

Somerset Council
Scrutiny Committee
– Adults & Health



24/25 Budget Monitoring Report – Month 2 – End of May 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 consider the Month 2 Budget Monitoring reports at its meeting on 15th July 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. A month 2 emerging issues report has been produced to highlight the key potential variances and issues ahead of the full month 3 budget monitoring report. With the significant risks in the Adults and Childrens budgets, a more detailed budget monitoring exercise has been undertaken in these areas.
4. The 2024/25 Month 2 emerging issues report has identified several areas with potential adverse variances that could develop if on corrective action is taken. The main areas of concern identified at this stage relate to:-
 - Children, Families & Education Service – Potential overspend of £5.1m – Children Looked After potential £3.9m overspend and Education £1.2m.

- Waste – There will be an increased cost kerbside collection service for 2024/25.

Report

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

Table 2 below is breakdown of the Adult Services budget as at the end of May 2024, which shows a forecast outturn for 2024/25 as £237.6m against a net budget of £239.3m, resulting in a projected favourable variance of £1.7m.

- 5.1 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 no variance are explained below.

Table 2: Adult Services as at the end of May 2024 (Month 2)

Service Area	Original Budget £m	Current Net Budget £m	Full Year Projection £m	Month 2 Variance £m	A/(F)	RAG Status
Adult Social Care Operations						
Physical Disability/Sensory Loss/65 Plus						
PD/SL/65P Residential & Nursing	58.0	73.9	71.0	(2.9)	(F)	Green
Home Care	28.2	27.6	28.1	0.5	A	Red
Direct Payments	12.5	17.0	16.2	(0.8)	(F)	Green
Staffing Costs	12.4	18.2	17.5	(0.7)	(F)	Green
Transport, Daycare & Other	68.8	3.5	4.8	1.3	A	Red
sub total	179.9	140.2	137.6	(2.6)	(F)	Green
Mental Health						
MH Residential & Nursing	14.8	23.4	22.9	(0.5)	(F)	Green
Home Care/Supported Living	5.7	8.3	7.5	(0.8)	(F)	Green
Staffing/Deprivation of Liberty, Safeguards	1.4	1.4	1.4	0.0	-	Green
Direct Payments, Day Care & Transport	1.7	2.2	3.1	0.9	A	Red
sub total	23.6	35.3	34.9	(0.4)	(F)	Green
Learning Disabilities						
LD Residential & Nursing	23.8	34.0	32.0	(2.0)	(F)	Green
Supported Living/Home Care	33.6	44.1	44.6	0.5	A	Red
Direct Payments/In Control	10.7	12.1	12.8	0.7	A	Red
Day Care	6.4	8.0	8.4	0.4	A	Red
Discovery	30.5	34.0	33.7	(0.3)	(F)	Green
Transport, Shared Lives & Other	2.4	3.0	2.3	(0.7)	(F)	Green
Central & Staffing Costs	2.4	1.9	2.6	0.7	A	Red
sub total	109.8	137.1	136.4	(0.7)	(F)	Green
Adult Social Care - Commissioning						
ASC Commissioning	3.7	5.7	5.7	(0.0)	(F)	Green
Intermediate Care	6.0	6.0	8.0	2.0	A	Red
Staffing Costs	2.0	2.9	2.9	0.0	-	Green
Grants & Pooled Budget Income	(85.6)	(87.9)	(87.9)	0.0	-	Green
sub total	(74.0)	(73.3)	(71.3)	2.0	A	Red
Adult Services Total	239.3	239.3	237.6	(1.7)	(F)	Green

5.2 Adult Services - key explanations, actions & mitigating controls

As part of the MTFP process for 24/25, Adults budget was increased by £59m, to reflect the pressures we have seen in the last few years. Overall adults is currently projecting to be underspent by £1.7m, this is mainly due to the commissioning work carried out with the market to reduced 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.

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

This area of adults is currently projected to be £2.6m 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.

