

Somerset Council
Scrutiny Committee
– Adults & Health



23/24 Budget Monitoring Report – Month 5 – End of September 2023

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

Author: Penny Gower, Service Manager Adults & Health

Contact Details: Penny.Gower@somerset.gov.uk

Executive Lead Member: Cllr Dean Ruddle, Lead Member for Adult Social Care

Division / Local Member: All

1. Summary

- 1.1.** The Executive considered the Month 6 Budget Monitoring reports at its meeting on 6th December 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:-

- a) If there are any general comments or observations that they would wish to consider to make to the Executive on the report.
- b) 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 £492.9m as at the end of September 2023.

4. Report

4.1 After taking into account all service expenditure and contingencies the projected outturn for 2023/24 is £511.6m against a net budget of £492.9m. This gives a £18.7m adverse variance which represents a variance of 3.8%

- Adult Services has a £14.9m adverse variance against their budget (8% of service budget). This variance is mainly in the Adult Social Care and Learning Disabilities budget areas due to fee levels being higher than anticipated.
- Children's Services have a £12.4m adverse variance against their budget (10.1% of service budget), an unfavourable movement of £0.6m from month five. This increase is mainly due to identification of an under accrual for 2022/23 of £0.9m within External Placements which will remain as expenditure in 2023/24.
- Climate and Place have a favourable variance of £5.3m against their budget. This is a reduction of £7.6m since month five. The favourable movement in the main is due to income received via Connecting Devon and Somerset. The balance received has been reduced due to overspends in Waste Services, and Highways.
- Resources and Corporate have a £2.2m favourable variance (10.5% of service budget). The majority of the favourable variance is seen in Finance and Information Communication Technology Services.

**Table 1: 2023/24 Budget Monitoring Report as at the end of September 2023
(Month 6)**

(Scrutiny Committee – Adults & Health)

Service Area	Original Budget	Current Budget	Full Year Projection	Month 6 Variance	A/(F)	RAG Status	Movement From Month 5
	£m	£m	£m	£m			£m
Adult Services							
Adult Social Care Operations - Physical Disability/Sensory Loss/65 Plus	114.2	114.3	119.6	5.3	A	Red	0.0
Adult Social Care Operations - Mental Health	23.5	23.5	24.5	1.0	A	Red	0.0
Adult Social Care Operations - Learning Disabilities	110.5	109.9	117.4	7.5	A	Red	0.0
Commissioning	(62.2)	(62.2)	(61.1)	1.1	A	Red	0.0
Adult Services Total	186.0	185.5	200.4	14.9	A	Red	0.0
Children, Families & Education Services							
Children & Families	81.8	82.0	92.7	10.7	A	Red	0.6
Commissioning and Performance	11.1	11.2	10.9	(0.3)	(F)	Green	(0.3)
Inclusion	12.6	15.8	17.5	1.7	A	Red	0.0
Education, Partnerships and Skills	17.4	14.1	14.4	0.3	A	Red	0.3
Children & Family Services Total	122.9	123.1	135.5	12.4	A	Red	0.6
Community Services							
Housing	5.9	6.1	6.1	0.0	-	Green	0.0
Customer Services	6.9	6.6	6.6	0.0	-	Green	0.0
Cultural Services	9.1	8.7	9.1	0.4	A	Red	0.4
Regulatory & Operational Services	13.1	12.4	13.3	0.9	A	Red	0.9
Community Services Total	35.0	33.8	35.1	1.3	A	Red	1.3
Climate & Place							
Climate, Environment & Sustainability	55.8	55.5	56.1	0.6	A	Red	(0.2)
Infrastructure & Transport	21.8	22.1	23.2	1.1	A	Red	(0.4)
Economy, Employment & Planning	10.5	10.4	10.4	0.0	-	Green	0.0
Accountable Bodies	3.7	3.7	(3.3)	(7.0)	(F)	Green	(7.0)
Climate & Place Total	91.8	91.7	86.4	(5.3)	(F)	Green	(7.6)
Strategy, Workforce & Localities							
Partnership & Localities	0.8	2.8	2.8	0.0	-	Green	0.0
Strategy & Performance	3.2	3.3	3.3	0.0	-	Green	0.0
Workforce	6.0	5.8	5.4	(0.4)	(F)	Green	(0.2)
Governance, Democratic & Legal Services	9.0	9.3	10.6	1.3	A	Red	(0.2)
Strategy, Workforce & Localities Total	19.0	21.2	22.1	0.9	A	Red	(0.4)
Resources & Corporate Services							
Finance	12.6	12.8	11.4	(1.4)	(F)	Green	(1.2)
Strategic Asset Management	(9.2)	(9.6)	(9.2)	0.4	A	Red	0.0
Information Communication Technology	17.7	17.8	16.6	(1.2)	(F)	Green	(1.3)
Resources & Corporate Services Total	21.1	21.0	18.8	(2.2)	(F)	Green	(2.5)
Public Health	1.7	1.0	1.0	0.0	-	Green	0.0
Non-Service	9.8	9.8	6.2	(3.6)	(F)	Green	(0.1)
Traded Services							
Dillington	0.0	0.0	0.3	0.3	A	Red	0.1
Traded Services Total	0.0	0.0	0.3	0.3	A	Red	0.1
Total Service Position	487.3	487.2	505.9	18.7	A	Red	(8.6)
Corporate Contingency	6.0	5.7	5.7	0.0	-	Green	-
Total After Contingencies	493.3	492.9	511.6	18.7	A	Red	(8.6)
Reserves	(19.9)	(19.9)	(19.9)	0.0	-	Green	0.0
Transfers to Schools	0.0	0.4	0.4	0.0	-	Green	0.0
Council Tax	(345.4)	(345.4)	(345.4)	0.0	-	Green	0.0
Business Rates	(116.1)	(116.1)	(116.1)	0.0	-	Green	0.0
Revenue Support Grant	(7.9)	(7.9)	(7.9)	0.0	-	Green	0.0
Flexible Use of Capital Receipts	(4.0)	(4.0)	(4.0)	0.0	-	Green	0.0
Total Position	0.0	(0.0)	18.7	18.7	A	Red	(8.6)

