

Scrutiny Report

Committee: Adults and Health Scrutiny
Meeting – 21st November 2024
Key Decision – no



Report Title

Chair of Committee: Cllr Gill Slocombe

Executive Member(s): Cllr Sarah Wakefield, Lead Member for Adult Services, Cllr Federica Smith-Roberts, Lead Member for Communities, Housing and Culture

Local Member(s) and Division(s) affected: All

Executive Director: Maria G Christofi – Interim Chief Finance Officer (S151 Officer)

Executive Summary

1. This report is the General Fund Revenue Monitoring Report for the end of September 2024 (Month 6) for Adults and Housing . This report will be included in the General Fund Revenue Monitoring Report presenting to Corporate and Resources Scrutiny on 25th November 2024 and to the Executive on 2nd December 2024.

Recommendations

2. That Scrutiny considers:

a) If there are any general comments or observations that they would like to consider making to the Executive on the report.

b) If actions set out in the report are appropriate and if there were any further actions that should be included in the report.

Report Author: Penny Gower, Finance – Adults & Health

Contact Details: penny.gower@somerset.gov.uk

Background and purpose of report

- Table 1 below is a breakdown of the Adult Services and Housing Budgets as at the end of September 2024, which shows a forecast outturn for 2024/25 as £242.678m against a net budget of £246.152m, resulting in a projected underspend of £3.474m.

Table 1: Adult and Housing Services as at the end of September 2024 (Month 6)

| Service Area | Current Expenditure Budget £m | Current Income Budget £m | Current Net Budget £m | Full Year Projection £m | Month 6 Variance £m | Overspend / (Underspend) | RAG Status | Movement From Month 5 £m |
|---|----------------------------------|-----------------------------|--------------------------|----------------------------|------------------------|--------------------------|--------------|-----------------------------|
| Adult Social Care Operations | | | | | | | | |
| Physical Disability/Sensory Loss/65 Plus | | | | | | | | |
| PD/SL/65P Residential & Nursing | 95.763 | (21.831) | 73.932 | 64.750 | (9.182) | Underspend | Green | 0.057 |
| Home Care | 29.816 | (2.263) | 27.553 | 33.925 | 6.372 | Overspend | Red | (0.049) |
| Direct Payments | 19.134 | (2.096) | 17.038 | 15.365 | (1.673) | Underspend | Green | (0.895) |
| Staffing Costs | 16.605 | (0.366) | 16.239 | 15.487 | (0.752) | Underspend | Green | (0.365) |
| Transport, Daycare & Other | 4.790 | (1.317) | 3.473 | 5.457 | 1.984 | Overspend | Red | 0.897 |
| sub total | 166.108 | (27.873) | 138.235 | 134.984 | (3.251) | Underspend | Green | (0.355) |
| Mental Health | | | | | | | | |
| MH Residential & Nursing | 27.625 | (4.218) | 23.407 | 22.096 | (1.311) | Underspend | Green | 0.020 |
| Home Care/Supported Living | 10.210 | (1.894) | 8.316 | 7.880 | (0.436) | Underspend | Green | 0.005 |
| Staffing/Deprivation of Liberty, Safeguards | 3.141 | (0.011) | 3.130 | 3.254 | 0.124 | Overspend | Red | 0.097 |
| Direct Payments, Day Care & Transport | 2.391 | (0.225) | 2.166 | 2.959 | 0.793 | Overspend | Red | (0.109) |
| sub total | 43.367 | (6.348) | 37.019 | 36.189 | (0.830) | Underspend | Green | 0.013 |
| Learning Disabilities | | | | | | | | |
| LD Residential & Nursing | 36.213 | (2.200) | 34.013 | 29.119 | (4.894) | Underspend | Green | (1.661) |
| Supported Living/Home Care | 46.077 | (2.003) | 44.074 | 45.688 | 1.614 | Overspend | Red | (0.024) |
| Direct Payments/In Control | 13.423 | (1.317) | 12.106 | 13.924 | 1.818 | Overspend | Red | 1.122 |
| Day Care | 8.107 | (0.124) | 7.983 | 8.238 | 0.255 | Overspend | Red | 0.009 |
| Discovery | 35.140 | (1.118) | 34.022 | 32.419 | (1.603) | Underspend | Green | (0.615) |
| Transport, Shared Lives & Other | 4.032 | (1.040) | 2.992 | 2.426 | (0.566) | Underspend | Green | (0.224) |
| Central & Salaries | 2.393 | - | 2.393 | 3.155 | 0.762 | Overspend | Red | 0.338 |
| sub total | 145.385 | (7.802) | 137.583 | 134.969 | (2.614) | Underspend | Green | (1.055) |
| Adult Social Care - Commissioning | | | | | | | | |
| ASC Commissioning | 6.115 | (0.351) | 5.764 | 5.753 | (0.011) | Underspend | Green | (0.400) |
| Intermediate Care | 8.805 | (2.849) | 5.956 | 8.508 | 2.552 | Overspend | Red | 0.453 |
| Staffing Costs | 3.106 | (0.192) | 2.914 | 2.919 | 0.005 | Overspend | Amber | 0.004 |
| Grants & Pooled Budget Income | 3.569 | (91.508) | (87.939) | (87.286) | 0.653 | Underachievement | Red | 0.653 |
| sub total | 21.595 | (94.900) | (73.305) | (70.106) | 3.199 | Underachievement | Red | 0.710 |
| Housing | | | | | | | | |
| Service Director - Housing | 0.146 | - | 0.146 | 0.114 | (0.032) | Underspend | Green | (0.032) |
| Housing Strategy | 0.407 | (0.285) | 0.122 | 0.242 | 0.120 | Overspend | Red | (0.001) |
| Housing Options | 10.828 | (5.545) | 5.283 | 5.679 | 0.396 | Overspend | Red | 0.396 |
| Housing Enabling | 0.682 | (0.143) | 0.539 | 0.438 | (0.101) | Underspend | Green | (0.002) |
| Private Sector Support/ DFG's (SIP) | 1.353 | (0.823) | 0.530 | 0.169 | (0.361) | Underspend | Green | (0.361) |
| Displaced Person Service | 1.069 | (1.069) | - | - | - | On-budget | Green | - |
| sub total | 14.485 | (7.865) | 6.620 | 6.642 | 0.022 | Overspend | Amber | (0.000) |
| Total | 390.940 | (144.788) | 246.152 | 242.678 | (3.474) | Underspend | Green | (0.687) |

