with very low risk against the impacts of potential cost and demand pressures.

Adult Services– Risk assessment

| Delivery of Savings | |
|---|----------|
| Risk Assessment | Very Low |
| <ul style="list-style-type: none"> As part of the MTFP, Adult Services have a saving target of £5.507m for 19/20 Current financial reporting shows that the service has delivered £2.680m of savings to date, and is on track to deliver the remaining £2.827m There is strong ownership of the savings, with a relevant senior responsible officer assigned to each proposal. The service has created an environment of positive challenge, where finance and service officers work together to ensure savings are realistic, deliverable and on track. As the budget shows, the service is realising the benefits of significant work over the last 3 years, with current savings proposals in-line with the improvements the service has already experienced. | |
| Cost and Market Pressure | |
| Risk Assessment | Low |
| <ul style="list-style-type: none"> Adult Services have worked hard to define a 'fair cost of care' in order to shape their market fees. In 2018 they commissioned Valuing Care to undertake a 'value for money' assessment of their homecare, residential and nursing costs which led to a better understanding of the usual costs required to deliver a service. The service has a good working relationship with its providers, and the Homefirst projects is evidence of positive partnership working between the two in order to enhance the service. Despite good financial performance, our benchmarking exercise showed unit costs for people with LD were high when compared to nearest statistical neighbours. This is in some part due to higher numbers of people with LD, compared with overall population. The cost and demand of this cohort could present a threat to the MTFP budget. However, through discussion, it was clear through the Discovery Contract that measures were already in place to work differently with this cohort. In addition, the 19/20 MTFP review savings were not overly reliant upon reductions for this cohort. | |

| Demand Pressure | |
|--|----------|
| Risk Assessment | Very Low |
| <ul style="list-style-type: none"> Adults services have a clearly articulated strategy towards managing demand based on promoting independence and seeking to maximise individual, family and community resources. This has seen the service move away from a paternalistic view of support and as a result has seen a significant number of referrals resolved without the need for council funding. The strategy assigns clear performance measures against key drivers of demand, and these are regularly reported and monitored. Forecasts for demand have been considered, especially given projected increase in older adult population. Work has started with providers to build capacity, blending homecare support with respite where needed. There was an acknowledgement that improvements could still be made in terms of forecasting especially for the LD and MH cohorts. | |
| Finance/demand controls | |
| Risk Assessment | Very Low |
| <ul style="list-style-type: none"> Along with the strategy to promote independence, according to the DASS, Adult Services have reframed operations to "live within their means" Using a panel process, there has been challenge to the way practitioners viewed money, and a focus on the most cost effective way of providing services. It is clear from the evidence and discussion that robust financial controls are in place. Weekly finance meetings take place with senior leadership and finance officers. This is summarised in a monthly Finance Report. There is a separate MTFP meeting to keep account of progress against savings proposals. In addition, the service undertakes Performance Improvement Meetings which includes a financial element. On a quarterly basis these are chaired by an external facilitator to provide additional challenge. | |

Adults Services– Risk assessment

Other risks

Risk Assessment

Very Low

Staffing

- There has been a strong emphasis on reducing agency spend. Service managers, through closer management of budgets can clearly see how agency costs impact on their budget and therefore can better assess when there is an actual need for this resource.
- There has been a drive more widely to promote a positive career pathway for social work and an increase in local training programmes.

Relationship with Health

- Adult Services has a positive relationship with the local CCG based on a partnership approach.
- DASS is aware of the need to make sure the CCG is making proper contributions to joint-funded provision.
- The need to demonstrate value is driven by the CCG approach to investment and funding. For example, the Homefirst model was fully funded by the Council for the first year. However, through showing the value and impact of the model to the CCG, the Council was able to request a contribution for Year 2 onwards.

New Opportunities

- Over the course of the MTFP the focus is very much on a continuation of the benefits realised from the current way of working.
- Through discussion it is believed that there is some contingency built into current service projections if pressures were to exceed budgets.

MTFP Funding Assessment

Adults Services – MTFP Funding

Risk Assessment

Very Low

Adults Services have come through a significant transformation programme which has brought actual and budget spend in line, and led to an underspend in 2017/18. The strategy has installed a service practice which ensures a focus on independence and as a result, keeps people away from high-cost placements whilst at the same time improving outcomes for the individual.

The current savings targets are on-track and reflect the expected continued impact in the way services are delivered. Where some cost and demand pressures exist with the LD cohort, measures are in place to contain this spend with limited additional pressure through the MTFP savings. This is further evidenced by the projected balanced budget position as per the 2019/20 Revenue Budget Monitoring – Month 3 Highlight Report.

Given the success of the last 3 years, and the current measures in place, there is a very low risk to the delivery of the MTFP for Adults Services. There is an opportunity to increase resilience through better demand forecasting for high cost cohorts. In addition, the success of the past 3 years of transformation has taken out much of the more obvious efficiencies in the system. The challenge for the service now is maintaining the positive benefits achieved and dealing with any unexpected or future pressures.

We suggest two main areas for action in further strengthening the financial resilience of the service:

1. Whilst there is a strong financial grip, demand for Adults is still rising nationally and the service could improve their modelling of future activity. Younger Adults with complex needs as well as a growing over 75's population could be areas for more strategic analysis/thinking.
2. There is an opportunity for the service, having stabilised their finances, to think further ahead in terms of service innovation and improvement of outcomes for SCC residents.

Summary of MTFP Assessment

Final remarks

Our review has shown that both Children's and Adult Service, in partnership with the corporate finance team have strong financial measures in place with robust mechanisms to manage and monitor spend against the budget.

For Adults services we have confidence they can deliver to the MTFP. The budget is consistent with the historical financial performance and is reflective of the transformation activity of the previous years and their continued grasp of cost and demand.

We believe there is greater risk against Children's services, given the historical financial performance and reduction in spend required to deliver to budget in 19/20. As a result of this risk, we tested the budget against potential scenarios that may impact on spend. Given contingency is sufficient to manage an external placement overspend and 3% increase in annual costs, we believe, there is sufficient capacity within the budget to manage this risk and deliver to the MTFP.

Appendix 1 – Documents Reviewed

List of documents reviewed

| Name of Document | Subject |
|--|--|
| Sent by Children's Services, SCC | |
| CTP governance July 2019 | Overview of Transformation |
| CLA Placements CTP Highlight Report June 2019 | Example of transformation reporting |
| CTP Fostering Highlight Report June MR version v1 | Example of transformation reporting |
| SLT External Placements 12.03.19 | Overview of External Placements |
| CTP Dashboard June 2019 (draft) | Overview of Transformation Programme |
| CLA with Fostering split June 201 | Example of Cost/Demand monitoring |
| WeeksfromIssue 01.08.2019 | Example of Cost/Demand monitoring |
| CSC Type CC3 matters by Area | Example of Cost/Demand monitoring |
| Placements Weekly Spend Analysis 22.07.19 - 28.07.19 v2 | Example of Cost/Demand monitoring |
| Additional CSC statistics | Example of Cost/Demand monitoring |
| CSC Matters opened by Case type 07-19 | Example of Cost/Demand monitoring |
| SW Q4 Benchmarking anonymised | South West Benchmarking Q4 |
| Workforce Forecast Data (Jan 2019) | Forecast information |
| Sufficiency Action Plan April 2019 | Sufficiency update |
| MTFP Savings 2019-20 | Breakdown of 19/20 MTFP |
| Sent by Adults Services, SCC | |
| Adult Social Care - Grant Thornton Review Index - 1.8.19 | Index of document sent |
| Appendix 1 - Promoting Independence Strategy 2018 | Strategy document behind transformation |
| Appendix 2 - Market Position Statement | Approach to the market |
| Appendix 3a - Fair Cost of Care - Home Care Report -Somerset - 20.3.2018 | Understanding of care costs |
| Appendix 3b - Fair Cost of Care - Residential Nursing Report -Somerset - 28.3.2018 | Understanding of care costs |
| Appendix 4a - PIMS Community Connect & Demand Management - July 2019 | Example of Performance Improvement Meeting |
| Appendix 4b - PIMS Community Localities Flow - July 2019 | Example of Performance Improvement Meeting |
| Appendix 4c - PIMS Health Interface Service - July 2019 | Example of Performance Improvement Meeting |
| Appendix 4d - PIMS Finance Update - July 19 | Example of Performance Improvement Meeting |
| Appendix 5a - CIPFA Social Care Risk Tool Somerset 2018 Edition Feb 2019 | CIPFA Risk assessment |
| Appendix 5b - CIPFA ADASS Risk Tool | CIPFA Risk assessment |

List of documents reviewed

| Name of Document | Subject |
|--|---|
| Sent by Sheila Collins, Finance Director, SCC | |
| VFM Overview Statement for GT - FINAL | Value for Money Update |
| 14 08 19 Cabinet Month 3 Monitoring Report WIP | Example of Budget Monitoring |
| Children's Finance Flow July 2019 v2 | Children's Finance Controls/Reporting |
| Copy of ASC MH Report - January 2019 | Example of Budget Monitoring |
| Copy of LD Report - January | Example of Budget Monitoring |
| Going Concern Statement - July 2019 | Part of VFM process |
| Qtr1 Leaving Care | Children's Finance Controls/Reporting |
| Sent by Peter Barber, Audit Partner, GT | |
| SCC State of Play | Overview of Demand Led Services |
| MTFP Model 2019-20 to 2023-24 | Detail on MTFP |
| 20190722 SCC Audit Findings Report 2018-19 final | Context for DLS review |
| Appendix B | Latest MTFP saving position |
| 20190319_Local_Area_Older_People_Somerset | CQC Benchmarking for ASC |
| Item 4_SD_PIMS report June 2019 | Example of Performance Improvement Meeting |
| SCC Council Papers/Reports | |
| Cabinet September 2018 | Summary of savings and proposals |
| Cabinet February 2019 | Summary of savings and proposals |
| Cabinet July 2019 | Budget Monitoring |
| Children's Scrutiny Committee January 2019 | Children's MTFP and PeopleToo Recommendations |

Appendix 2 – Key Stakeholders and Engagements

Key Stakeholders and Engagements

Key Stakeholders

| Name | Role |
|------------------|--|
| Sheila Collins | Finance Director |
| Jason Vaughan | Deputy Finance Director |
| Stephen Chandler | (Outgoing) Director of Adult Services |
| Mel Lock | Director of Adult Services |
| Julian Wooster | Director of Children's Services |
| Claire Winter | Deputy Director of Children's Services |
| Adele McClean | Children's Finance |
| James Sanster | Adults Finance |

