

Somerset Council
Scrutiny Committee
– Adults & Health



23/24 Budget Monitoring Report – Month 10 – End of January 2024

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

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Executive Lead Member: Cllr Sarah Wakefield

Division / Local Member: All

Summary

1. The Executive considered the Month 10 Budget Monitoring reports at its meeting on 6th March 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 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.

4. 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 £492.2m as at the end of January 2024.

Report

5. The Council is now projecting an overspend of £16.3m for 2023/24, which equates to 3.0% of the net budget for the year. This is a small improvement of £1.2m from the previous forecast overspend.
- 5.1 The forecast overspend for the year remains driven by Adults Services and Childrens Services which are both forecasting overspends of £14.9m. Together these total £29.8m and mask that the rest of the council is forecast to be £13.5m underspent.

Table 1: 2023/24 Budget Monitoring Report Overview of Movement in Forecast Outturn Position

Service Area	Month 3	Month 4	Month 5	Month 6	Month 7	Month 9	Month 10	Movement
	Variance	Variance	Variance	Variance	Variance	Variance	Variance	
	£m	£m	£m	£m	£m	£m	£m	£m
Adult Services	12.1	12.1	14.9	14.9	14.9	14.9	14.9	0.0
Children, Families & Education Services	8.8	8.8	11.8	12.4	13.9	15.3	14.9	(0.4)
Remaining Services	7.7	5.2	0.6	(8.6)	(10.5)	(12.7)	(13.5)	(0.8)
Total Position	28.6	26.1	27.3	18.7	18.3	17.5	16.3	(1.2)

5.2 Adult Services Director Mel Lock, Lead Member Cllr Bill Revan

Table 2 below is breakdown of the Adult Services budget as at the end of January 2024, which shows a forecast outturn for 2023/24 as £196.2m against a net budget of £181.3m, resulting in a projected adverse variance of £14.9m.

- 5.3 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 January 2024 (Month 10)

Service Area	Current	Current	Current Net	Full Year	Month	A/(F)	RAG Status	Movement From Month 9
	Expenditure Budget	Income Budget	Budget	Projection	10 Variance			
	£m	£m	£m	£m	£m			£m
Adult Social Care Operations								
Physical Disability/Sensory Loss/65 Plus								
PD/SL/65P Residential & Nursing	76.5	(18.5)	58.0	58.9	0.9	A	Red	0.0
Home Care	30.5	(2.3)	28.2	31.0	2.8	A	Red	0.0
Direct Payments	14.8	(2.3)	12.5	14.2	1.7	A	Red	0.0
Staffing Costs	14.3	(1.9)	12.4	11.4	(1.0)	(F)	Green	0.0
Transport, Daycare & Other	4.7	(1.6)	3.1	4.0	0.9	A	Red	0.0
sub total	140.8	(26.6)	114.2	119.5	5.3	A	Red	0.0
Mental Health								
MH Residential & Nursing	17.2	(2.5)	14.7	14.6	(0.1)	(F)	Green	0.0
Home Care/Supported Living	7.7	(2.0)	5.7	6.9	1.2	A	Red	0.0
Staffing/Deprivation of Liberty, Safeguards	1.5	0.0	1.5	1.5	0.0	-	Green	0.0
Direct Payments, Day Care & Transport	1.9	(0.1)	1.8	1.7	(0.1)	(F)	Green	0.0
sub total	28.3	(4.6)	23.7	24.7	1.0	A	Red	0.0
Learning Disabilities								
LD Residential & Nursing	25.4	(1.6)	23.8	25.3	1.5	A	Red	0.0
Supported Living/Home Care	34.9	(1.3)	33.6	38.4	4.8	A	Red	0.0
Direct Payments/In Control	12.7	(2.0)	10.7	9.7	(1.0)	(F)	Green	0.0
Day Care	6.4	0.0	6.4	6.9	0.5	A	Red	0.0
Discovery	31.6	(1.1)	30.5	30.9	0.4	A	Red	0.0
Transport, Shared Lives & Other	3.3	(0.9)	2.4	2.6	0.2	A	Red	0.0
Central & Salaries	2.4	0.0	2.4	3.5	1.1	A	Red	0.0
sub total	116.7	(6.9)	109.8	117.3	7.5	A	Red	0.0
Adult Social Care Commissioning								
Commissioning	8.7	(75.1)	(66.4)	(65.3)	1.1	A	Red	0.0
sub total	8.7	(75.1)	(66.4)	(65.3)	1.1	A	Red	0.0
Total	294.5	(113.2)	181.3	196.2	14.9	A	Red	0.0

