

Somerset Council
Scrutiny Committee
– Adults & Health



23/24 Budget Monitoring Report – Month 12 – End of March 2024

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 Sarah Wakefield

Division / Local Member: All

Summary

1. The Executive will consider the Month 12 Budget Monitoring 23/24 outturn reports at its meeting on 15th July 2024 and the reports will also be presented to the scrutiny committee.

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, MTFP savings and reserves quarterly.

Report

5. Throughout 2023/24 there has been regular revenue budget monitoring reported to both Scrutiny and the Executive. This has highlighted that there was a potential overspend of £28.6m identified in month 3 which equated to over 5% of the net budget for the year.
- 5.1 The overall council provisional outturn 2023/24 will be reported to the July 15th Executive committee.

5.2 Adult Services Director Mel Lock, Lead Member Cllr Sarah Wakefield

Table 1 below is breakdown of the Adult Services budget as at the end of March 2024, which shows outturn for 2023/24 of £208.3m against a net budget of £190.8m, resulting in an adverse variance of £17.4m.

- 5.3 The table shows the Somerset System wide funding which was held by the Council and has now been released and used in the NHS to support the care system.

Table 1: Adult Services as at the end of March 2024 (Month 12)

(Scrutiny Committee – Adults & Health)

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 12 Variance £m	A/(F)	RAG Status	Move from Month £m
Adult Social Care Operations								
Physical Disability/Sensory Loss/65 Plus								
PD/SL/65P Residential & Nursing	76.5	(18.5)	58.0	59.1	1.1	A	Red	0.
Home Care	30.5	(2.3)	28.2	30.7	2.5	A	Red	(0.
Direct Payments	14.8	(2.3)	12.5	14.4	1.9	A	Red	0.
Staffing Costs	14.3	(1.9)	12.4	12.4	0.0	-	Green	1.0
Transport, Daycare & Other	4.7	(1.6)	3.1	5.5	2.3	A	Red	1.0
sub total	140.8	(26.6)	114.2	122.1	7.8	A	Red	2.0
Mental Health								
MH Residential & Nursing	17.2	(2.5)	14.7	15.9	1.2	A	Red	1.0
Home Care/Supported Living	7.7	(2.0)	5.7	7.2	1.5	A	Red	0.
Staffing/Deprivation of Liberty, Safeguards	1.4	0.0	1.4	1.5	0.1	A	Red	0.
Direct Payments, Day Care & Transport	1.9	(0.1)	1.8	1.8	0.0	-	Green	0.
sub total	28.2	(4.6)	23.6	26.4	2.8	A	Red	1.0
Learning Disabilities								
LD Residential & Nursing	25.4	(1.6)	23.8	26.1	2.3	A	Red	0.
Supported Living/Home Care	34.9	(1.3)	33.6	38.1	4.5	A	Red	(0.
Direct Payments/In Control	12.7	(2.0)	10.7	11.5	0.8	A	Red	1.0
Day Care	6.4	0.0	6.4	6.9	0.5	A	Red	0.
Discovery	31.6	(1.1)	30.5	30.2	(0.3)	(F)	Green	(0.
Transport, Shared Lives & Other	3.3	(0.9)	2.4	2.6	0.2	A	Red	0.
Central & Salaries	2.4	0.0	2.4	2.8	0.4	A	Red	(0.
sub total	116.7	(6.9)	109.8	118.2	8.4	A	Red	0.
Adult Social Care Commissioning								
Commissioning	8.7	(65.5)	(56.8)	(58.4)	(1.6)	(F)	Green	(2.
sub total	8.7	(65.5)	(56.8)	(58.4)	(1.6)	(F)	Green	(2.
Total	294.4	(103.6)	190.8	208.3	17.4	A	Red	2.0
Somerset System Wide Funding	88.6	0.0	88.6	88.6	0.0	-	Green	0.
Total	88.6	0.0	88.6	88.6	0.0	-	Green	0.

5.4 Adult Services - key explanations, actions & mitigating controls

Adult Services overspend is £25m due to 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 £17.5m.