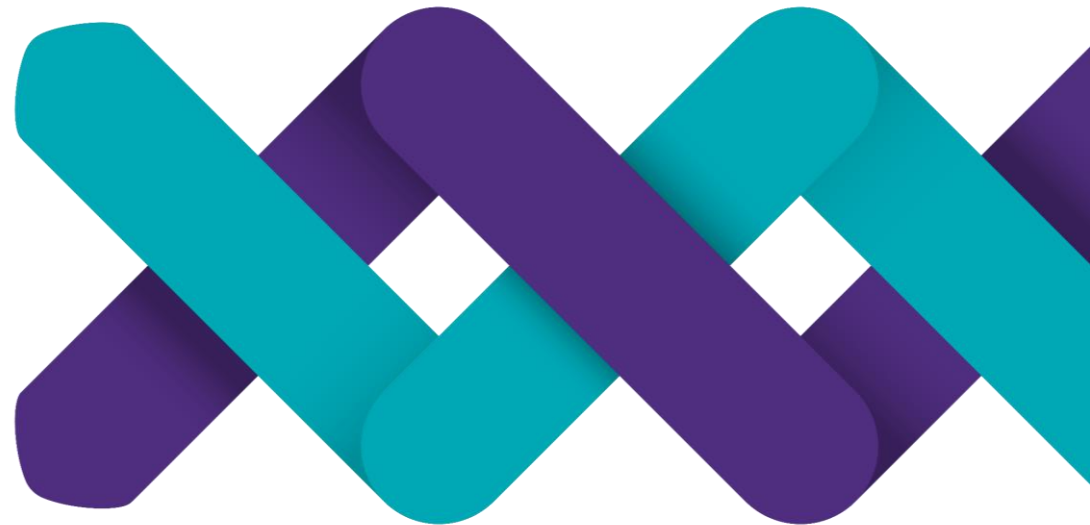
Record of engagement

| Date | Meeting Type | Subject | Attendance |
|------------|--------------|--|--|
| 30/07/2019 | Call | Review Planning | Alex Khaldi, Henry Claridge, Sheila Collins, Jason Vaughan |
| 01/08/2019 | Call | Introduction and Review Outline (Children's) | Alex Khaldi, Henry Claridge, Sheila Collins, Claire Winter, Adele McClean |
| 01/08/2019 | Call | Introduction and Review Outline (Adults) | Alex Khaldi, Sheila Collins, Stephen Chandler, Mel Lock |
| 06/08/2019 | Face to Face | Discussion on lines of enquiry (Children's) | Alex Khaldi, Henry Claridge, Sheila Collins, Jason Vaughan, Claire Winter, Adele McClean |
| 06/08/2019 | Face to Face | Discussion on lines of enquiry (Adults) | Alex Khaldi, Henry Claridge, Sheila Collins, Jason Vaughan, Stephen Chandler, Mel Lock, James Sangster |
| 06/08/2019 | Face to Face | Discussion on lines of enquiry (Finance) | Alex Khaldi, Henry Claridge, Sheila Collins, Jason Vaughan |
| 13/08/2019 | Call | Update on review (Children's) | Alex Khaldi, Julian Wooster |

Appendix 3 – CFOi Benchmarking Report

Adults and Children Social Care Benchmarking Report

Somerset
August 2019



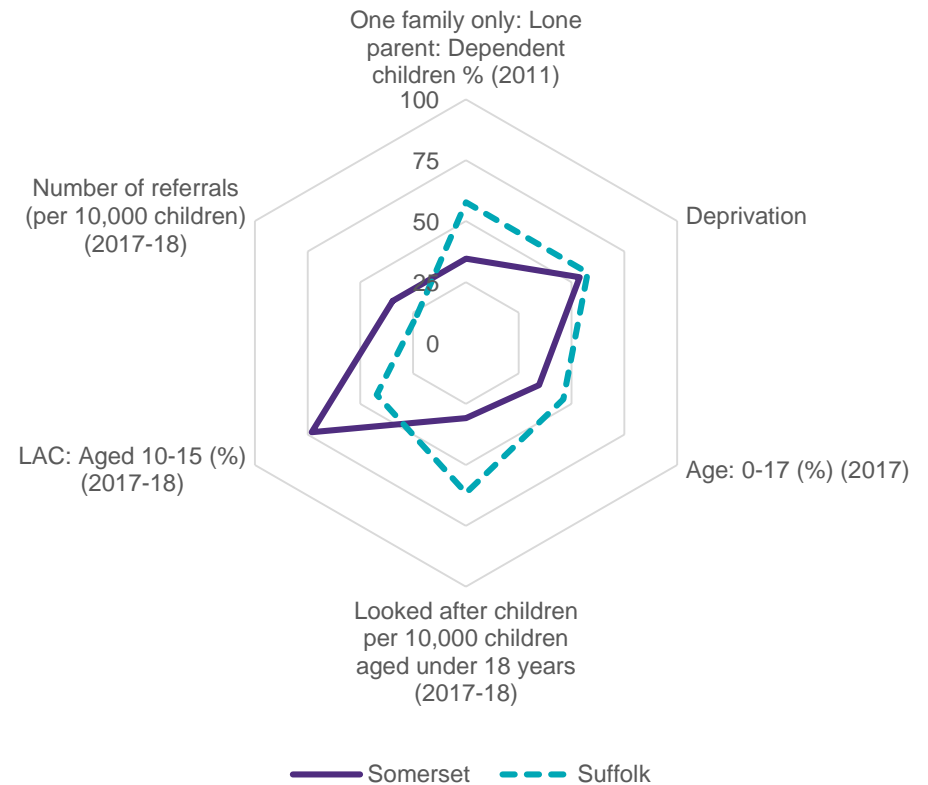
Children's social care

Children's social care – Nearest Neighbours

The socioeconomic profile, to the right, shows Somerset in the context of all counties. The 50 line represents the group median, consequently points closer to the outside of the profile are 'very high' in comparison to the group and those closer to the centre are 'very low'. The spider chart shows that Somerset has a high proportion of looked after children aged 10-15 in comparison to the group and average levels of deprivation. Somerset's population has low levels of looked after children per 10,000 children under 18 years old, referrals per 10,000 children and lone parent dependent children.

Using the measures set out in the spider chart we have identified the ten most statistically similar counties to Somerset, with Suffolk being most similar overall. These are shown in the table below. The nearest neighbour group identified has been used as a more focused benchmark group for this report in order to appropriately benchmark Somerset against similar areas.

| Near Neighbours |
|-----------------|
| Somerset |
| Suffolk |
| Gloucestershire |
| Devon |
| Oxfordshire |
| Staffordshire |
| North Yorkshire |
| Hampshire |
| West Sussex |
| Leicestershire |
| Nottinghamshire |



Children's social care

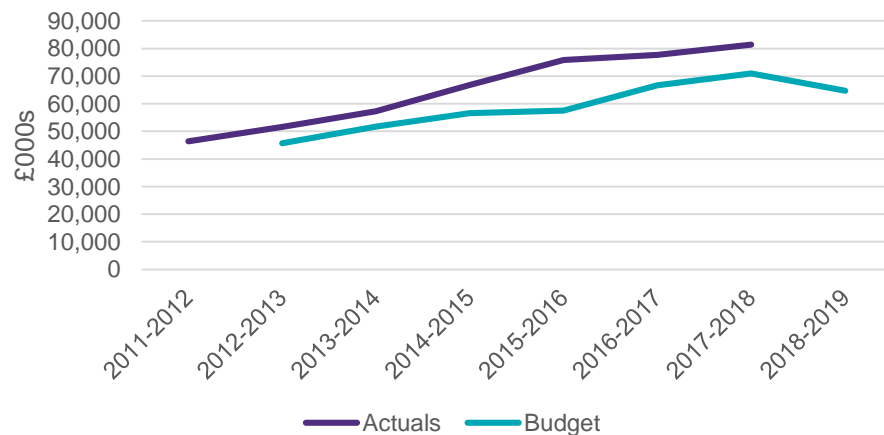
Net expenditure in context

The map to the right illustrates that Somerset's net expenditure per head on children's social care services was £739.77 in 2017/18, which is very high in the context of all counties. Compared to the nearest neighbour group (bar chart), in 2017/18 Somerset had the highest net expenditure per head on children's social care services. The two councils with the most similar level of spend were Nottinghamshire and Devon, at £735.64 and £712.66 respectively.

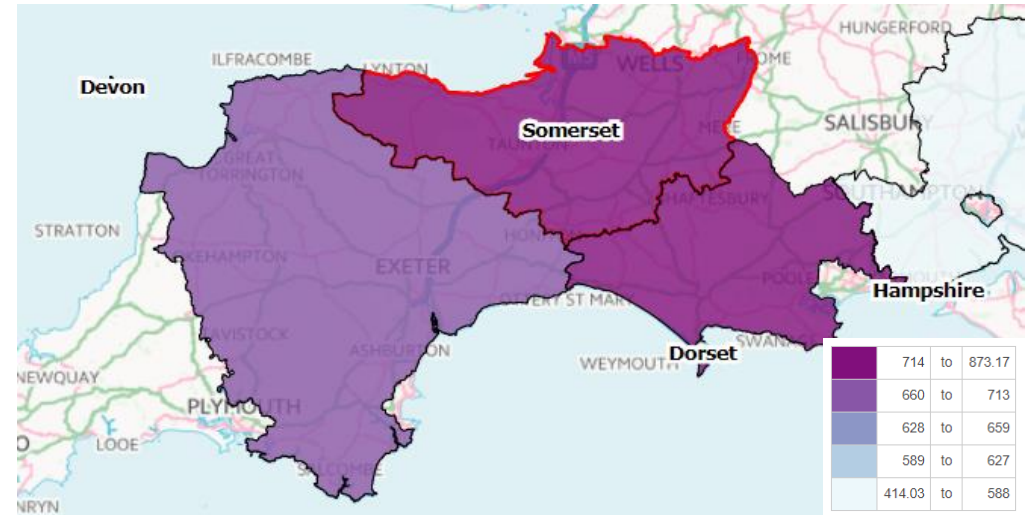
Based on revenue outturn returns submitted to the Ministry of Housing, Communities and Local Government by Somerset it can be seen that between 2011 and 2017 there was an increase in net expenditure for children's social care services of 43%, equating to £35,071,000 (see below).