5.4 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. Additional costs within the intermediate care model have been identified and discussions are being held with Integrated Care Board. These costs mainly relate to pathway beds which are used to support discharges from acute hospitals.

5.5 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.

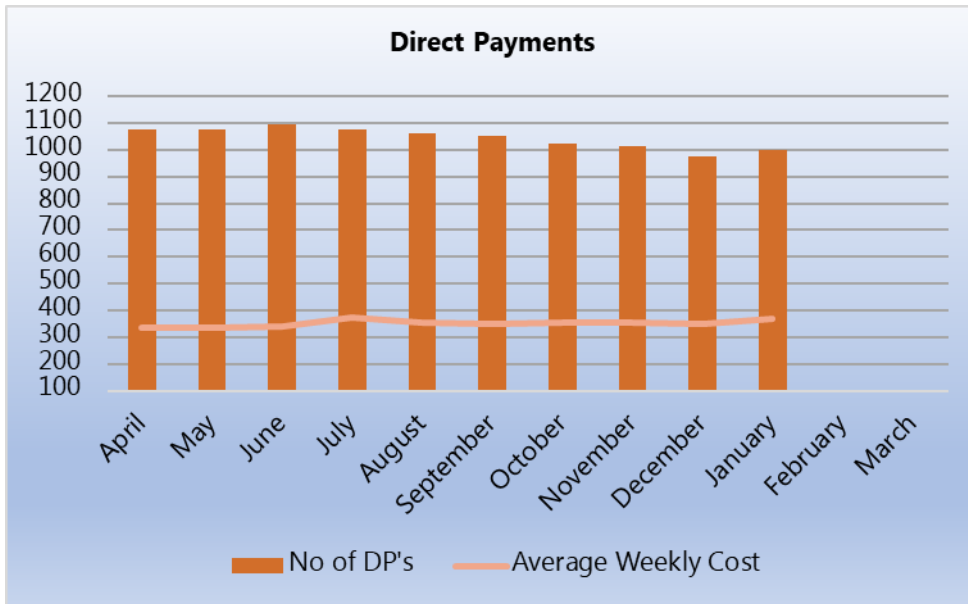
5.6 To offset this, overspend, a number of in year mitigations and funding have been identified including the market sustainability funding - workforce grant of £3.8m, in year mitigations of £3m including reviewing all 1:1 with a view to reducing hours required and £2.5m NHS monies.

5.7 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,

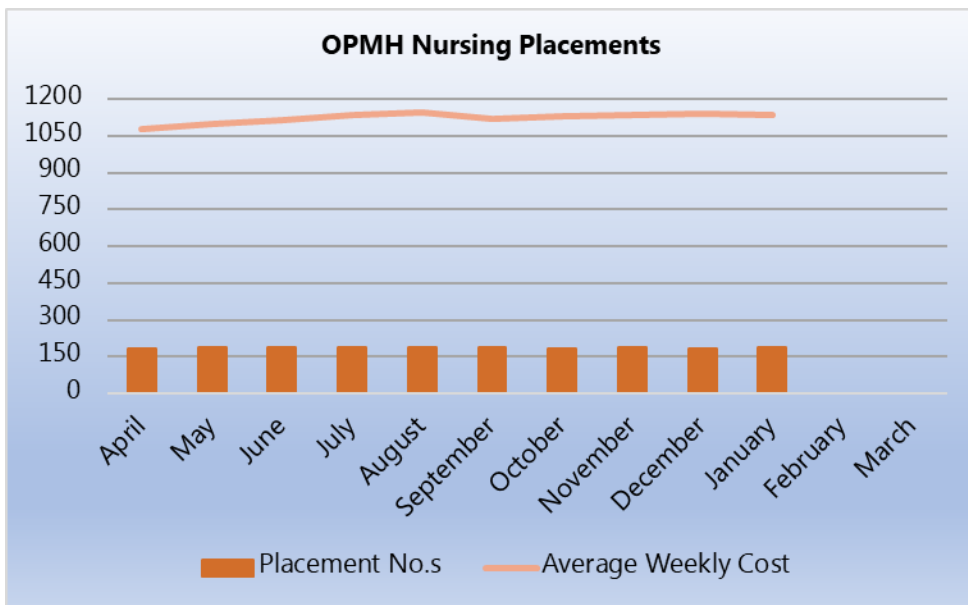
we continue to see pressure within residential and nursing placements, with pressure on the weekly costs, as well as the number of people receiving support.