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 of people currently waiting is 2. 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 funding of £2.5m from the NHS.

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

This area of Adult Services is £8.8m 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 has begun to stabilise the market, but due to the increase in inflation and cost of living we have still seen significant pressure in 23/24.

5.8 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 cost £1.8m.

5.9 We continue to deliver more domiciliary care, allowing 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 overspends of £1.5m for home care.

5.1 As we continue to offer choice and have a varied market that includes micro-
0 providers, we have seen an increase in the use of direct payments, resulting in an overspend of £1.9m.

5.11 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, this is reflected in the overspend of £2.8m. As per other areas within adults we have seen an increase in home care and supported living, which has led to an overspend of £1.5m. Residential and nursing continues to be a pressure for the service due to a combination of increasing numbers and high unit costs, resulting in an overspend of £1.2m.

5.12 Learning Disabilities

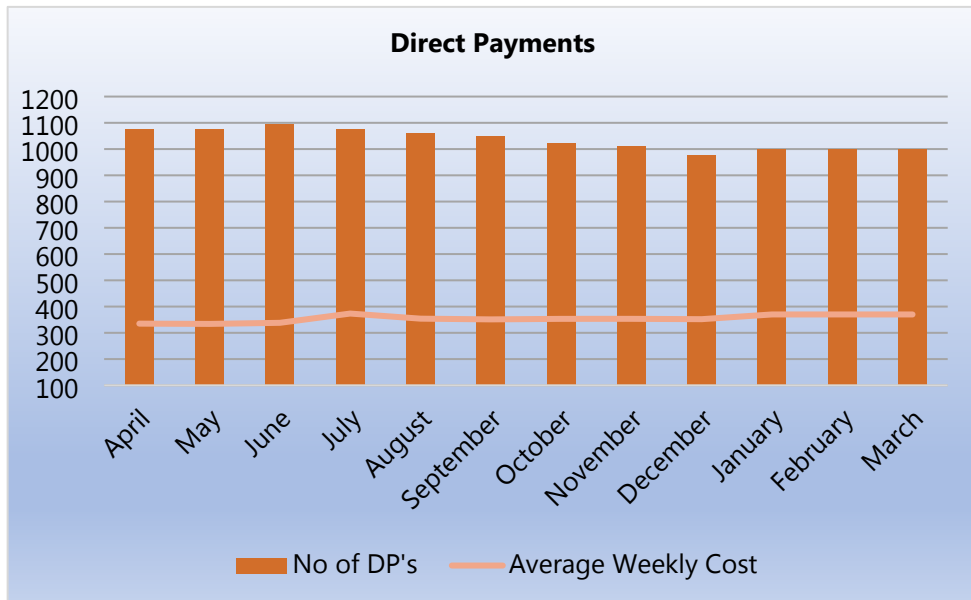
Overall, the cost of Learning Disabilities is overspent by £8.3m. Since 2022/23 outturn we have seen a number of high costs placements come through, either via transitions or due to other forms of funding ending. The main pressure areas continue to be residential and nursing £2.3m, supported living and homecare £4.5m 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.

5.13 Commissioning

Commissioning is underspent by £1.1m, despite additional costs within the intermediate care model having been identified resulting in an overspend of £5.5m. These costs mainly relate to pathway beds which are used to support discharges from acute hospitals.