Children's social care has been consistently over budget since 2012, most recently net expenditure was 12.8% over budget.

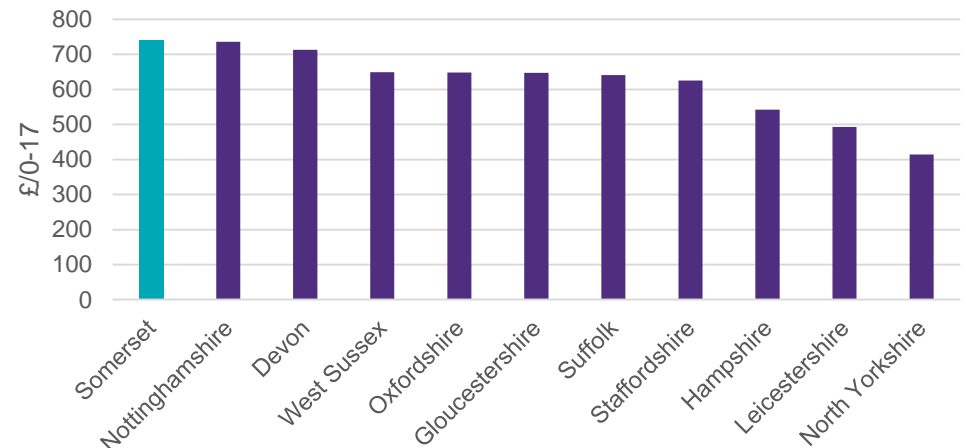
Budget vs Actuals: Children's Social Care (2011– 2017)



Children's social care net expenditure per head (£/0-17) 2017/18 - Unitary context



Children's social care net expenditure per head (£/0-17) 2017/18 - Nearest neighbour context

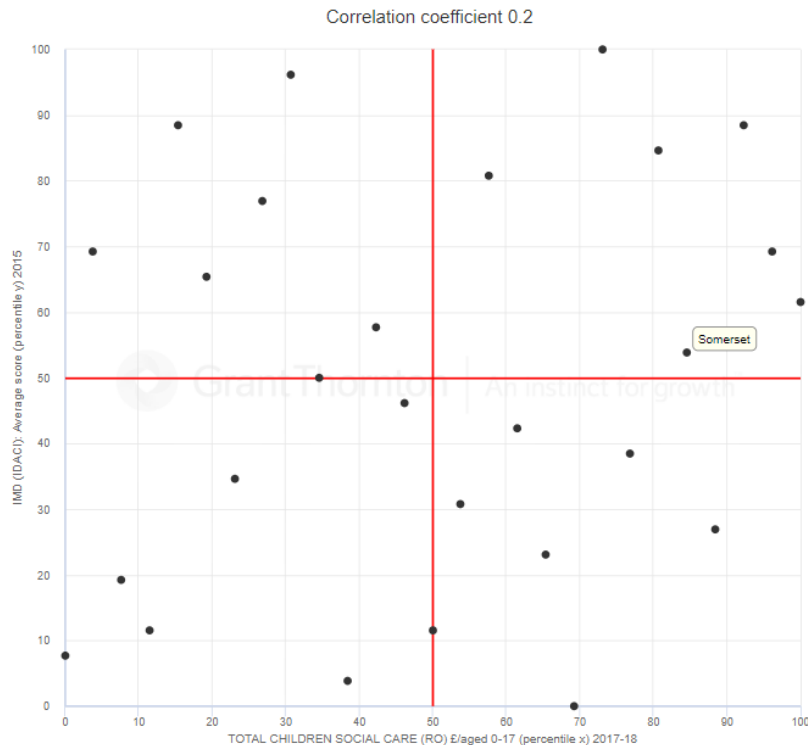


Children's social care

The scatter chart below correlates net expenditure per child on children's social care services against child poverty for all counties (based on the Index of Multiple Deprivation – Income Deprivation Affecting Children Index).

This shows a weak positive correlation between the two variables which indicates that there may not be linkages between child poverty levels and the associated spend on child social care. Somerset sits in the top right of the chart, indicating relatively high levels of spend per child and high child poverty.

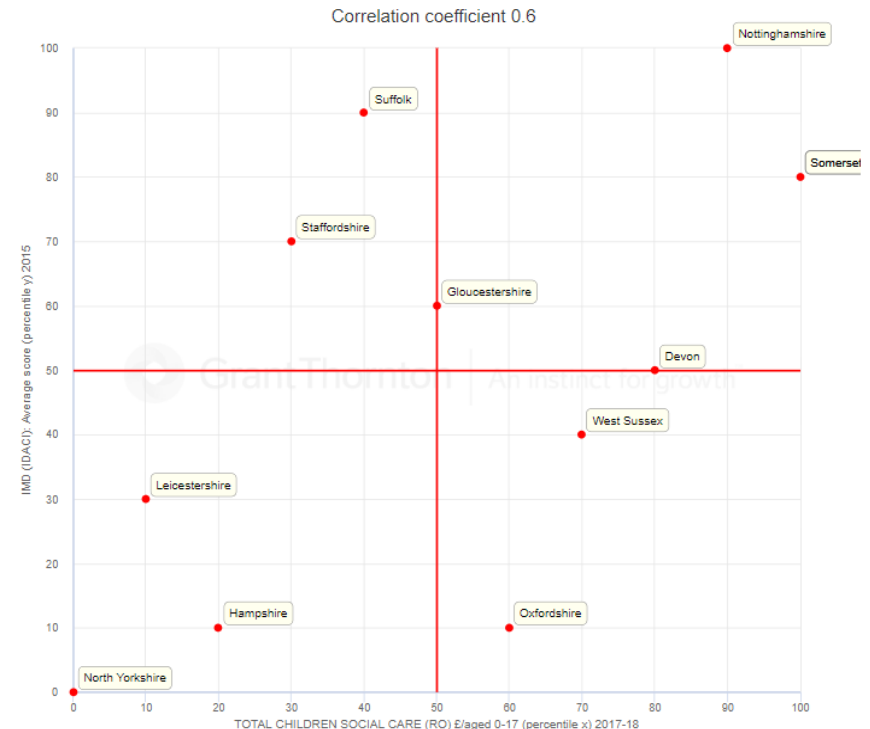
Total children social care (RO) (£/0-17) vs. Child poverty – Counties context



The scatter chart below correlates net expenditure per child on children social care against child poverty for Somerset and its near neighbour group.

This shows that there is a positive relationship between the two variables, which is stronger than the counties context correlation, as indicated by the higher correlation coefficient (0.6). Somerset has the highest spend per child on children's social care services relative to the near neighbour, and very high levels of child poverty.

Total children social care (RO) (£/0-17) vs. Child poverty – Nearest neighbours

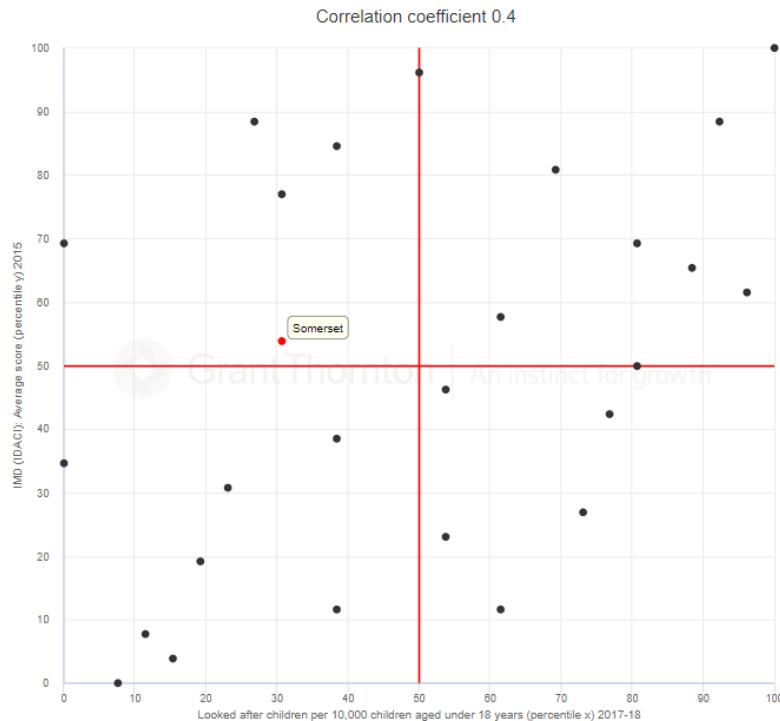


Children's social care

The scatter chart below correlates the number of looked after children per 10,000 children against child poverty for all counties (based on the Index of Multiple Deprivation – Income Deprivation Affecting Children Index).

This shows a moderate positive correlation between the two variables which indicates that there are linkages between child poverty levels and levels of looked after children. Somerset sits in the top left of the chart, indicating low levels of looked after children and average child poverty.

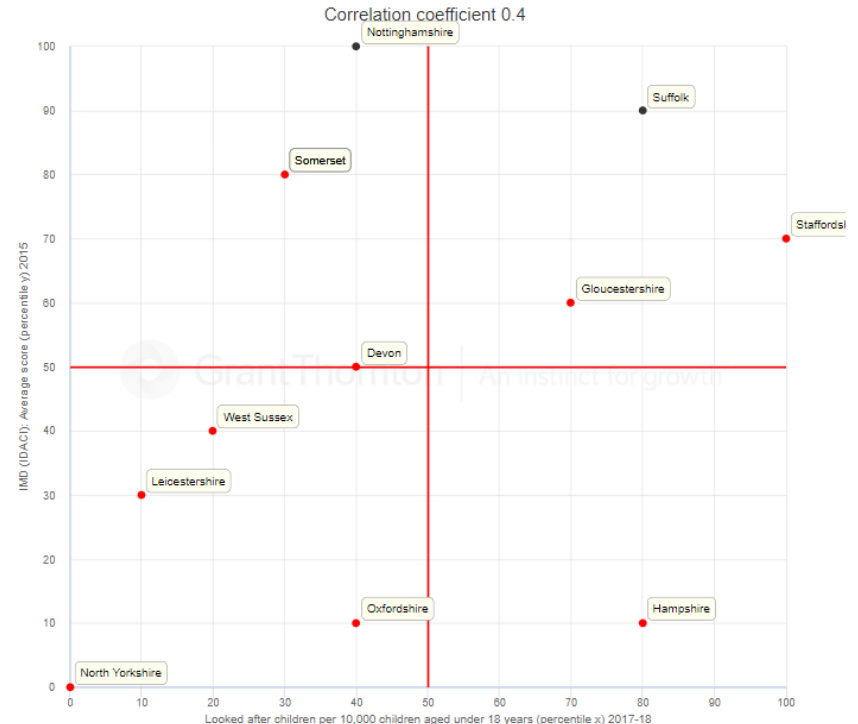
Looked after children per 10,000 children vs. Child poverty – Counties Context



The scatter chart below correlates looked after children per 10,000 children against child poverty for Somerset and its near neighbours group.