4.2 Adult Services Director Mel Lock, Lead Member Cllr Dean Ruddle

Table 2 below is breakdown of the Adult Services budget as at the end of September 2023, which shows a forecast outturn for 2023/24 as £200.4m against a net budget of £185.5m, resulting in a projected adverse variance of £14.9m.

- 4.3 In 2022/23, the actual outturn was £176.1m, against a net budget £160.7m, resulting in an outturn adverse variance of £15.4m. Key explanations of why increasing the budget for 2023/24 has not resulted in the forecast outturn for the current year being no variance are explained below.

Table 2: Adult Services as at the end of September 2023 (Month 6)

(Scrutiny Committee – Adults & Health)

Service Area	Current Budget £m	Full Year Projection £m	Month 6 Variance £m	A/(F)	RAG Status	Movement From Month 5 £m
Adult Social Care Operations - Physical Disability/Sensory Loss/65 Plus						
PD/SL/65P Residential & Nursing	58.0	58.9	0.9	A	Red	0.0
Home Care	28.2	31.0	2.8	A	Red	0.0
Direct Payments	12.5	14.2	1.7	A	Red	0.0
Staffing Costs	12.5	11.5	(1.0)	(F)	Green	0.0
Transport, Daycare & Other	3.1	4.0	0.9	A	Red	0.0
sub total	114.3	119.6	5.3	A	Red	0.0
Adult Social Care Operations - Mental Health						
MH Residential & Nursing	14.7	14.6	(0.1)	(F)	Green	0.0
Home Care/Supported Living	5.7	6.9	1.2	A	Red	0.0
Staffing/Deprivation of Liberty, Safeguards	1.4	1.4	0.0	-	Green	0.0
Direct Payments, Day Care & Transport	1.7	1.6	(0.1)	(F)	Green	0.0
sub total	23.5	24.5	1.0	A	Red	0.0
Adult Social Care Operations - Learning Disabilities						
LD Residential & Nursing	23.8	25.3	1.5	A	Red	0.0
Supported Living/Home Care	33.7	38.5	4.8	A	Red	0.0
Direct Payments/In Control	10.7	9.7	(1.0)	(F)	Green	0.0
Day Care	6.4	6.9	0.5	A	Red	0.0
Discovery	30.5	30.9	0.4	A	Red	0.0
Transport, Shared Lives & Other	2.4	2.6	0.2	A	Red	0.0
Central & Salaries	2.4	3.5	1.1	A	Red	0.0
sub total	109.9	117.4	7.5	A	Red	0.0
Commissioning						
Commissioning	(62.2)	(61.1)	1.1	A	Red	0.0
sub total	(62.2)	(61.1)	1.1	A	Red	0.0
Total	185.5	200.4	14.9	A	Red	0.0

