

Somerset Council  
Scrutiny Committee  
– Adults & Health



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## **24/25 Budget Monitoring Report – Month 4 – End of July 2024**

Lead Officer: Maria G Christofi - Interim Chief Finance Officer (S151 Officer)

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Executive Lead Member: Cllr Sarah Wakefield

Division / Local Member: All

### **Summary**

1. The Executive considered the Month 4 Budget Monitoring reports at its meeting on 7<sup>th</sup> October 2024 and the reports will be presented to the scrutiny committee to allow for scrutiny of them.

### **Issues for consideration / Recommendations**

2. Scrutiny is asked to consider: -
  - a) If there are any general comments or observations that they would wish to consider making 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.

### **Background**

3. The last report the Executive received was the 2024/25, month 3 budget monitoring and Outturn Report, at the September Executive meeting, which forecast a potential council underspend of £0.2m.

### **Report**

4. **Adult Services Director Mel Lock, Lead Member Cllr Sarah Wakefield**

(Scrutiny Committee – Adults & Health)

Table 1 below is breakdown of the Adult Services budget as at the end of July 2024, which shows a forecast outturn for 2024/25 as £237.5m against a net budget of £239.6m, resulting in a projected underspend of £2.1m.

- 4.1** In 2023/24, the actual outturn was £208.3m, against a net budget £190.8m, resulting in an outturn adverse variance of £17.4m. Key explanations of why increasing the budget for 2024/25 has resulted in the forecast outturn for the current year being a underspend are explained below.

**Table 1: Adult Services as at the end of July 2024 (Month 4)**

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 4 Variance £m	A/(F)	RAG Status	Movement From Month 3 £m
<b>Adult Social Care Operations</b>								
<b>Physical Disability/Sensory Loss/65 Plus</b>								
PD/SL/65P Residential & Nursing	95.7	(21.8)	73.9	64.6	(9.3)	(F)	Green	(0.1)
Home Care	29.9	(2.3)	27.6	34.2	6.6	A	Red	(0.4)
Direct Payments	19.1	(2.1)	17.0	16.3	(0.7)	(F)	Green	0.0
Staffing Costs	16.6	(0.4)	16.2	15.2	(1.0)	(F)	Green	0.0
Transport, Daycare & Other	4.8	(1.3)	3.5	5.0	1.5	A	Red	0.0
<b>sub total</b>	<b>166.1</b>	<b>(27.9)</b>	<b>138.2</b>	<b>135.3</b>	<b>(2.9)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.5)</b>
<b>Mental Health</b>								
MH Residential & Nursing	27.6	(4.2)	23.4	22.3	(1.1)	(F)	Green	(0.2)
Home Care/Supported Living	10.2	(1.9)	8.3	7.6	(0.7)	(F)	Green	0.1
Staffing/Deprivation of Liberty, Safeguards	3.1	0.0	3.1	2.9	(0.2)	(F)	Green	0.0
Direct Payments, Day Care & Transport	2.4	(0.2)	2.2	3.1	0.9	A	Red	0.2
<b>sub total</b>	<b>43.3</b>	<b>(6.3)</b>	<b>37.0</b>	<b>35.9</b>	<b>(1.1)</b>	<b>(F)</b>	<b>Green</b>	<b>0.1</b>
<b>Learning Disabilities</b>								
LD Residential & Nursing	36.2	(2.2)	34.0	31.0	(3.0)	(F)	Green	(0.8)
Supported Living/Home Care	46.1	(2.0)	44.1	45.8	1.7	A	Red	0.1
Direct Payments/In Control	13.4	(1.3)	12.1	12.7	0.6	A	Red	(0.2)
Day Care	8.1	(0.1)	8.0	8.3	0.3	A	Red	0.1
Discovery	35.1	(1.1)	34.0	33.4	(0.6)	(F)	Green	0.7
Transport, Shared Lives & Other	4.0	(1.0)	3.0	2.5	(0.5)	(F)	Green	0.3
Central & Salaries	2.4	0.0	2.4	3.5	1.1	A	Red	0.3
<b>sub total</b>	<b>145.3</b>	<b>(7.7)</b>	<b>137.6</b>	<b>137.2</b>	<b>(0.4)</b>	<b>(F)</b>	<b>Green</b>	<b>0.5</b>
<b>Adult Social Care - Commissioning</b>								
ASC Commissioning	6.2	(0.4)	5.8	6.1	0.3	A	Red	0.0
Intermediate Care	8.8	(2.8)	6.0	8.0	2.0	A	Red	(0.1)
Staffing Costs	3.1	(0.2)	2.9	2.9	0.0	-	Green	0.0
Grants & Pooled Budget Income	3.6	(91.5)	(87.9)	(87.9)	0.0	-	Green	0.0
<b>sub total</b>	<b>21.7</b>	<b>(94.9)</b>	<b>(73.2)</b>	<b>(70.9)</b>	<b>2.3</b>	<b>A</b>	<b>Red</b>	<b>(0.1)</b>
<b>Total</b>	<b>376.4</b>	<b>(136.8)</b>	<b>239.6</b>	<b>237.5</b>	<b>(2.1)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.0)</b>