This shows that there is still a moderate positive relationship between the two variables, as indicated by the correlation coefficient (0.4). Compared to the near neighbour group, Somerset has low levels of looked after children and very high child poverty.

Looked after children per 10,000 children vs. Child poverty – Nearest neighbours

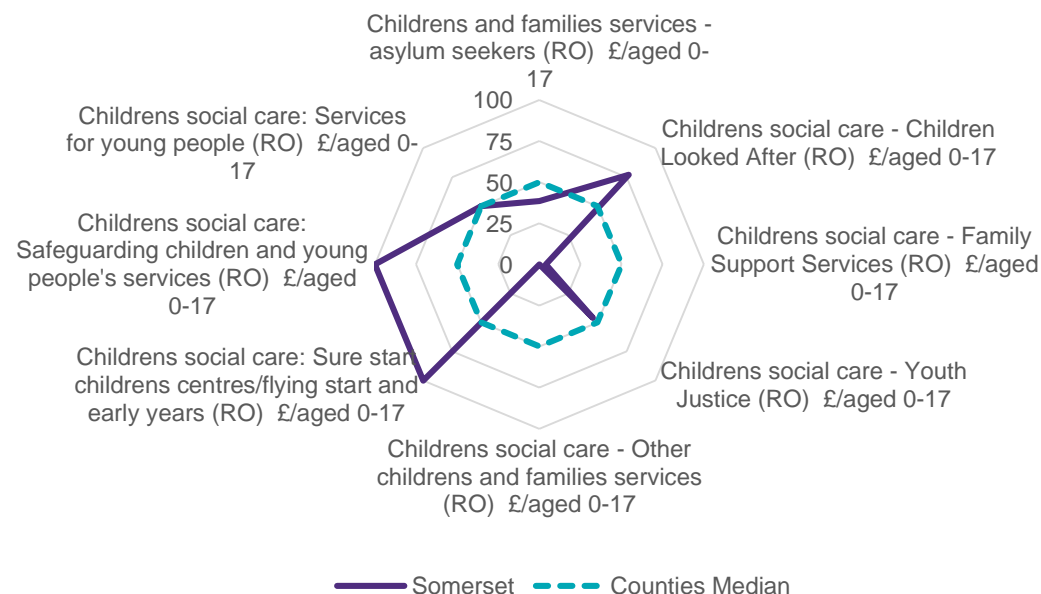


Children's social care

The spider chart to the right shows that in 2017/18 Somerset incurred very high net expenditure per child on safeguarding children and young people's services at £218.72, compared to the counties median. Additionally, spend on sure start children's centres / flying start and early years services was very high in the context of all counties, at £80.01.

However, the pie chart shows that although the unit cost spend on sure start children's centres / flying start and early years services is very high relative to other counties, as a proportion of total spend on children services it accounts for just 10.8% of spend. Whilst spend on looked after children accounts for 47.9% of total spend on children services.

Children's social care: Unit cost breakdown (RO) £/aged 0-17 (2017/18) – Counties median



Children's social care: proportional share of total children's services spend by individual line (RO) (2017/18)



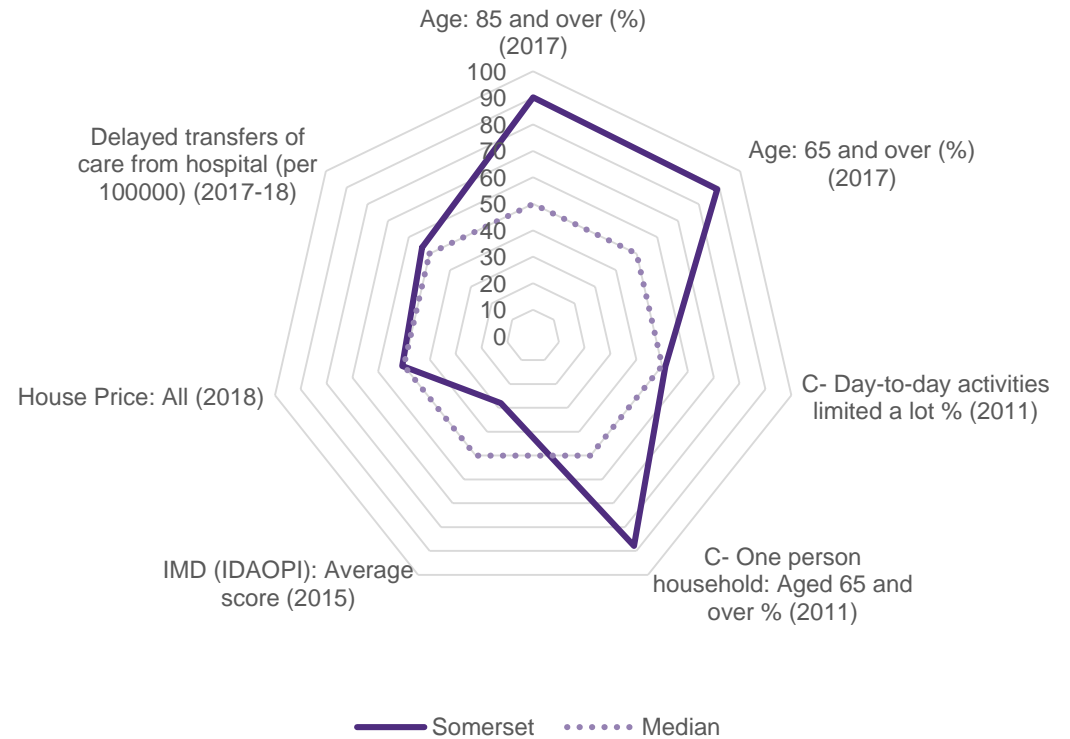
| Children services - individual lines | £000's | £/head |
|---|--------|--------|
| Childrens and families services - asylum seekers (RO) | 467 | 4.00 |
| Childrens social care - Children Looked After (RO) | 38,971 | 354.01 |
| Childrens social care - Family Support Services (RO) | 5,203 | 47.26 |
| Childrens social care - Youth Justice (RO) | 1,169 | 10.62 |
| Childrens social care - Other childrens and families services (RO) | 0 | 0 |
| Children's social care: Sure start children's centres/flying start and early years (RO) | 8,808 | 80.01 |
| Children's social care: Safeguarding children and young peoples services (RO) | 24,078 | 218.72 |
| Children's social care: Services for young people (RO) | 2741 | 24.9 |

Adult social care

Adult social care – Nearest Neighbours

The socioeconomic profile, to the right, shows Somerset in the context of all counties. The 50 line represents the group median. Points closer to the outside of the profile are 'very high' in comparison to the group and those closer to the centre are 'very low'. The spider chart shows that Somerset has a very high proportion of people aged 65 and over in comparison to the group which indicates an ageing population. Somerset's population also has low levels of deprivation. Using the measures set out in the spider chart we have identified the ten most statistically similar counties and unitary authorities to Somerset. These are shown in the table below. The nearest neighbour group identified has been used as a more focused benchmark group for this report in order to appropriately benchmark Somerset against similar areas.

| Nearest Neighbours |
|--------------------------|
| Hertfordshire |
| Norfolk |
| North Yorkshire |
| North Somerset |
| Suffolk |
| Devon |
| Shropshire |
| Poole |
| Cheshire East |
| East Riding of Yorkshire |



Adult social care

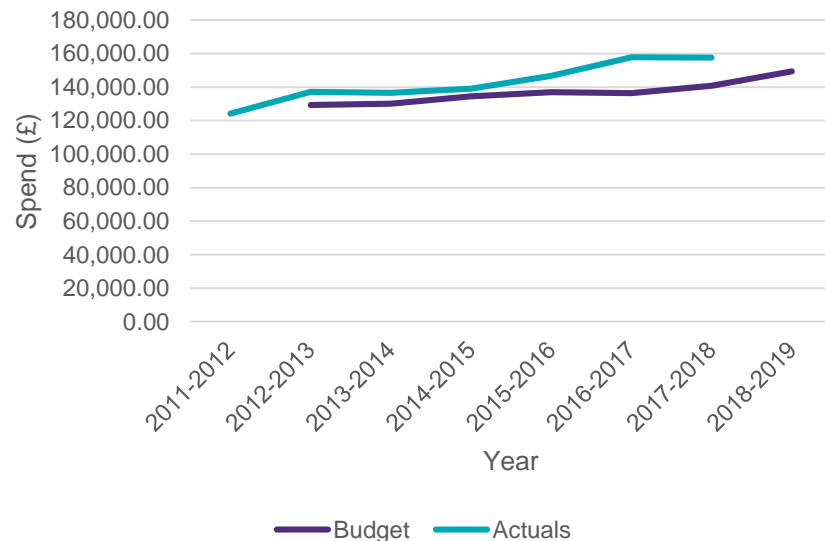
Net expenditure in context

The map to the right illustrates that Somerset's net expenditure per head on adult social care services was £353.83 in 2017/18, which is average in the context of all counties unitary authorities.

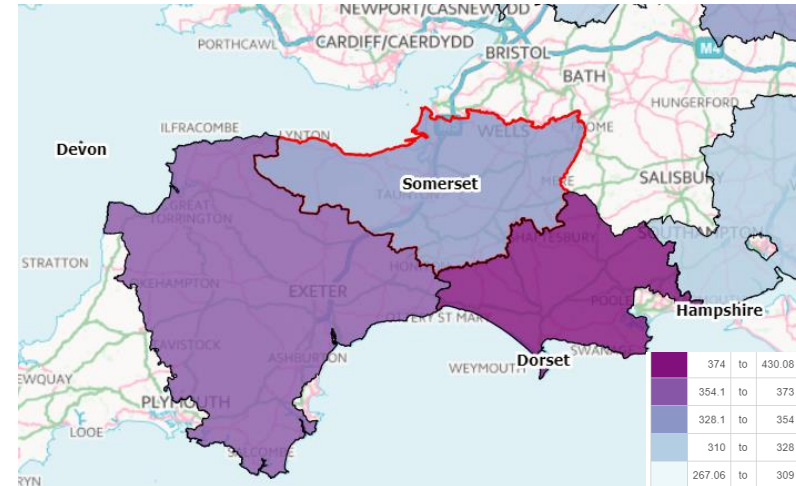
The bar chart displays unit spend on adult social care, Compared to the nearest neighbour group. The chart shows that during 2017/18, Somerset spent £353.83 per person aged 18-64. The two councils with the most similar level of spend were Devon and Poole, at £357.07 and £351.45 respectively.

