

Somerset Council  
Adults & Health Scrutiny Committee  
12 September 2023



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## **23/24 Budget Monitoring Report – Month 3 – End of June 2023**

Lead Officer: Jason Vaughan, Executive Director for Resource & Corporate (S151)

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Executive Lead Member: Deputy Leader of the Council and Lead Member for Resources and Performance. Lead Member for Adults & Health

Division / Local Member:

### **1. Summary**

- 1.1.** The Executive considered the Quarter 1 Budget Monitoring reports at its meeting on 6th September 2023 and the reports will be presented to the scrutiny committee to allow for scrutiny of them.

### **2. Issues for consideration / Recommendations**

**2.1.** Scrutiny is asked to consider:-

1. If there are any general comments or observations that they would wish to make to the Executive on the reports.
2. If the actions set out in the report are appropriate and if there were any further actions, they would wish to see included.

### **3. Background**

- 3.1.** The 2023/24 Budget is the first for the new Somerset Council and it brought together the budgets of the five predecessor councils adjusted for new assumptions and identified savings. It is well documented that there are significant delays in the auditing of local authority accounts and this national issue means that there are a number of statement of accounts from the predecessor councils for prior years that are still outstanding. This brings an amount of uncertainty, as well resourcing implications, and in practical terms means that some of the information for Somerset Council such as the 2022/23 outturn, reserves position, and capital position are still being finalised.

- 3.2.** The Full Council approved the 2023/24 Budget in February 2023. Budget

monitoring is delegated to Executive and Scrutiny and revenue service reports will be presented monthly with a full overview of revenue, capital, and reserves quarterly. This report outlines the forecast year-end position of services against the 2023/24 budget of £493.4m as at the end of June 2023.

#### **4. Report**

**4.1** After taking into account all service expenditure and contingencies the projected outturn position is £522m against a net budget of £493.4m. This gives a £28.6m adverse variance which represents a variance of 5.8%.

- Adult Services has a £12.1m adverse variance against their budget (6.5% of service budget). This variance is mainly in the adult social care and Learning Disabilities budget areas.
- Children’s Services has a £8.8m adverse variance against their budget (7.2% of service budget). This variance is in External Placements.
- Climate and Place has a £5.1m adverse variance against their budget (5.8% of service budget). This adverse variance is seen in Waste Services, Infrastructure and Transport and Economy, Employment and Planning.
- Strategy, Workforce and Localities has a £1.5m adverse variance against their budget (7.4% of service budget). This variance is seen in Legal Services.

Resources and Corporate Services has a £1.4m adverse variance against their budget (6.5% of service budget). This variance is seen in Revenues, Housing Benefits, Property, and ICT.

#### **Table 1a: 2023/24 Budget Monitoring Report as at the end of June 2023 (Month 3)**

(Scrutiny Committee – Adults & Health)

Service Area	Original Budget	Current Budget	Full Year Projection	Month 3 Variance	A/(F)
	£m	£m	£m	£m	
Adult Services	186.6	185.5	197.6	12.1	A
Children & Family Services	123.1	123.1	131.9	8.8	A
Public Health	1.2	1.2	1.2	0.0	-
Communities Services	35.2	34.9	34.9	0.0	-
Climate & Place	87.1	87.6	92.7	5.1	A
Strategy, Workforce & Localities	20.2	20.2	21.7	1.5	A
Resources & Corporate Services	20.5	21.5	22.9	1.4	A
Accountable Bodies	3.7	3.7	3.7	0.0	-
Non-Service	9.8	9.8	9.3	(0.5)	(F)
Traded Services	0.0	0.0	0.2	0.2	A
<b>Total Service Position</b>	<b>487.4</b>	<b>487.4</b>	<b>516.0</b>	<b>28.6</b>	<b>A</b>
Corporate Contingency	6.0	6.0	6.0	0.0	-
<b>Total after Contingencies</b>	<b>493.4</b>	<b>493.4</b>	<b>522.0</b>	<b>28.6</b>	<b>A</b>
Reserves	(19.9)	(19.9)	(19.9)	0.0	-
Council Tax	(345.4)	(345.4)	(345.4)	0.0	-
Business Rates	(116.1)	(116.1)	(116.1)	0.0	-
Revenue Support Grant	(7.9)	(7.9)	(7.9)	0.0	-
Flexible Use of Capital Receipts	(4.0)	(4.0)	(4.0)	0.0	-
<b>Total Month 3 Position</b>	<b>0.0</b>	<b>0.0</b>	<b>28.6</b>	<b>28.6</b>	<b>A</b>

