

## **24/25 Budget Monitoring Report – Month 3 – End of June 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 3 Budget Monitoring reports at its meeting on 2<sup>nd</sup> September 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, Emerging Issues and Provisions Outturn Report, at the July Executive meeting, which forecast a potential emerging council overspend of £5.2m.

### **Report**

4. **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 June 2024, which shows a forecast outturn for 2024/25 as £237.5m against a net budget of £239.6m, resulting in a projected favourable variance 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 favourable variance are explained below.

**Table 1: Adult Services as at the end of May 2024 (Month 2)**

Service Area	Current	Current	Current Net	Full Year	Month 3	A/(F)	RAG	Movement
	Expenditure	Income						
	£m	£m	£m	£m	£m			Month 2
								£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	64.7	(9.2)	(F)	Green	(9.2)
Home Care	29.9	(2.3)	27.6	34.6	7.0	A	Red	7.0
Direct Payments	19.1	(2.1)	17.0	16.3	(0.7)	(F)	Green	(0.7)
Staffing Costs	16.6	(0.4)	16.2	15.2	(1.0)	(F)	Green	(1.0)
Transport, Daycare & Other	4.8	(1.3)	3.5	5.0	1.5	A	Red	1.5
<b>sub total</b>	<b>166.1</b>	<b>(27.9)</b>	<b>138.2</b>	<b>135.8</b>	<b>(2.4)</b>	<b>(F)</b>	<b>Green</b>	<b>(2.4)</b>
<b>Mental Health</b>								
MH Residential & Nursing	27.6	(4.2)	23.4	22.5	(0.9)	(F)	Green	(0.9)
Home Care/Supported Living	10.2	(1.9)	8.3	7.5	(0.8)	(F)	Green	(0.8)
Staffing/Deprivation of Liberty, Safe guards	3.1	0.0	3.1	2.9	(0.2)	(F)	Green	(0.2)
Direct Payments, Day Care & Transport	2.4	(0.2)	2.2	2.9	0.7	A	Red	0.7
<b>sub total</b>	<b>43.3</b>	<b>(6.3)</b>	<b>37.0</b>	<b>35.8</b>	<b>(1.2)</b>	<b>(F)</b>	<b>Green</b>	<b>(1.2)</b>
<b>Learning Disabilities</b>								
LD Residential & Nursing	36.2	(2.2)	34.0	31.8	(2.2)	(F)	Green	(2.2)
Supported Living/Home Care	46.1	(2.0)	44.1	45.7	1.6	A	Red	1.6
Direct Payments/In Control	13.4	(1.3)	12.1	12.9	0.8	A	Red	0.8
Day Care	8.1	(0.1)	8.0	8.2	0.2	A	Red	0.2
Discovery	35.1	(1.1)	34.0	32.7	(1.3)	(F)	Green	(1.3)
Transport, Shared Lives & Other	4.0	(1.0)	3.0	2.2	(0.8)	(F)	Green	(0.8)
Central & Salaries	2.4	0.0	2.4	3.2	0.8	A	Red	0.8
<b>sub total</b>	<b>145.3</b>	<b>(7.7)</b>	<b>137.6</b>	<b>136.7</b>	<b>(0.9)</b>	<b>(F)</b>	<b>Green</b>	<b>(0.9)</b>
<b>Adult Social Care - Commissioning</b>								
ASC Commissioning	6.2	(0.4)	5.8	6.1	0.3	A	Red	0.3
Intermediate Care	8.8	(2.8)	6.0	8.1	2.1	A	Red	2.1
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>(70.8)</b>	<b>2.4</b>	<b>A</b>	<b>Red</b>	<b>2.4</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>(2.1)</b>

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

As part of the MTFP process for 24/25, the Adult Services budget was increased by £59m, to reflect the pressures we have seen in the last few years. Overall adults are projecting to be underspent by £2.1m, this 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 £2.4m 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 die we will start to the overall average cost of placements reduce across the year.

**4.4** 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.

**4.5** 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.

### **4.6 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.

**4.7** Overall Mental Health is projecting to be £1.2m underspent. However, there is currently a pressure within Direct Payments of £0.7m, this is an area we continue to offer choice and have a varied market that includes micro-providers. This pressure is offset with an underspend against residential and nursing placements.