Based on revenue outturn returns submitted to the Ministry of Housing, Communities and Local Government by Somerset it can be seen that between 2011/12 and 2017/18 there was an increase in net expenditure for adult social care services of 26.8% (see below). Adult social care net expenditure has been consistently above budget since 2012/13.

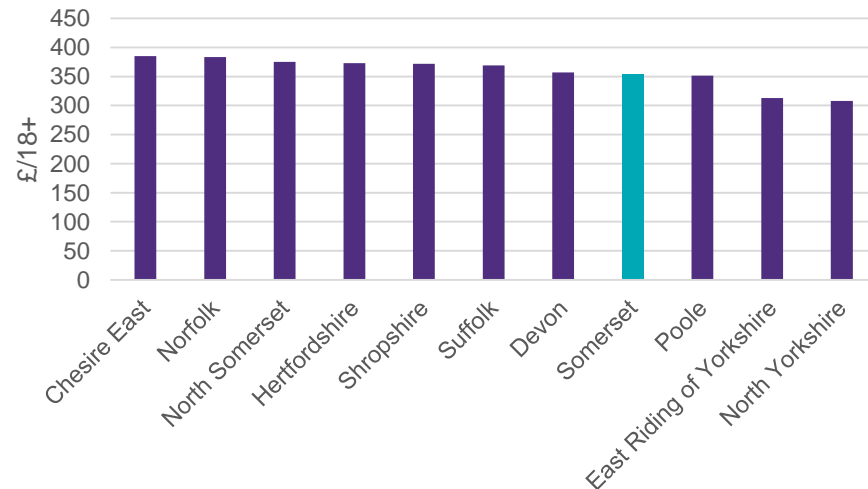
Budget vs Actuals: Adult Social Care (2011/12 – 2018/19)



Adult social care net expenditure per head (£/18+) 2017/18- Unitary context



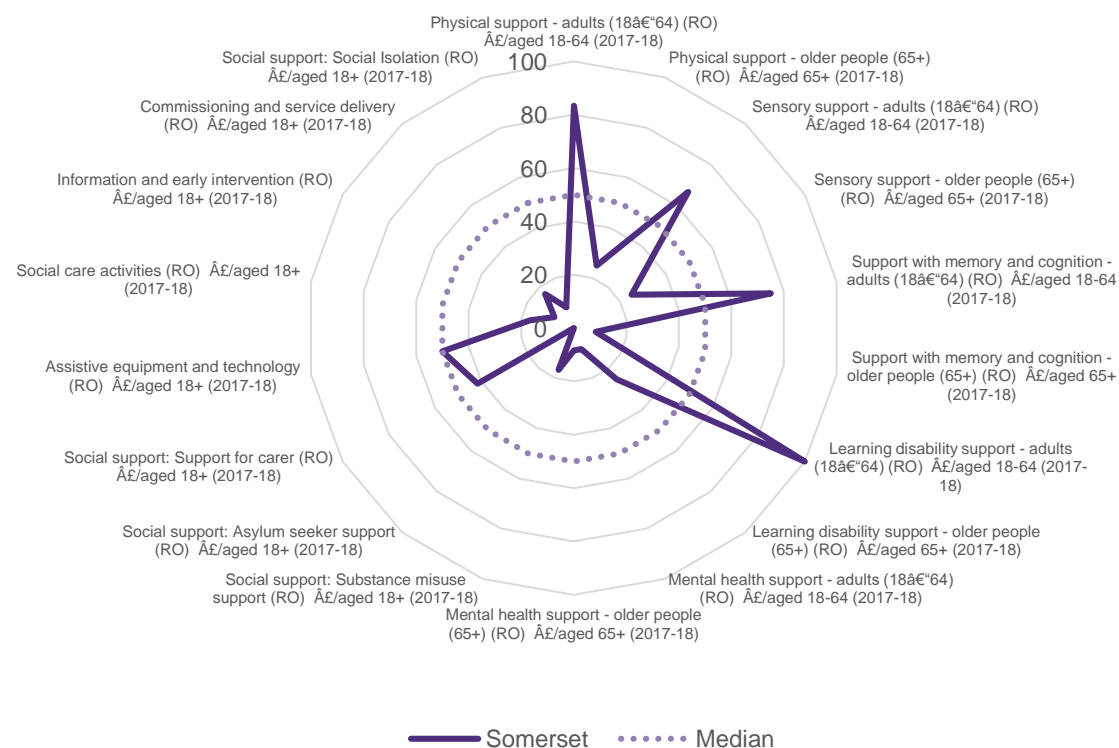
Adult social care net expenditure per head (£/18+) 2017/18 - Nearest neighbour context



Adult social care

The spider chart below provides a detailed breakdown of adult social care net expenditure per head relative to all counties. Points to the outer edge of the chart show higher relative spend per head. This illustrates that spend on learning disability support for adults is very high relative to all counties, at £181.28 per person aged 18 and over. Somerset also has high net expenditure on physical support for adults at £57 per person aged 18-64. These high spend areas are indicated in the table below.

| Indicator | £000s | Unit | £/unit |
|--|--------|-------|--------|
| Physical support - adults | 17,725 | 18-64 | 57 |
| Physical support - older people | 50,164 | 65+ | 374 |
| Sensory support - adults | 289 | 18-64 | 0.93 |
| Sensory support - older people | 393 | 65+ | 2.93 |
| Support with memory and cognition - adults | 722 | 18-64 | 2.32 |
| Support with memory and cognition - older people | 1,409 | 65+ | 10.50 |
| Learning disability support - adults | 56,374 | 18-64 | 181.28 |
| Learning disability support - older people | 5,130 | 65+ | 38.25 |
| Mental health support - adults | 2,822 | 18-64 | 9.07 |
| Mental health support - older people | 2,929 | 65+ | 21.84 |
| Social support: Substance misuse support | 0 | 18+ | 0 |
| Social support: Asylum seeker support | 0 | 18+ | 0 |
| Social support: Support for carer | 259 | 18+ | 0.58 |
| Assistive equipment and technology | 1,019 | 18+ | 2.29 |
| Social care activities | 13,690 | 18+ | 30.76 |
| Information and early intervention | 0 | 18+ | 0 |
| Commissioning and service delivery | 4,567 | 18+ | 10.26 |
| Social support: Social Isolation | 0 | 18+ | 0 |

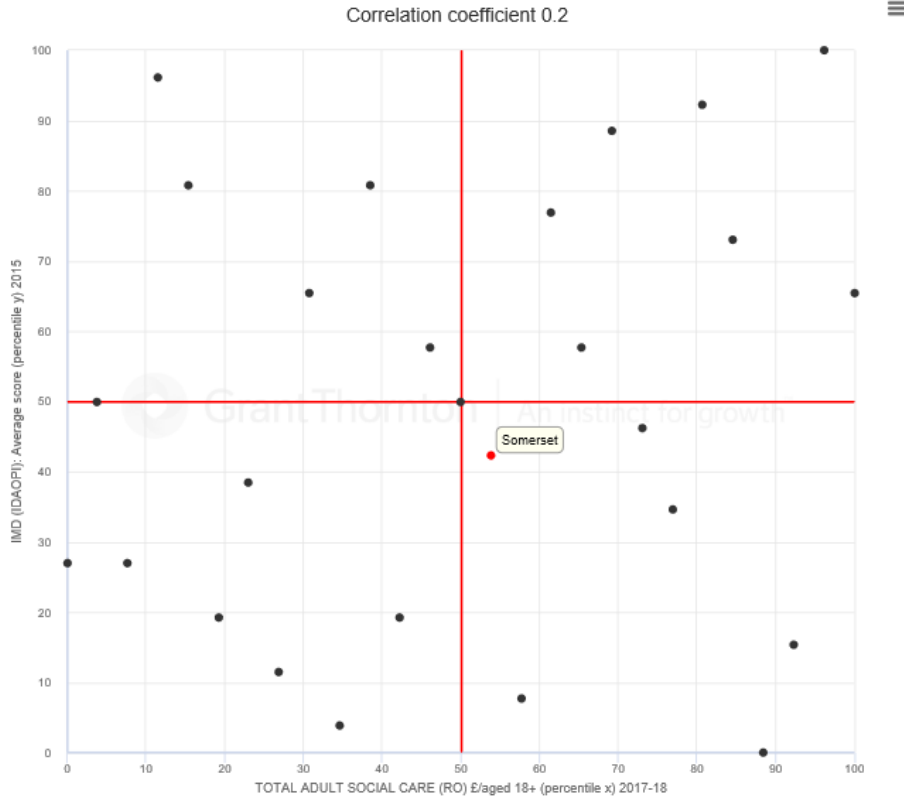


Adult social care

The scatter chart below correlates net expenditure per child on adult social care services against adult poverty for all counties (based on the Index of Multiple Deprivation – Income Deprivation Affecting Children Index).