**4. Adult Services Director Mel Lock, Lead Member Cllr Dean Ruddle**

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- 2023/24 net budget £185.5m, projected adverse variance £12.1m
- 2022/23 net budget £160.7m, outturn adverse variance £15.4m

**Table 2: Adult Services as at the end of June 2023 (Month 3)**

(Scrutiny Committee – Adults & Health)

Service Area	Current Budget	Full Year Projection	Month 3 Variance	A/(F)
	£m	£m	£m	
<b>Adult Social Care Operations - Physical Disability/Sensory Loss/65 Plus</b>				
Residential & Nursing	54.0	54.7	0.7	A
Home Care	28.1	30.3	2.2	A
Direct Payments	11.9	12.8	0.9	A
Staffing Costs	11.6	11.6	0.0	-
Transport & Daycare	7.6	7.6	0.0	-
<b>sub total</b>	<b>113.2</b>	<b>117.0</b>	<b>3.8</b>	<b>A</b>
<b>Adult Social Care Operations - Mental Health</b>				
Residential & Nursing	13.9	13.9	0.0	-
Home Care/Supported Living	5.7	5.9	0.2	A
Staffing/Deprivation of Liberty Safeguards	2.6	2.6	0.0	-
Direct Payments, Day Care & Transport	2.6	2.5	(0.1)	(F)
<b>sub total</b>	<b>24.8</b>	<b>24.9</b>	<b>0.1</b>	<b>A</b>
<b>Adult Social Care Operations - Learning Disabilities</b>				
Residential & Nursing	23.8	25.7	1.9	A
Home Care/Supported Living	30.6	35.4	4.8	A
Direct Payments/In Control	10.7	10.3	(0.4)	(F)
Day Care	5.8	6.3	0.5	A
Transport & Shared Lives	2.4	2.7	0.3	A
Central & Salaries	6.0	6.2	0.2	A
Discovery	30.5	30.1	(0.4)	(F)
<b>sub total</b>	<b>109.8</b>	<b>116.7</b>	<b>6.9</b>	<b>A</b>
<b>Commissioning</b>				
Commissioning	2.9	5.7	2.8	A
Better Care Fund	(37.3)	(37.3)	0.0	-
LD Pooled Budget Income	(27.9)	(29.4)	(1.5)	(F)
<b>sub total</b>	<b>(62.3)</b>	<b>(61.0)</b>	<b>1.3</b>	<b>A</b>
<b>Adult Services Total</b>	<b>185.5</b>	<b>197.6</b>	<b>12.1</b>	<b>A</b>

**4. Adult Services - key explanations, actions & mitigating controls**

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**Adult Social Care - Physical Disability/Sensory Loss/65 Plus**

This area of adults is currently projecting to be £3.8m overspent. As in previous years, we continue to see pressure within residential and nursing placements, with pressure on the weekly costs, as well as the number of people receiving support. Historically the authority has paid low fee rates within this sector. The increase in fee levels for 23/24 are still not stabilising the market, due to the increase in inflation and cost of living.

There continue to be a number of interim placements as the service works with the NHS trusts to ensure a timely discharge for people from hospital. These placements are currently projected to cost £2.5m.

We continue to deliver more homecare, to allow people to remain in their own homes for as long as possible to help reduce the overreliance on beds, as well as it being the best place for them. This has led to reported overspends of £2.2m for home care.

As we continue to offer choice and have a varied market that includes micro-providers, we have seen an increase in the use of direct payments, resulting in a projected overspend of £0.9m.