2. Adult Services – Key explanations, actions & mitigating controls

Overall, Adult Services are currently projecting to be underspent by £3.496m. This is mainly due to the commissioning work carried out within the market to reduce residential and nursing weekly fees. This links to international recruitment and the change in use of costly agency staff, and CPI/energy costs coming down. The service is also seeing a reduction in residential care placements in line with our promoting independence transformation

programme, and an increase in domiciliary care, supporting individuals to live in their own homes.

3. Adult Social Care - Physical Disability/Sensory Loss/65 Plus

This area of Adult Services is currently projected to be £3.251m underspent. During month 6 the service has seen a higher return on direct payment surplus than originally anticipated and therefore the projected outturn for this area has increased to £1.673m and change of £0.895m during the month. The service has seen an increase of costs associated with transport and daycare of £0.897m but this has offset with an underspend against staffing due to vacancies of £0.365m during month 6.

4. Since April 2024 the service 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, the service will start to see the overall average cost of placements reduce across the year.

5. Mental Health

This budget includes individuals who have a diagnosis of dementia. Residential and nursing have a reduction of £0.480m during month 6, due to demand being less than originally anticipated during the year to date.

6. 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 £11.700m. Currently Mental Health is projecting to be £0.830m underspent. Homecare and Supported Living continues to be an area of growth, this is in line with allowing people to remain in their homes.

7. Learning Disabilities

Overall, the cost of Learning Disabilities is currently projected to be £2.614m underspent. However, this is a pooled budget 75/25 and therefore any underspend will be split with Integrated Care Board (ICB). The pressure of this split is reported within Commissioning. The change since month 5 is due to the growth being less than originally anticipated, and the service will continue to monitor this throughout the financial year.