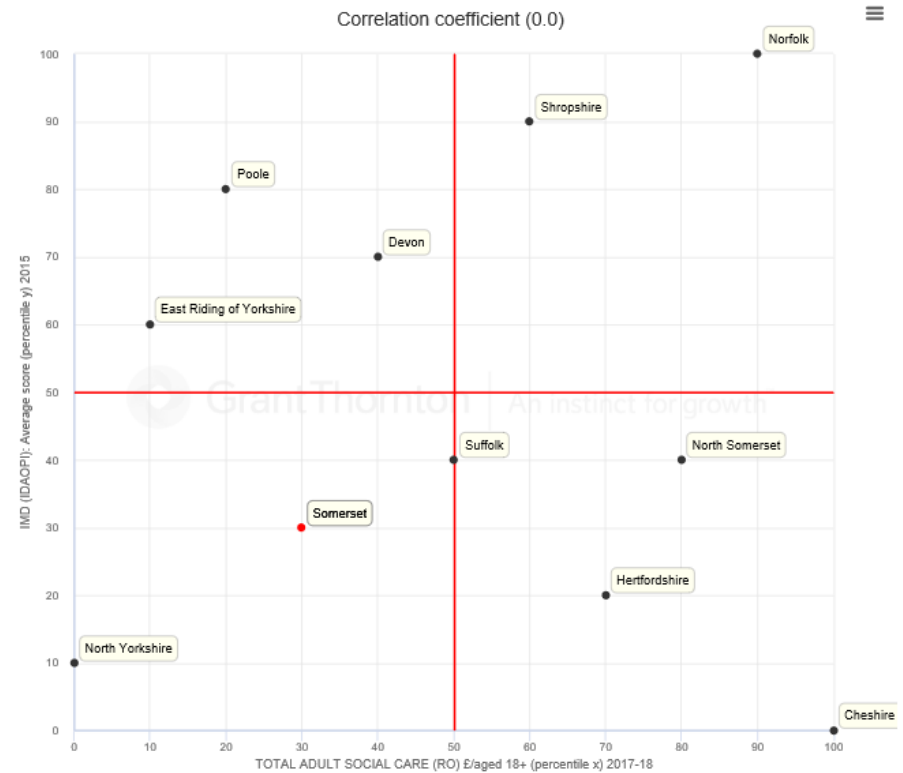
This shows a weak positive correlation of 0.2 between the two variables which indicates that there are slight linkages between poverty levels and the associated spend on adult social care. Somerset sit in the bottom right quarter of the chart, indicating higher spend on adult social care and lower levels of deprivation.

Total adult social care (RO) (£/0-17) vs. Adult poverty – Counties context



The scatter chart below correlates net expenditure per adult on adult social care against poverty for Somerset and its near neighbour group. This shows that there is a correlation coefficient of 0.0, which is lower than the county context, indicating there is no relationship between the two variables.

Total children social care (RO) (£/0-17) vs. Adult poverty – Ofsted nearest neighbours



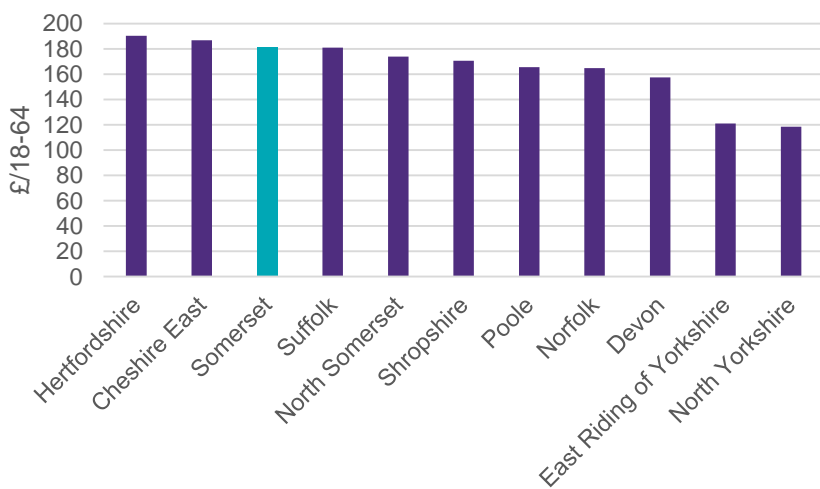
Learning disability support (18-64)

Net expenditure in context

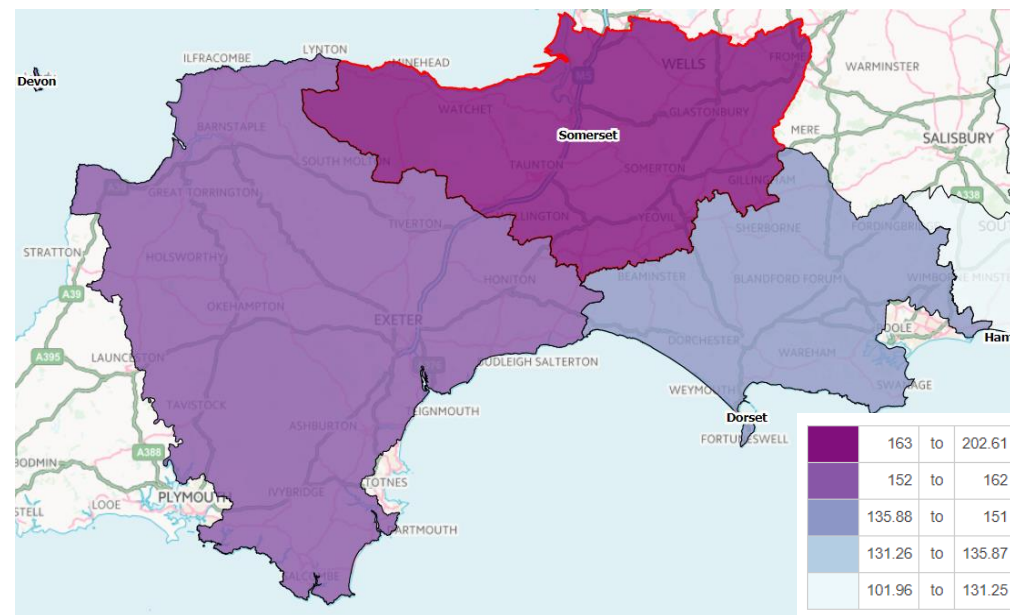
The map to the right illustrates that Somerset's net expenditure per head on learning disability support for those aged 18-64 was £181.28 in 2017/18, which is very high in the context of all counties.

Compared to the nearest neighbour group (bar chart below), in 2017/18 Somerset had the third highest net expenditure per head on learning disability support for 18-64 year olds. The two councils who had higher net expenditure were Hertfordshire and Cheshire East. Of the near neighbours, North Yorkshire had the lowest spend per person aged 18-64, with a value of £118.53.

Learning disability support net expenditure per head (£/18-64) 2017/18 - Nearest neighbour context



Learning disability support net expenditure per head (£/18-64) 2017/18- Counties context



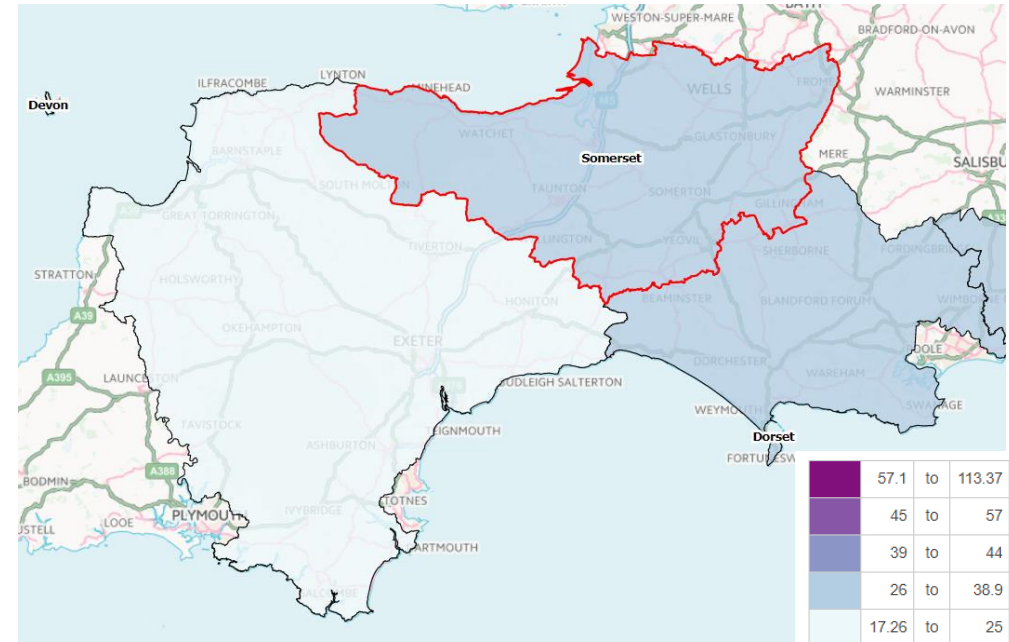
Learning disability support (65+)

Net expenditure in context

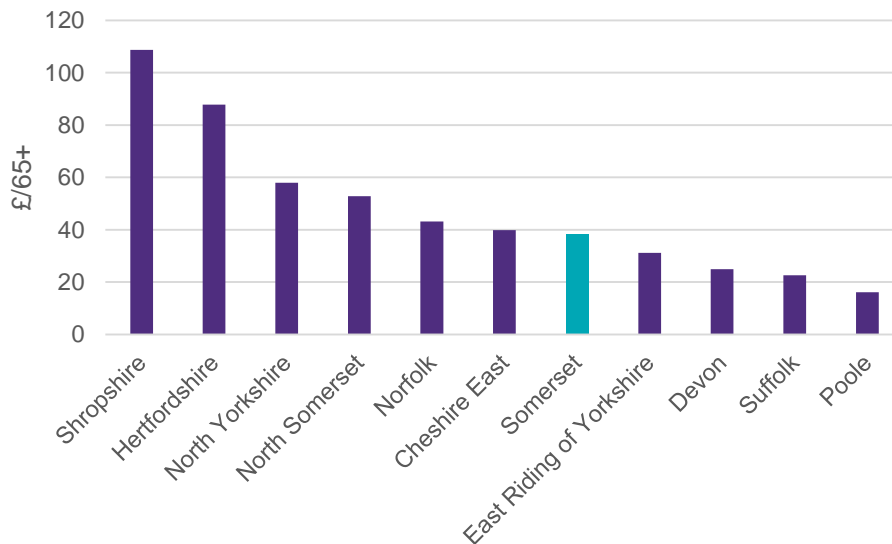
The map to the right illustrates that Somerset's net expenditure per head on learning disability support for those aged 65+ was £38.25 in 2017/18, which is low in the context of all counties.

Compared to the nearest neighbour group (bar chart below), in 2017/18 Somerset had average net expenditure per head on learning disability support for people aged 65+. The two councils with the most similar level of spend were Cheshire East and East Riding of Yorkshire at £39.80 and £31.16 respectively. Shropshire had the highest expenditure of the near neighbours, with a value of £108.69 per person aged 65+.