**Mental Health**

This budget includes individuals who have a diagnosis of dementia. The budget continues to be an area of growth for the past few years, and this has continued in 2023/24. We are currently projecting an overspend of £0.1m mainly within home care and supported living. Residential and nursing continues to be a pressure for the service due to a combination of increasing numbers and high unit costs.

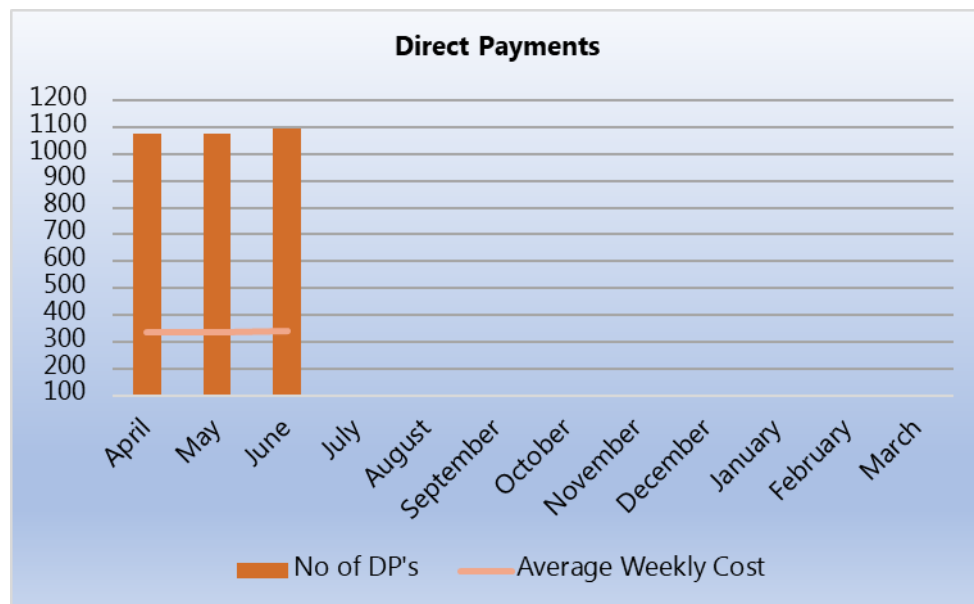
### Learning Disabilities

Overall, the cost of Learning Disabilities is projected to overspend by £6.9m. Since outturn we have seen a number of high costs placements come through, either via transitions or due to other forms of funding coming to an end. The four main pressure areas continue to be residential & nursing £1.9m, supported living and homecare £4.8m and day care £0.5m due to market sustainability. Supported Living is in the best interest of people but is an area where unit costs can be high.

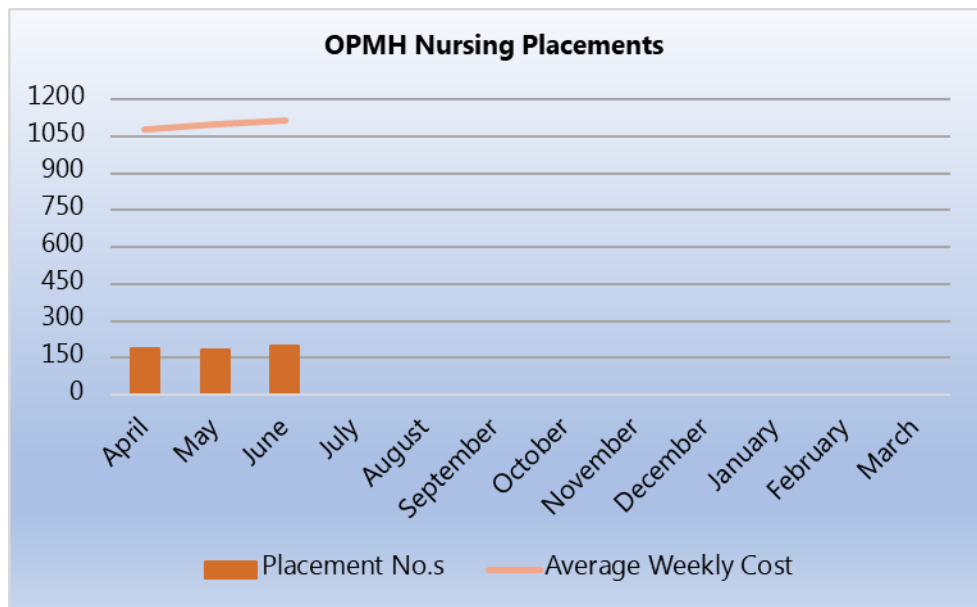
### Commissioning

Commissioning is currently projecting to overspend by £1.3m, as the Adults transformation ‘my life, my future’ will not achieve the full £5m saving.