4.4 Adult Services - key explanations, actions & mitigating controls

Adult Services overspend is £24.2m due to an increase in both fee levels for care home placements and delivery of home care, offset by a number of in-year mitigations to reduce it to £14.9m.

4.5 Since 2020/21 we have seen an increase of 41% in residential placements and this significant increase can be seen across all care home placement types. In October 2022, the unmet needs list was around 150 people waiting for homecare, the number current waiting is two people. This increase in delivery is now showing as a full year effect in the table above.

4.6 To offset this, overspend, a number of in year mitigations and funding have been identified including the market sustainability funding - workforce grant of £3.8m, in year mitigations of £3m including reviewing all 1:1 with a view to reducing hours required and £2.5m NHS monies.

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

This area of adults is currently projecting to be £5.3m 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.

4.8 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.

4.9 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 £1.8m.

4.10 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 £2.8m for home care.

4.11 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 £1.7m.

4.12 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 £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.

4.13 Learning Disabilities

Overall, the cost of Learning Disabilities is projected to overspend by £7.5m. Since outturn we have seen a number of high costs placements come through, either via transitions or due to other forms of funding ending. The four main pressure areas continue to be residential & nursing £1.5m, 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

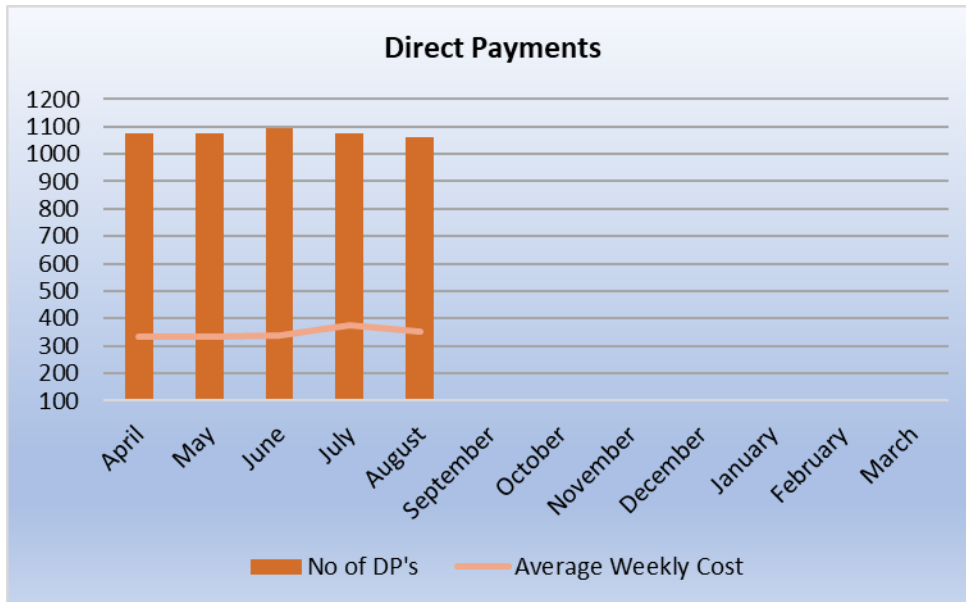
area where unit costs can be high.

4.14 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.