8. Commissioning

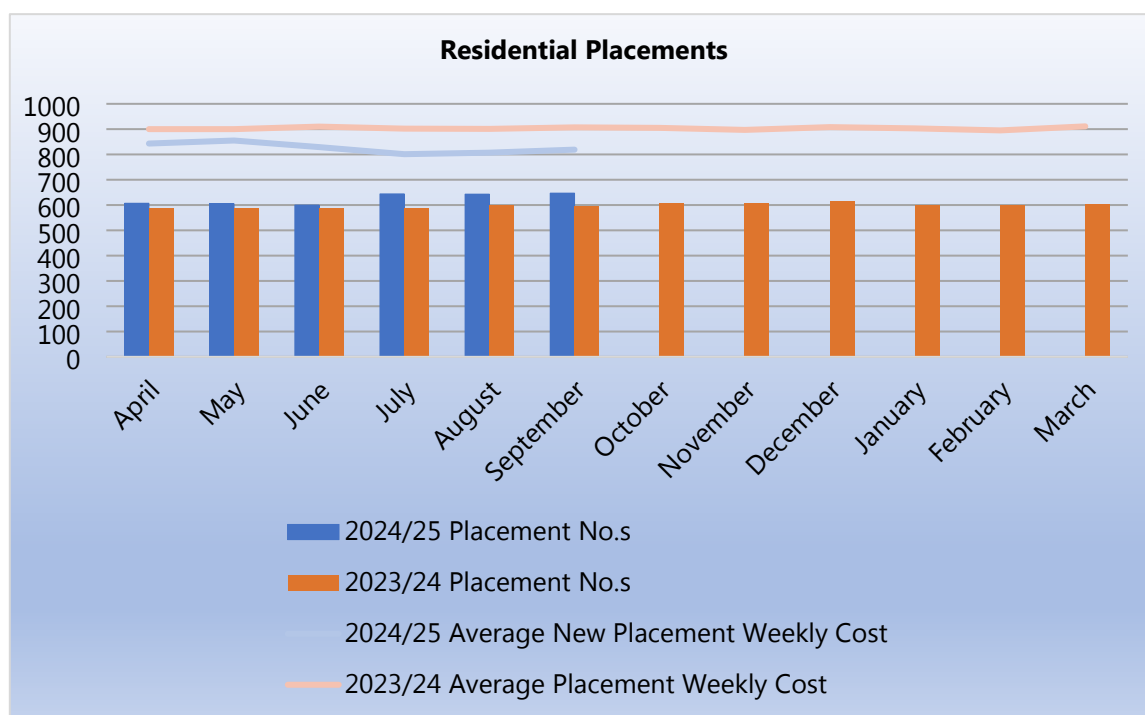
Commissioning is projecting an overspend of £3.199m, due to continued demand with intermediate care and the LD pooled budget. The change since month 5 is due to an increase in intermediate care due to the extension of bedded pathways and the pooled budget projection being updated in line with

the LD underspend as reported against the LD operations line while the cost 25% return to the ICB shows within Commissioning.