Learning disability support net expenditure per head (£/65+) 2017/18- Unitary Counties context



Learning disability support net expenditure per head (£/65+) 2017/18 - Nearest neighbour context



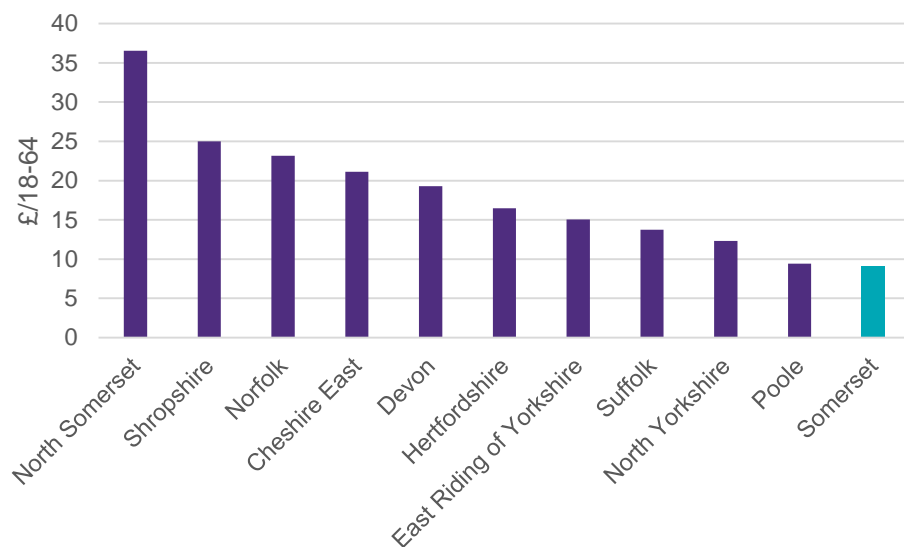
Mental health support (18-64)

Net expenditure in context

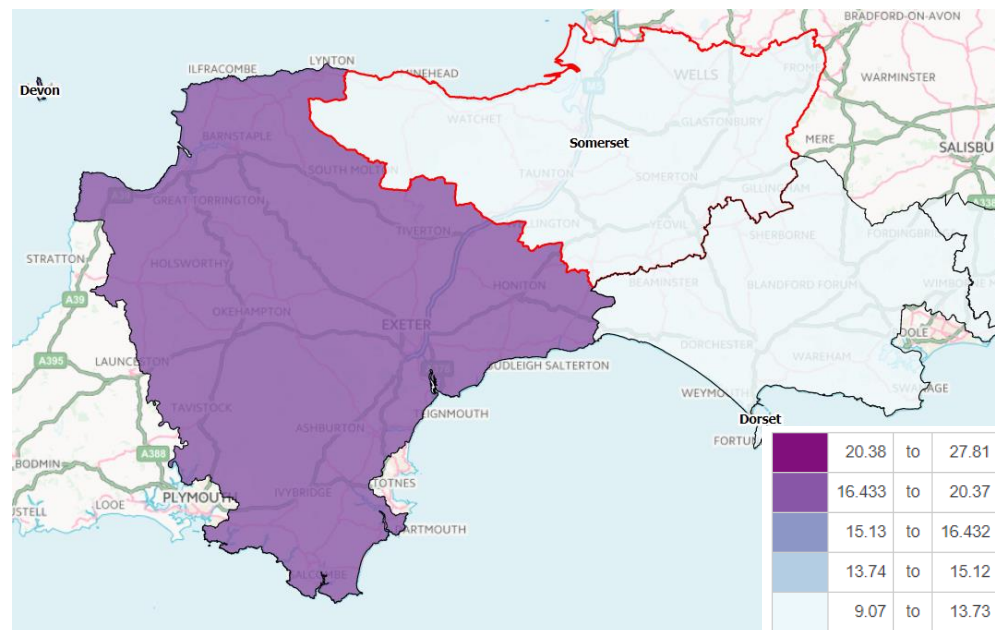
The map to the right illustrates that Somerset's net expenditure per head on mental health support for those aged 18 to 64 was £9.07 in 2017/18, which is very low in the context of all counties.

Compared to the nearest neighbour group (bar chart), in 2017/18 Somerset had the lowest net expenditure per head on mental health support for 18 to 64 year olds, spending only £9.07 per person in this age category. Poole had slightly higher spend with £9.43 per head, while North Somerset ranked highest with £36.55 per person aged 18-64.

Mental health support net expenditure per head (£/18-64) 2017/18 - Nearest neighbour context



Mental health support net expenditure per head (£/aged 18-64) 2017/18- Unitary authorities context



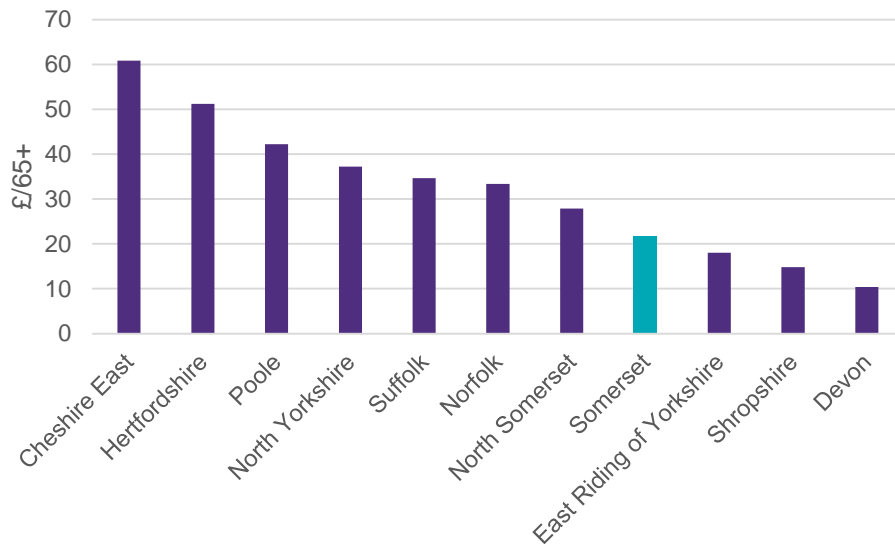
Mental health support (65+)

Net expenditure in context

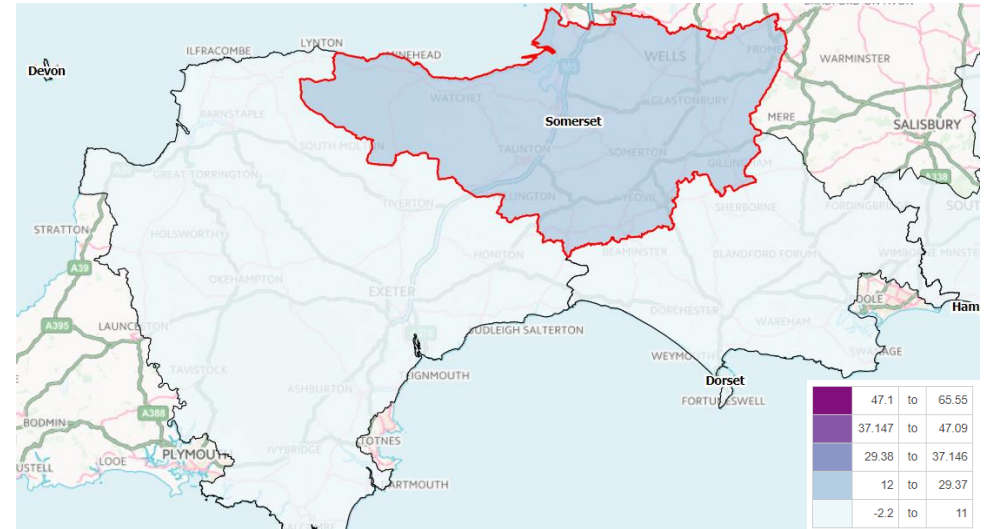
The map to the right illustrates that Somerset's net expenditure per head on mental health support for those aged 65+ was £22.84 in 2017/18, which is low in the context of all counties.

Compared to the nearest neighbour group (bar chart below), in 2017/18 Somerset had average net expenditure per head on mental health support for 65 year olds and over. The two councils with the most similar level of spend were North Somerset and East Riding of Shropshire, at £27.84 and £18 respectively. Devon had the lowest spend of the nearest neighbours, with only £10.36 per person aged 65+.

Mental health support net expenditure per head (£/65+) 2017/18 - Nearest neighbour context



Mental health support net expenditure per head (£/65+) 2017/18 - Unitary authorities context





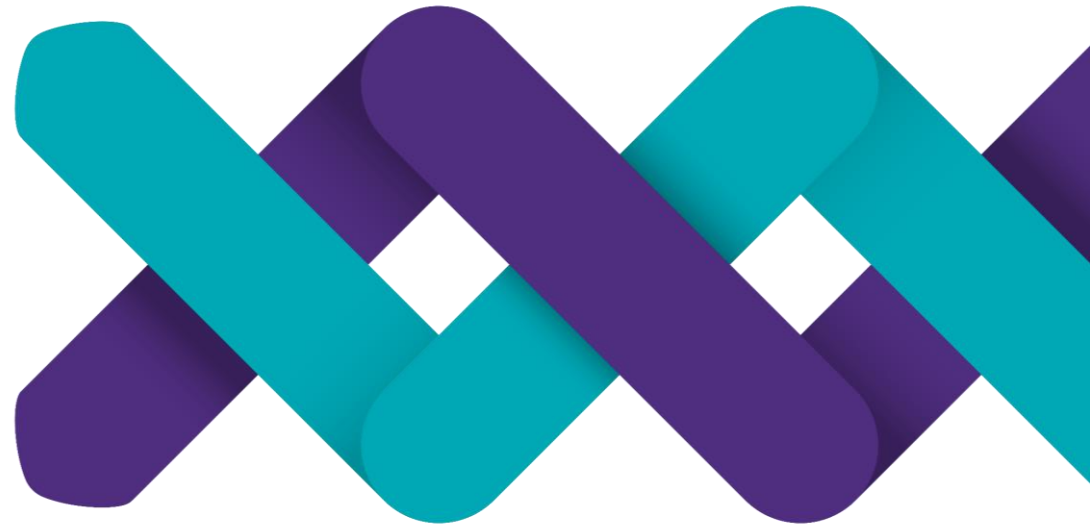
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Appendix 4 – ASCi Benchmarking Report