5.4 Within homecare there is a slight pressure due to the transformation savings of My Life, My future being taken out of the budget, but delivery being higher than expected currently. Work continues in this area to ensure this will remain in budget for this financial year.

5.5 As in previous years we continue to see a pressure within the Equipment Pooled Budget with health of £1.2m, however, commissioning and health colleagues are investigating the areas of spend to ensure the appropriate services are picking up the charges related to the equipment purchased by themselves.

5.6 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.

5.7 Overall Mental Health is projecting to be £0.4m underspent. However, there is currently a pressure within Direct Payments of £0.9m, this is an area we continue to offer choice and have a varied market that includes micro-providers. This pressure is offset with a underspend against residential and nursing placements.

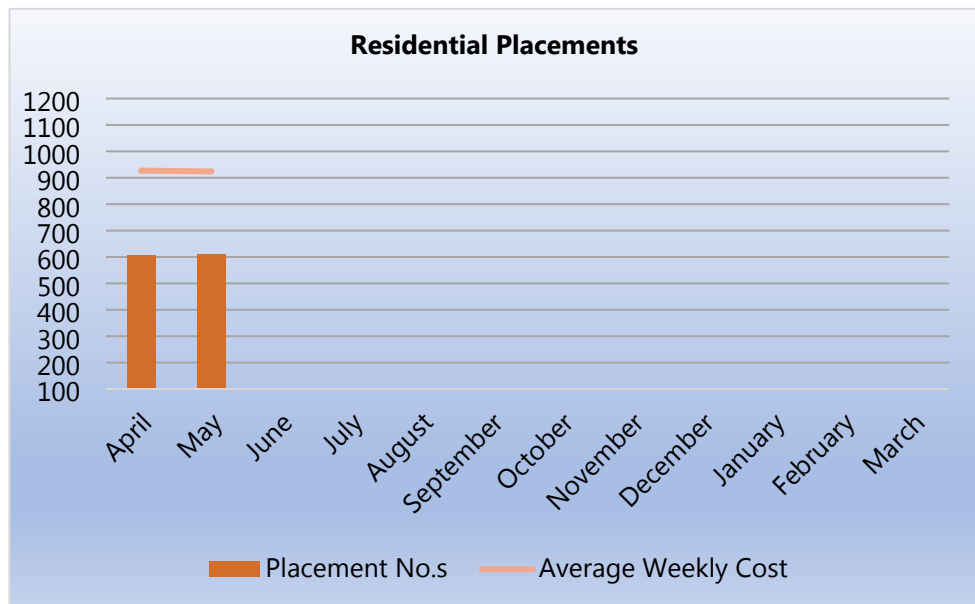
5.8 Learning Disabilities

Overall, the cost of Learning Disabilities is currently projected to be £0.7m underspent. As in previous years, we continue to see a pressure within home care and supported living of £0.7m, this is due to market sustainability. Supported Living is in the best interest of people, but is a area where unit costs are high.