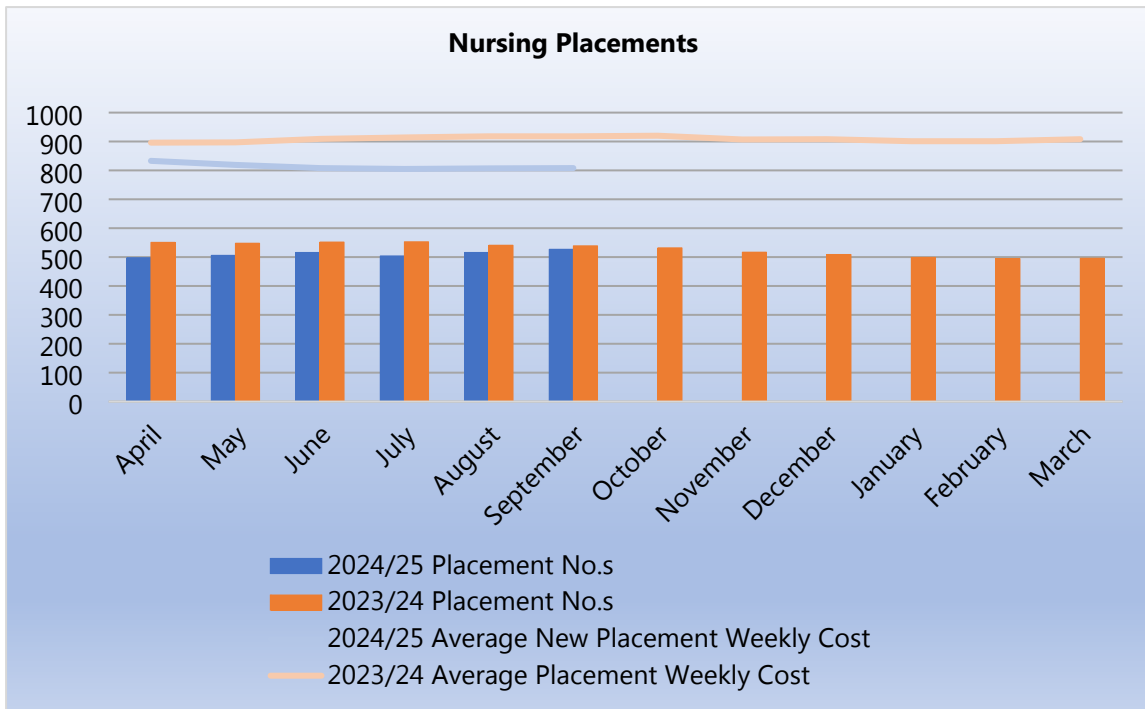
9. Adult Social Care (ASC) commissioning is working with system partners over the design of intermediate care services and delivery. As part of this process, the service will be focussing on optimising pathway one (reablement at home) delivery to reduce the need for bedded capacity, this in turn will reduce the spend on beds, enabling the current forecasted overspend to be brought back into financial tolerance. The Service is in the process of closing several pathway 2 beds which will reduce the overspend.

10. Adult Services - key performance cost drivers

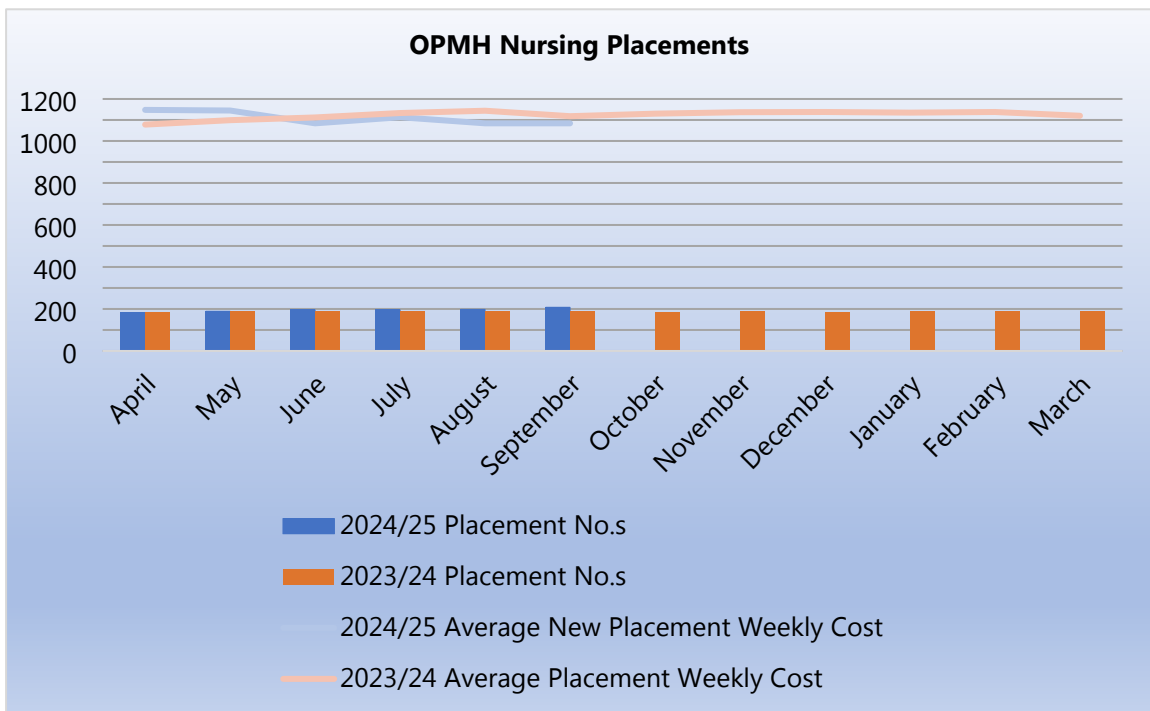
The Service has a target of 52 placements per month, across residential and nursing over 65's. The are below our current target taking into consideration those that leave the service. The savings attached to this is reported as part of the My Life, My Future transformation programme.