- 5.8** 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.
- 5.9** 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.
- 5.10** 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.
- 5.11** 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.
- 5.12 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.
- 5.13 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 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.
- 5.14 Commissioning**
Commissioning is currently projecting to overspend by £1.1m, as the Adults transformation ‘my life, my future’ will not achieve the full £5m saving.
- 5.15 Adult Services - key performance cost drivers**



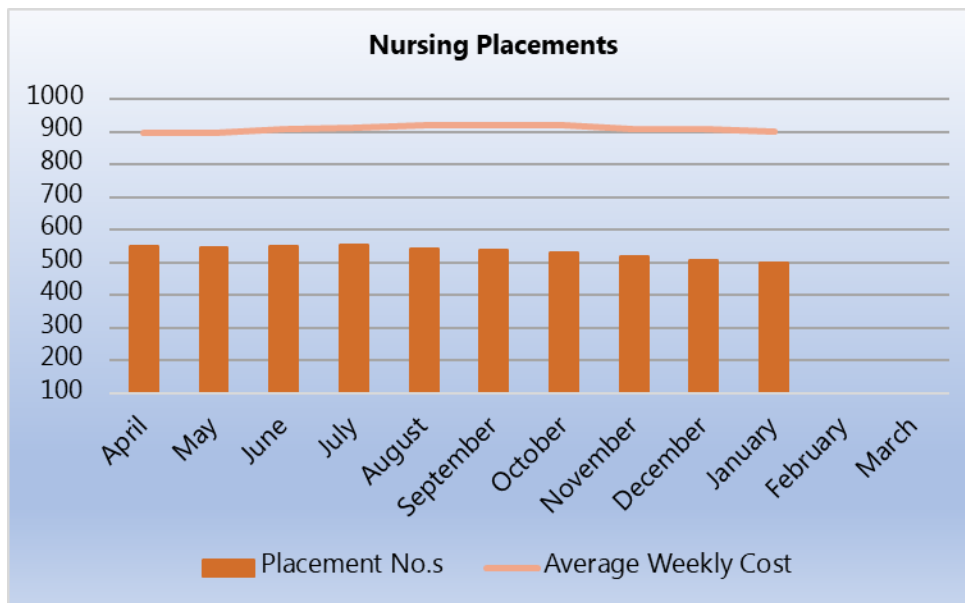
Since the beginning of the financial year, we have seen the number of people receiving a Direct Payment within ASC decrease from 1,077 to 1011 packages. The current weekly average cost of an ASC Direct Payment is £370 per package.

5.16



The number of Older People Mental Health (OPMH) Nursing placements has slightly increased from 185 to 190 placements since April. The current weekly average cost for OPMH Nursing is £1,135 per placement.

5.17



Nursing placements decreased by fifty-two since April from 551 to 499. The current weekly average cost for Nursing is £901 per placement.

5.18 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.

5.19 We have a number of mitigations that are 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.

6. Implications

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

7. Background papers

7.1 The information within this paper has been taken from the Executive Committee

(Scrutiny Committee – Adults & Health)

6 March, budget monitoring report for Month 10.

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