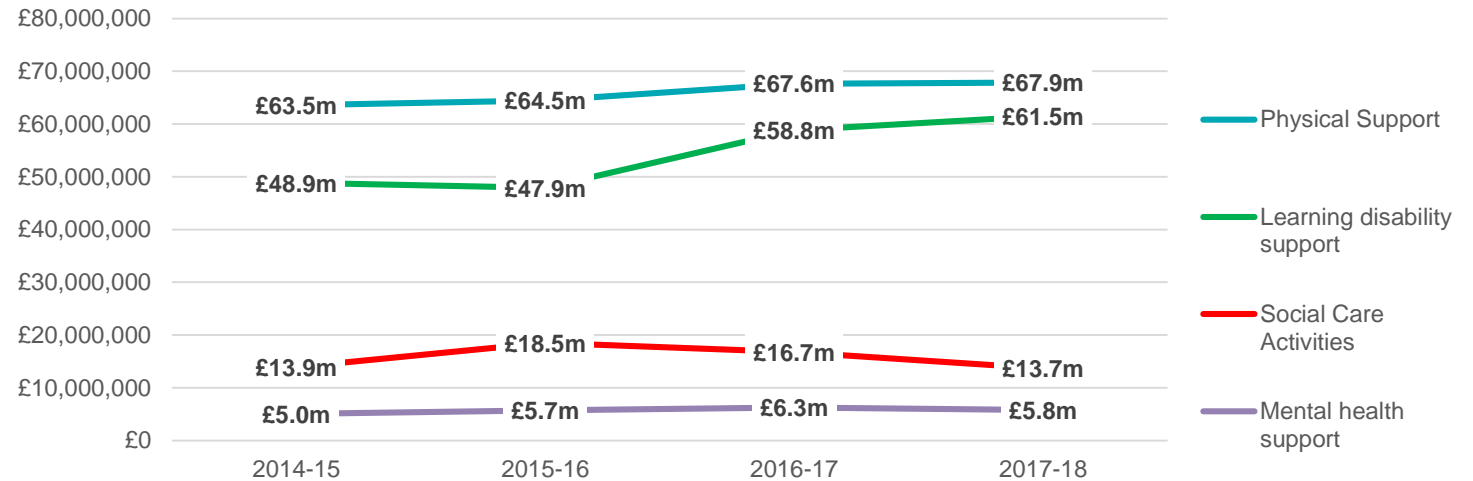
Somerset County Council Adult Social Care Insights



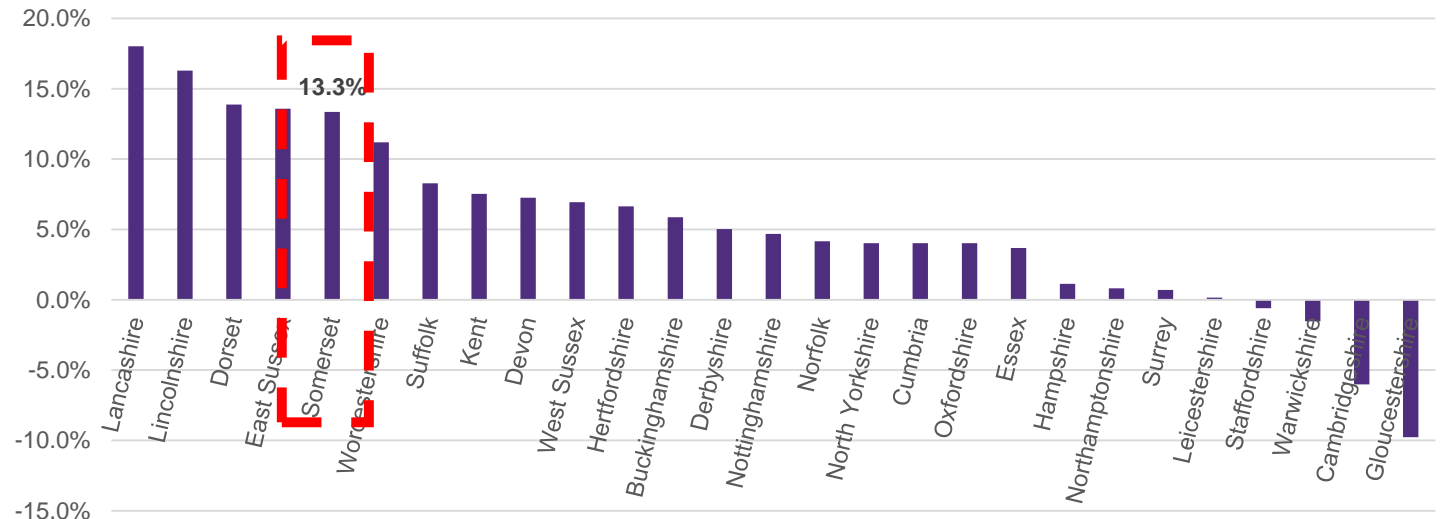
Financial view of Somerset Council

- The chart to the right illustrates adult social spend on four major support services. All data is taken from the RO returns.
- Spend on Learning Disability support has seen the greatest change over the last 4 years, increasing by £12.6m since 2014-15.
- The bar chart below compares the four year change in total spend on Adult Social Care services with other county councils. Somerset's total net spend has risen from £139.0m to £157.5m over this period, a 4.4% increase.
- In comparison to other county councils, Somerset have experienced a large increase in their net spend on Adult Social Care services.

How has spend on services changed since 2014-15?

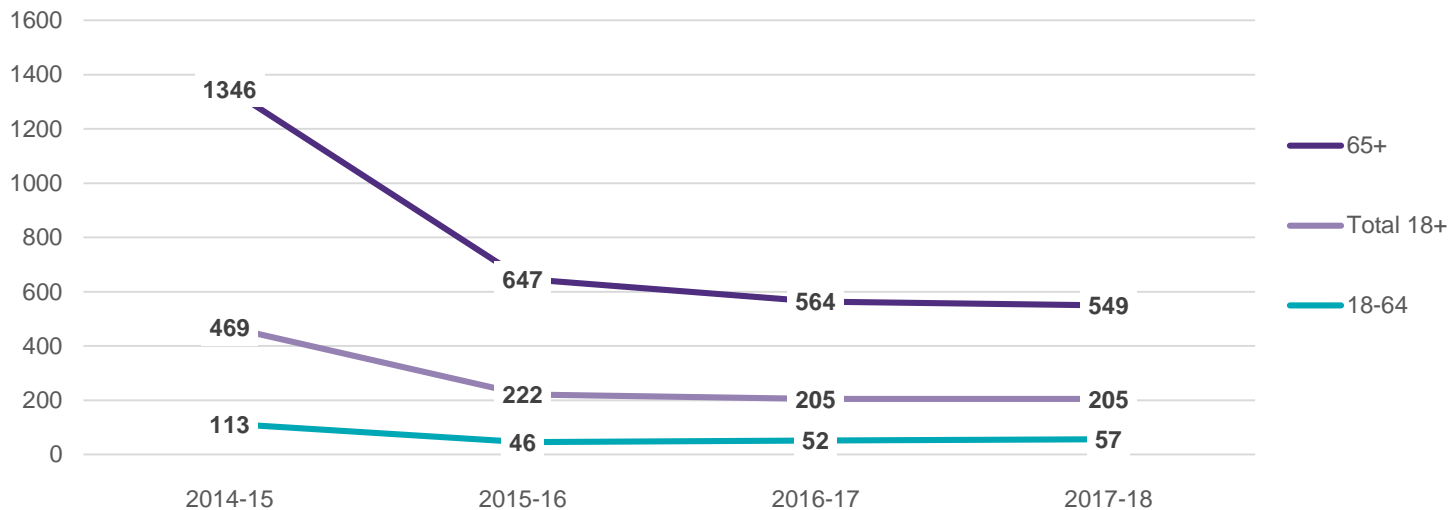


Change in Total Service Spend (Net) since 2014-15



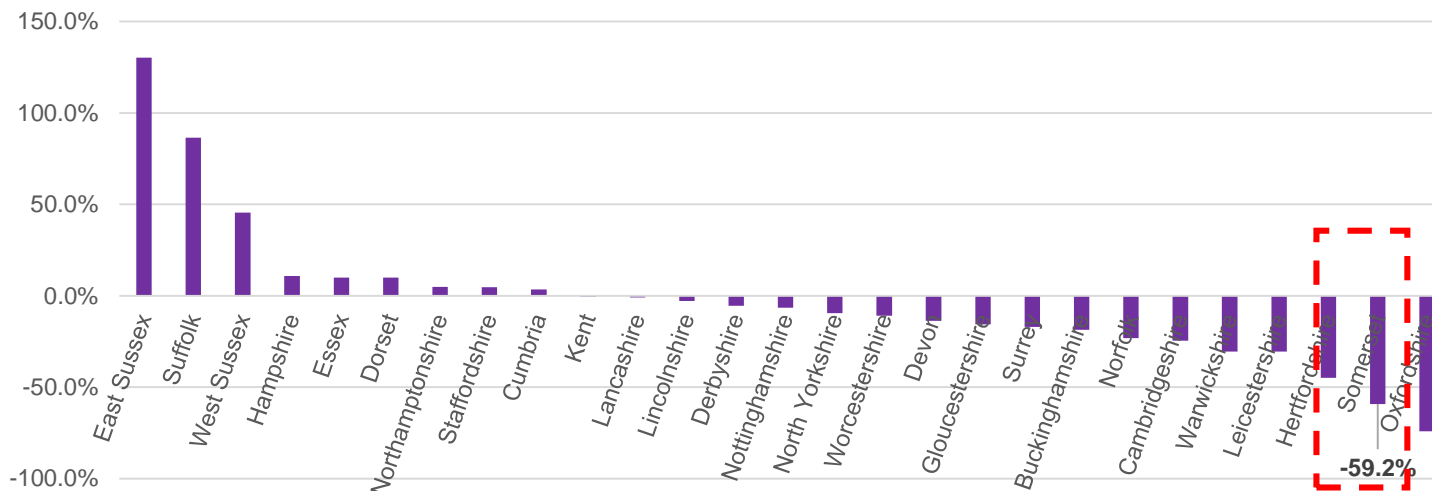
Demand for Adult Social Care services

Number of Requests, per 10,000 population, split by age range



- The graph on the left illustrates total demand for services within Somerset, and how it's changed since 2014-15. The greatest decrease in the number of requests is from the 65+ age range, which has fallen year-on-year, from 1,346 per 10,000 population to 549.
- Taking these figures in isolation can be misleading; the bar chart below compares the change in demand from the 65+ age range with other county councils.

Change in the number of referrals from the 65+ population, since 2014-15



- From this, it's clear that Somerset has experienced an unusually large decrease in demand within this population group.
- The following slide illustrates what the driver of this increase in demand is.



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