11. Since the beginning of the 2024/25 financial year, the Council has seen the number of people placed within a residential setting increase by forty from 607 to 647. The current weekly average cost of a residential placement is £819 per week.



12. Nursing placements increased by twenty-nine since April 2024 from 498 to 527. The current new placement cost for Nursing is £808 per placement.



13. The number of Older People Mental Health (OPMH) Nursing placements has increased by twenty-five placements from 183 to 208 placements since April 2024. The current weekly average cost for OPMH Nursing is £1,084 per placement.

14. 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.

15. Performance of agreed savings proposals

There are 11 saving targets for 2024/25 across Adult Services totalling £9.808m, with an additional £3.900m carried forward from 2023/24 in relation to My Life, My Future. As at month 6 Adults £8.908m or 61% of the savings reported have been achieved. With £4.800m or 35% of the savings reported are on track to be achieved.

16. Adult Services Finance Oversight Board update

The Adults Services Finance Oversight Board meet on a monthly basis. The board members include senior management from both Finance and Adults Services, a representative from the Integrated Care Board also attends. The board is chaired by the S151 officer.

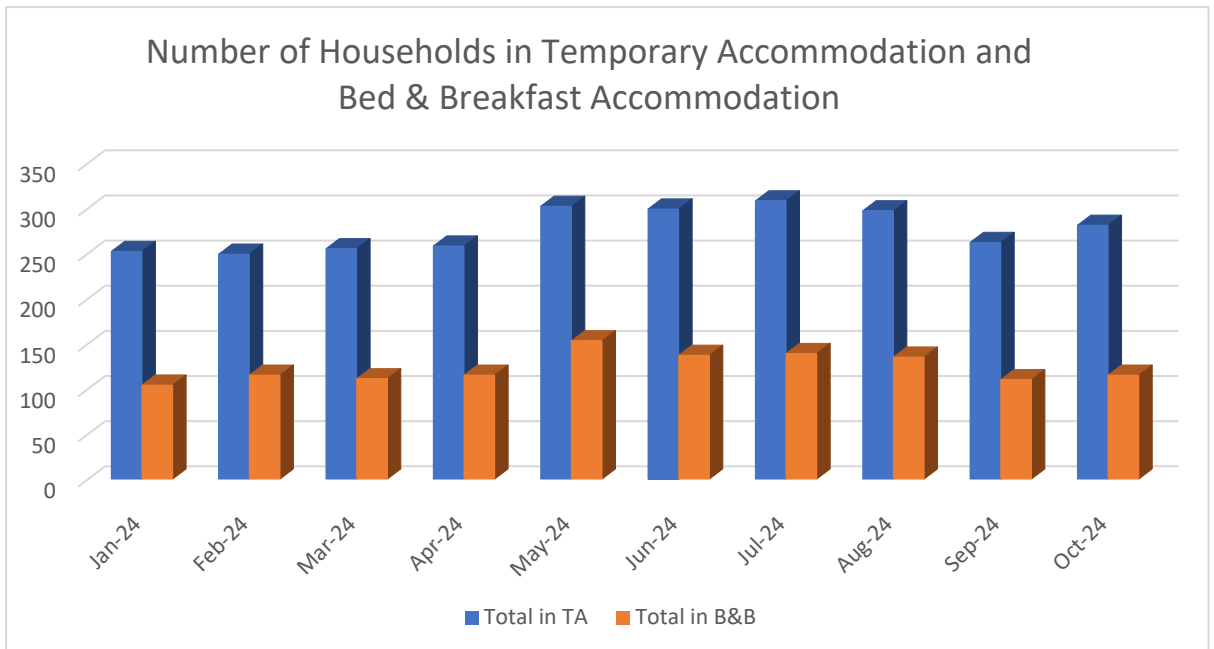
17. The purpose of the board is to highlight and discuss current Adults Service financial issues, mitigations and high-risk areas, in particular where there are overspends or risk of overspends. The board also monitor progress on key projects such as My Life My Future and MTFP savings progress.