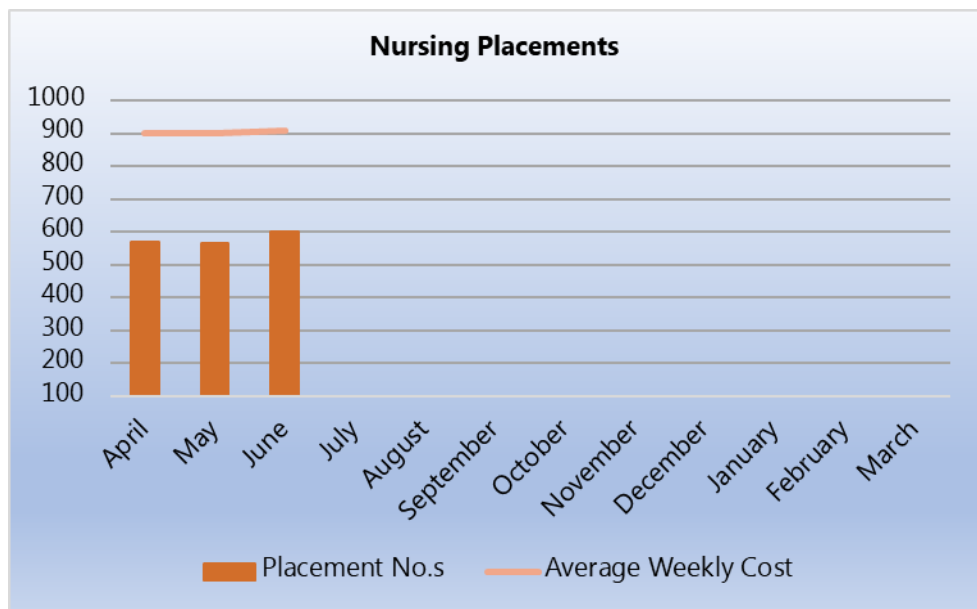
### Adult Services - key performance cost drivers



Since the beginning of the financial year, we have seen the number of people receiving a Direct Payment within ASC increased from 1,077 to 1093 packages. The current weekly average cost of an ASC Direct Payment is £338 per package.



The number of Older People Mental Health (OPMH) Nursing placements has increased by ten placements since April, from 188 to 198. The current weekly average cost for OPMH Nursing is £1,112 per placement.



Nursing placements increased by thirty-one since April from 569 to 600. The current weekly average cost for Nursing is £910 per placement.

#### 4. Adult Services - key risks, future issues & opportunities

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90% of the ASC budget is spent on individual placements purchased through the market via block and spot placements. Therefore, there is a significant risk that this budget will continue to overspend. This is due to increased demand, the cost-of-living rise,

particularly the increases in petrol, gas, electric, and food.

We have a number of mitigations that are not currently reflected in the financial position above but across the financial year we will start to see the impact:

- Enhanced Peer Forum – Robust financial and operating challenge
- Reviewing Interim Placements – This review will identify those who should be self-funding/contributing towards their long-term care.
- My life, my future – reduce the overreliance on bed placements and redesign the reablement service.
- Review all high cost/complex placements.
- Review void costs.

## **5. Implications**

- 5.1.** There are no implications from this report. Scrutiny Members are asked to note the information and recommend any actions to Executive Committee.

## **6. Background papers**

- 6.1.** The information within this paper has been taken from the Executive Committee 6<sup>th</sup> September, budget monitoring report for Month 3.