5.9 Commissioning

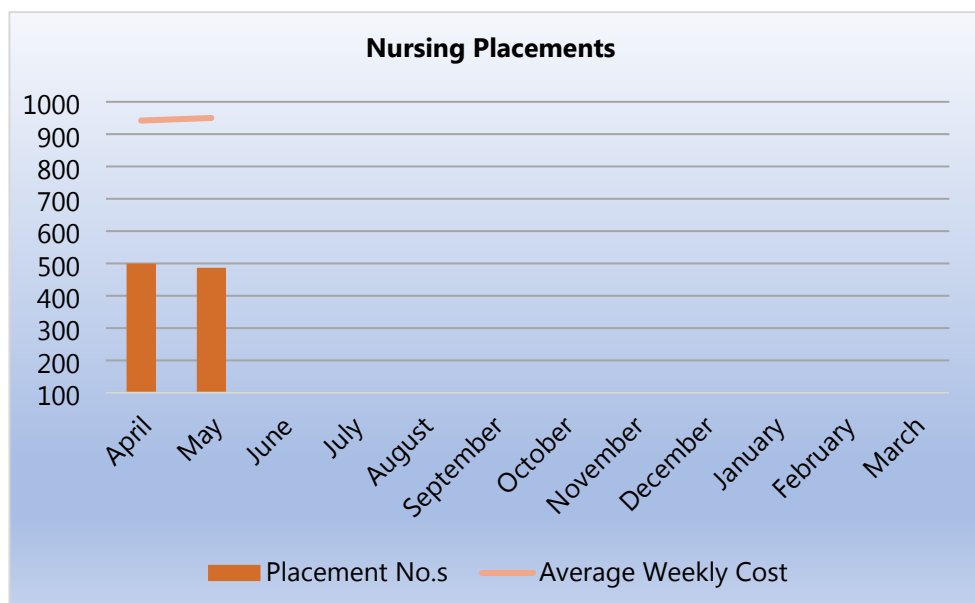
Commissioning is projecting an overspend of £2m, due to continued demand with intermediate care. This mainly relates to pathway beds which are used to support discharges from acute hospitals. ASC commissioning is working with system partners over the design of intermediate care services and delivery. 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.

5.10 Adult Services - key performance cost drivers



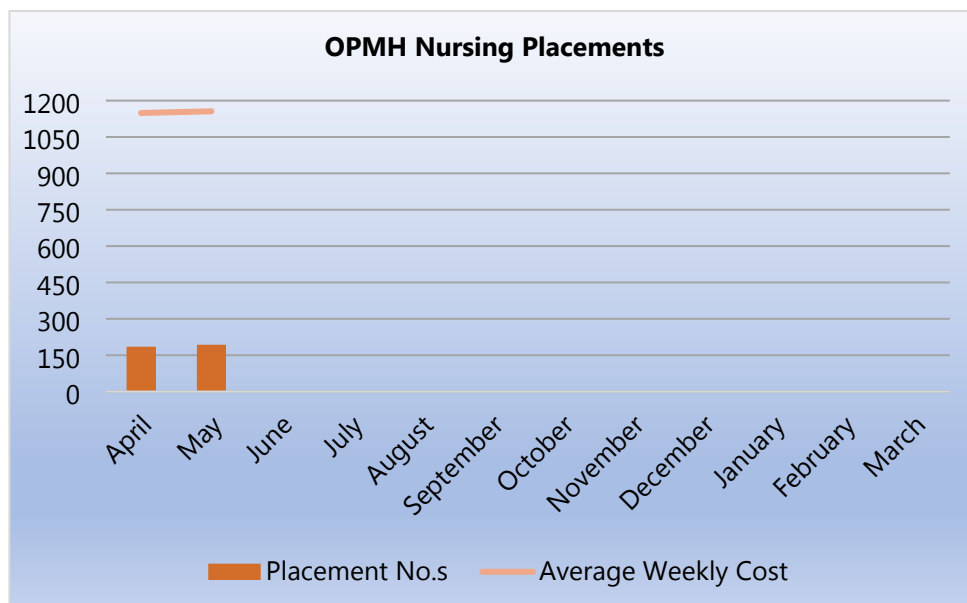
Since the beginning of the 2024/25 financial year, we have seen the number of people placed within a residential setting increase by four from 607 to 611. The currently weekly average cost of a residential placement is £924 per week.

5.11



Nursing placements decreased by 13 since April 2024 from 498 to 485. The currently weekly average cost for Nursing is £950 per placement.

5.12



The number of Older People Mental Health (OPMH) Nursing placements has increased by eight placements from 183 to 191 placements since April 2024. The current weekly average cost for OPMH Nursing is £1,156 per placement.

5.13 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 risk that this budget could increase. The international recruitment landscape has changed. The impact of this is yet to be seen both locally and nationally, this could influence the market cost.

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 15th July, budget monitoring report for Month 2.

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