18. Where there are overspends or unachievable savings, mitigations are agreed to balance the allocated budget.

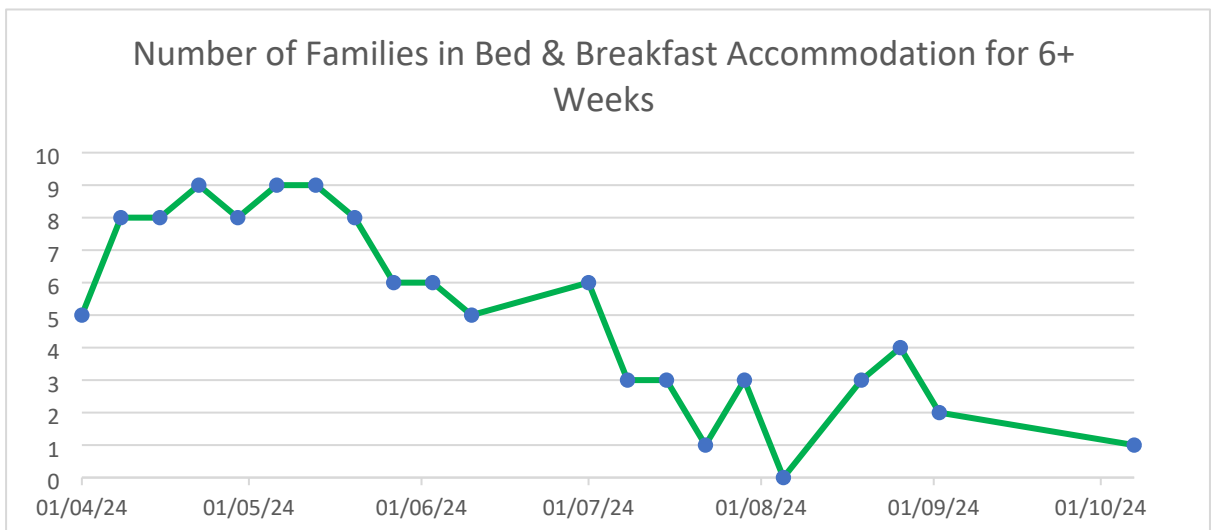
19. Housing - key explanations, actions & mitigating controls

The General Fund Housing Service is currently forecasting a balanced outturn position for the 2024/25 financial year.

20. The Housing Options service has seen an increase in the numbers approaching the service and the number of cases which the Council has a responsibility to provide relief or main duty accommodation. This continued demand for temporary accommodation within the last nine months is demonstrated as follows:



21. Actions are being progressed by the service to mitigate the need for Bed & Breakfast accommodation, and we are striving towards reducing the necessity of temporary staffing following the restructure and streamlining processes within the service.
22. Despite seeing an increase in demand on Bed & Breakfast accommodation, the service is endeavouring to remove this as a long-term option for families, demonstrated as follows:



23. Total forecasted overspend within the Housing Options service currently equates to £0.396m. Earmarked reserves ringfenced for this service area may offset additional pressures within 2024/25.
24. The Housing Enabling and Housing Director services are currently forecasting £0.216m savings on permanent staffing costs. This has offset pressures within

the Housing Enabling and Housing Strategy services derived from unachievable historical income targets within both service areas.