**4.2 Adult Services - key explanations, actions & mitigating controls**

As part of the MTFP process for 2024/25, the Adults budget had an increase of £69.6m for pressures, partly offset by net savings of £4.3m and grant income of £7.3m, which resulted in a net increase of £58m. Overall adults is currently projecting to be underspent by £2.1m, there is no movement in forecast prediction from month 3. The forecast underspend is mainly due to the commissioning work carried out with the market to reduce residential and nursing weekly fees. This links to international recruitment and the change in use of costly agency staff, CPI/energy costs coming down. Work will continue on the budget across this financial year to ensure the budgets have been allocated appropriately.

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

This area of adults is currently projected to be £2.9m underspent. Since April 2024 we have started to see new placements within residential and nursing homes coming either just below or around the budgeting figure built into the budget as part of the MTFP process. As people move services or services cease, we will start to see the overall average cost of placements reduce across the year.

#### **4.4 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 been recognised in the MTFP for 2024/25 with an increase of £11.7m. Currently Mental Health is projecting to be £1.1m underspent.

#### **4.5 Learning Disabilities**

Overall, the cost of Learning Disabilities is currently projected to be £0.4m underspent. However, this is a pooled budget 75/25 and therefore any underspend will be split with ICB.

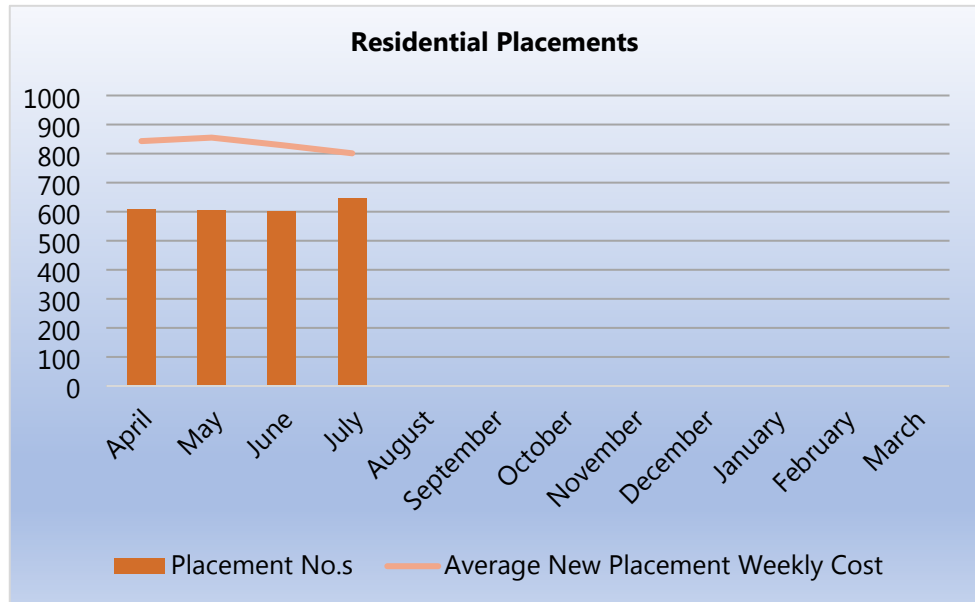
#### **4.6 Commissioning**

Commissioning is projecting an overspend of £2.3m, due to continued demand with intermediate care. This mainly relates to pathway beds which are used to support discharges from acute hospitals. ASC commissioning are working with system partners over the design of intermediate care services and delivery. As part of this process, we will be focussing on optimising pathway one (reablement at home) delivery to reduce the need for bedded capacity, this in turn will reduce the spend on beds, enabling the current forecasted overspend to be brought back into financial tolerance.