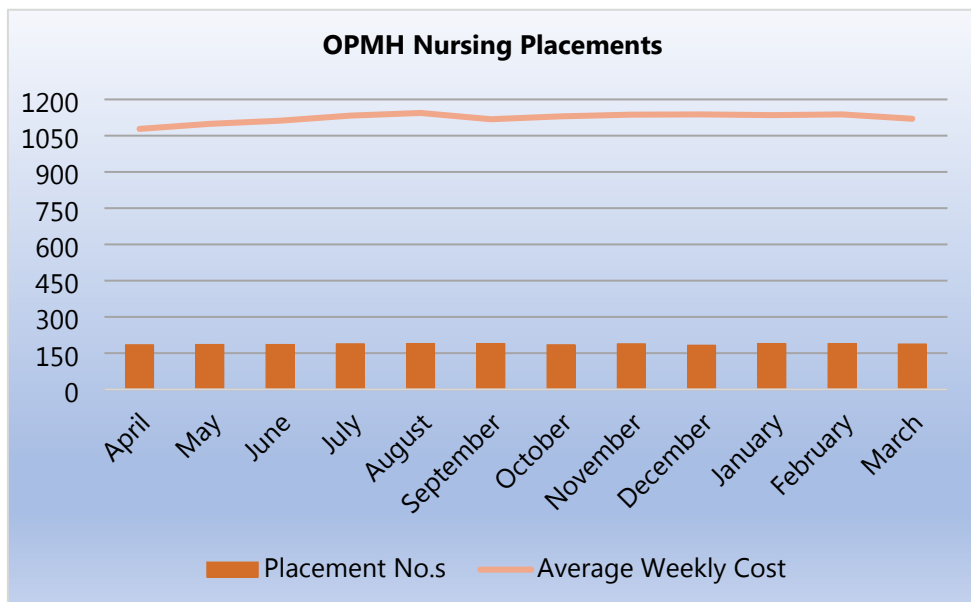
5.1 The Adult Services' transformation programme, 'My life, My Future' achieved an in-
4 year saving of £1.1m in 2023/24.

5.15 Adult Services - key performance cost drivers



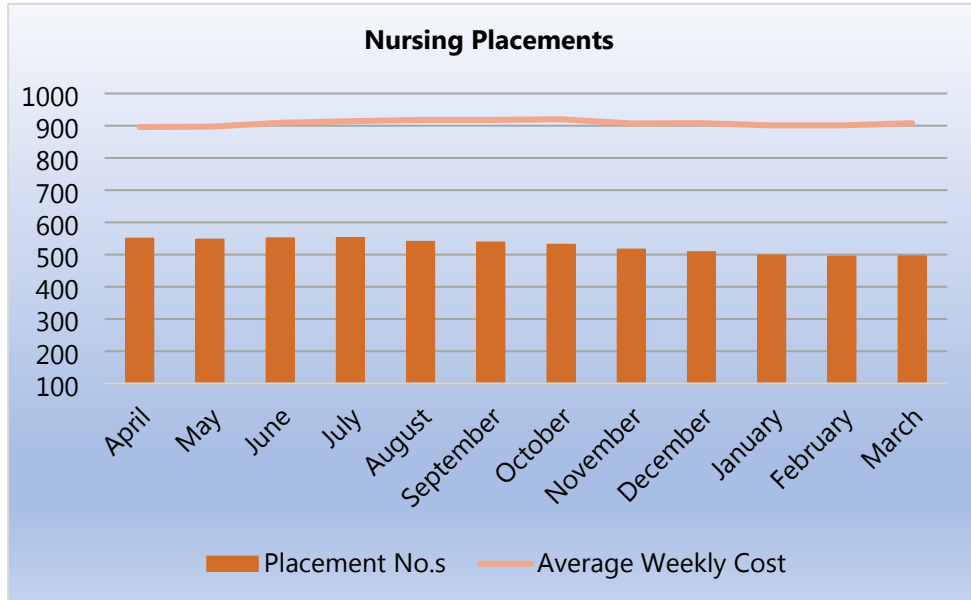
Since the beginning of the 2023/24 financial year, we have seen the number of people receiving a Direct Payment within ASC decrease from 1,077 to 1,011 packages. The current weekly average cost of an ASC Direct Payment is £370 per package.

5.1 6



The number of Older People Mental Health (OPMH) Nursing placements has slightly increased from 185 to 188 placements since April 2023. The current weekly average cost for OPMH Nursing is £1,120 per placement.

5.17



Nursing placements decreased by fifty-five since April 2023 from 551 to 496. The current weekly average cost for Nursing is £908 per placement.

5.1 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 in 24/25 This is due to increased demand, the cost-of-living rise, particularly the increases in petrol, gas, electric, and food.

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 12 23/24.

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