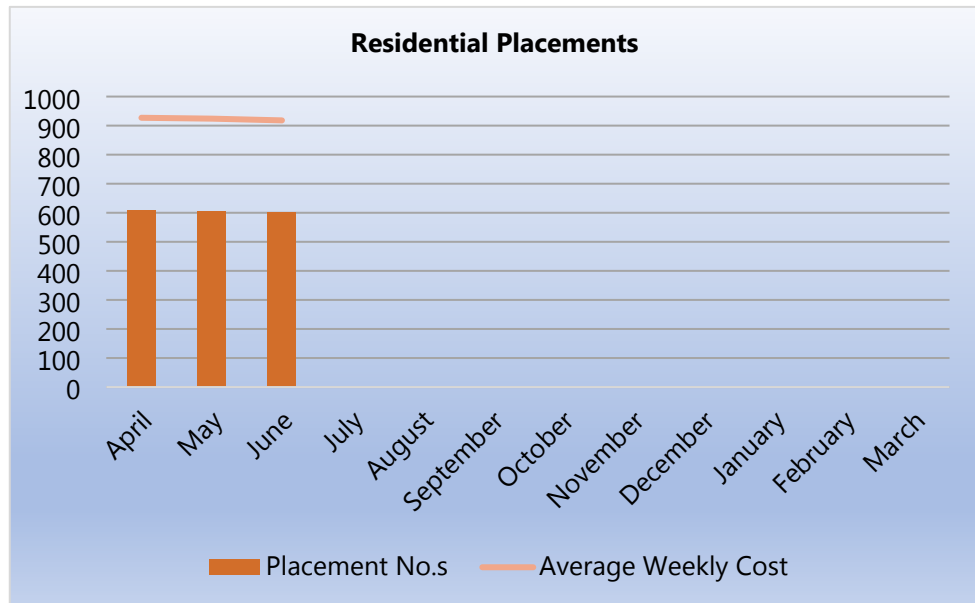
### **4.8 Learning Disabilities**

Overall, the cost of Learning Disabilities is currently projected to be £0.9m underspent. As in previous years, we continue to see a pressure within home care and supported living of £1.6m, this is due to market sustainability. Supported Living is in the best interest of people but is an area where unit costs are high.

### **4.9 Commissioning**

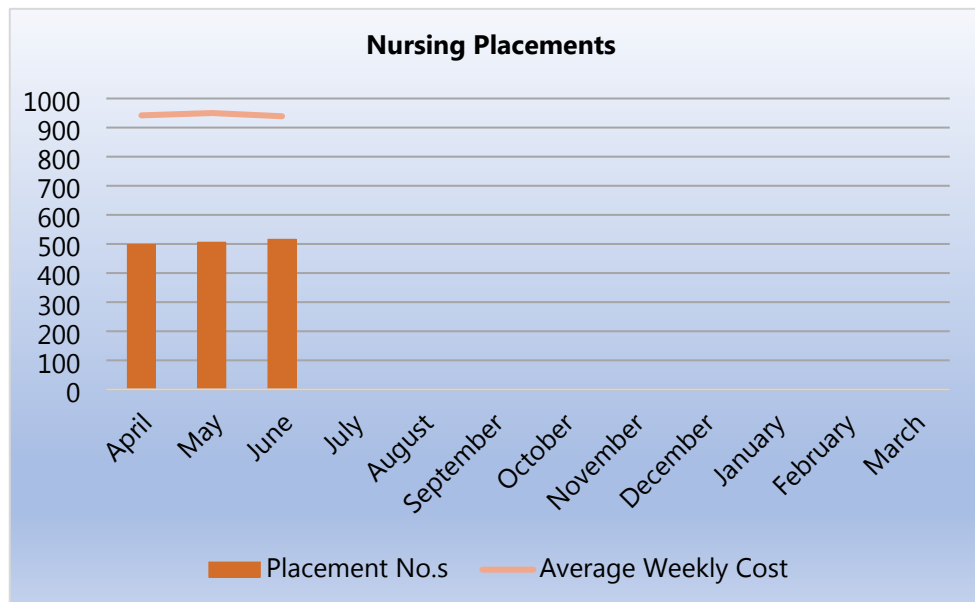
Commissioning is projecting an overspend of £2.4m, due to continued demand with intermediate care. This mainly relates to pathway beds which are used to support discharges from acute hospitals. ASC commissioning is working closely with system partners over the design of intermediate care services and 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.

#### 4.10 Adult Services - key performance cost drivers



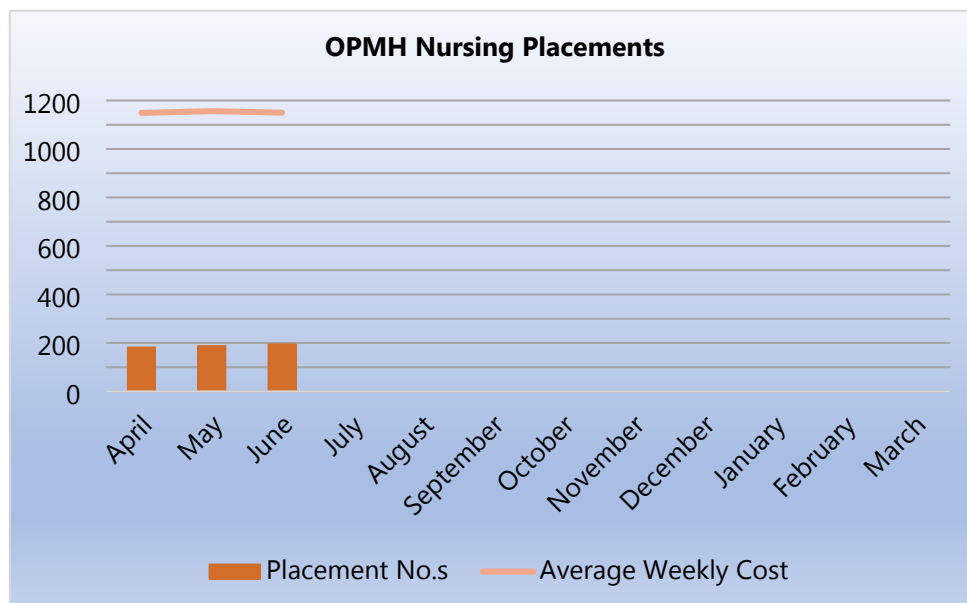
Since the beginning of the 2024/25 financial year, we have seen the number of people placed within a residential setting decrease by seven from 607 to 600. The current weekly average cost of a residential placement is £924 per week.

#### 4.11



Nursing placements increased by eighteen since April 2024 from 498 to 516. The current weekly average cost for Nursing is £939 per placement.

## 4.12



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 £1,150 per placement.

## 4.13 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.

## 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 2<sup>nd</sup> September, budget monitoring report for Month 3.

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