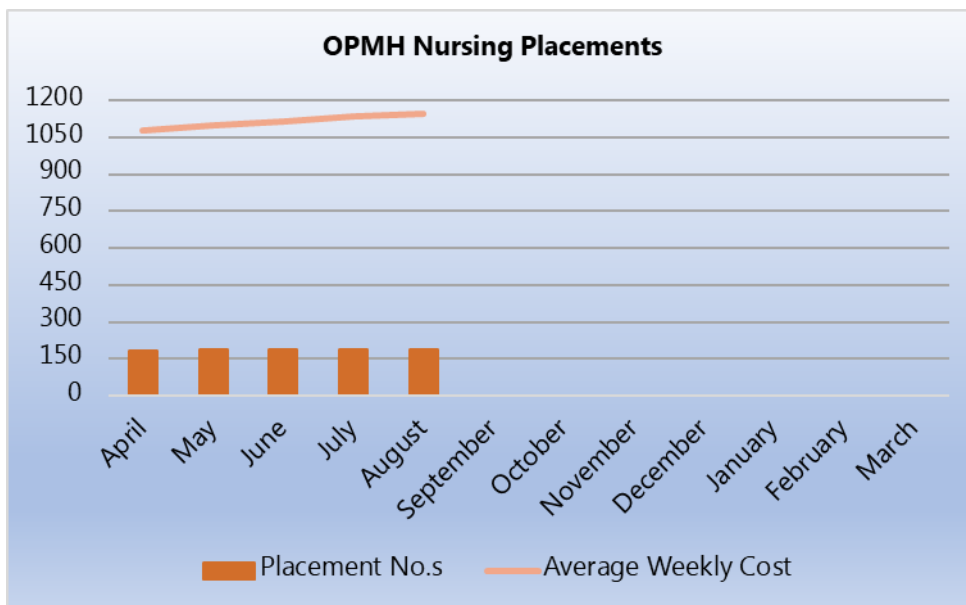
4.15 Adult Services - key performance cost drivers



Since the beginning of the financial year, we have seen the number of people receiving

a Direct Payment within ASC decreased from 1,077 to 1060 packages. The current weekly average cost of an ASC Direct Payment is £354 per package

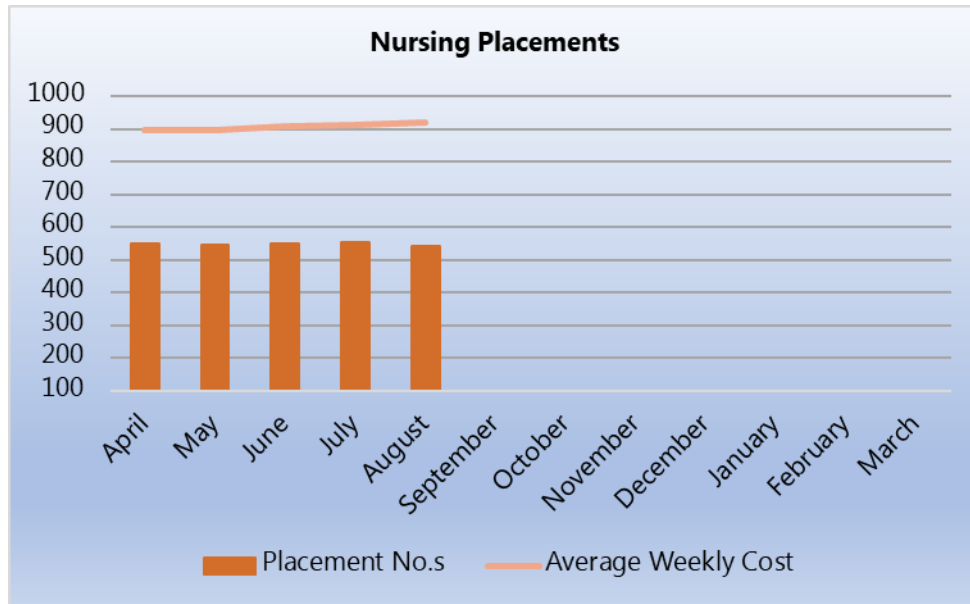
4.16



The number of Older People Mental Health (OPMH) Nursing placements has increased by five placements since April, from 185 to 190. The current weekly average

cost for OPMH Nursing is £1,144 per placement.

4.17



Nursing placements decreased by ten since April from 551 to 541. The current weekly average cost for Nursing is £918 per placement.

4.18 Adult Services - key risks, future issues & opportunities

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.

4.19 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 sessions taking place weekly
- 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 December, budget monitoring report for Month 6.

Note For sight of individual background papers please contact the report author