#### **4.7 Adult Services - key performance cost drivers**

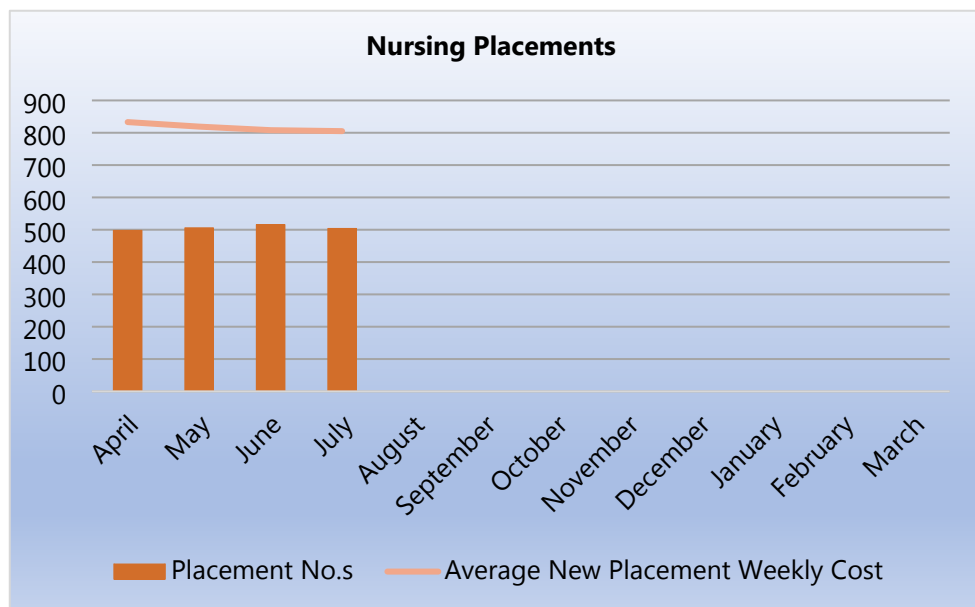
Our target is 52 placements per month, across residential and nursing over 65's. We are below our current target taking into consideration those that leave the service. The savings attached to this is reported as part of the My Life, My Future transformation programme.

4.8



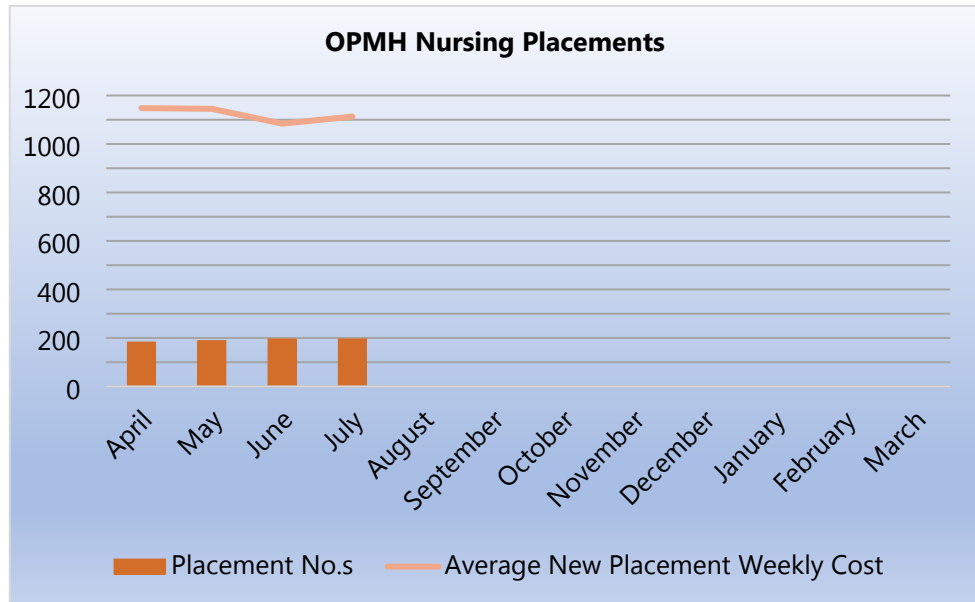
Since the beginning of the 2024/25 financial year, we have seen the number of people placed within a residential setting increase by thirty-seven from 607 to 644. The current weekly average cost of a residential placement is £801 per week.

4.9



Nursing placements increased by six since April 2024 from 498 to 504. The current new placement cost for Nursing is £805 per placement.

**4.10**



The number of Older People Mental Health (OPMH) Nursing placements has increased by thirteen placements from 183 to 196 placements since April 2024. The current weekly average cost for OPMH Nursing is £1,113 per placement.

**4.11 Adult Services - key risks, future issues & opportunities**

90% of the ASC budget is spent on individual care and support needs. Therefore, there is a risk that expenditure could increase. The international recruitment impact of this is yet to be seen both locally and nationally, this could influence the market cost.

**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 7<sup>th</sup> October, budget monitoring report for Month 4.

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