

2023/24 Period 4 Budget Position

**Adult Care and Well-being
Overview and Scrutiny Panel
13 October 2023**

Corporate Budget Position – P4

- Budget Report to Cabinet on 28 September 2023 summarises the financial position for Council and each of the service areas.
- The overall outturn forecast at Period 4 is for a net overspend of £18.2m after the use of budgeted risk reserves.
- The council has an underlying structural deficit that needs to be addressed due to demand and adults and children's social care and Home to School Transport.
- At budget setting, £7m was identified as likely to be required from reserves (£2m risk for Children's Social Care placements and £5m risk for non-delivery of savings).
- Additional business rates income of £4.1m is also forecast to be received this financial year.
- Applying these mitigations would leave a net forecast overspend of £18.2m
- Significant pressures in Adults, Childrens and Home to School Transport – price and demand, this position is similar for other Local Authorities

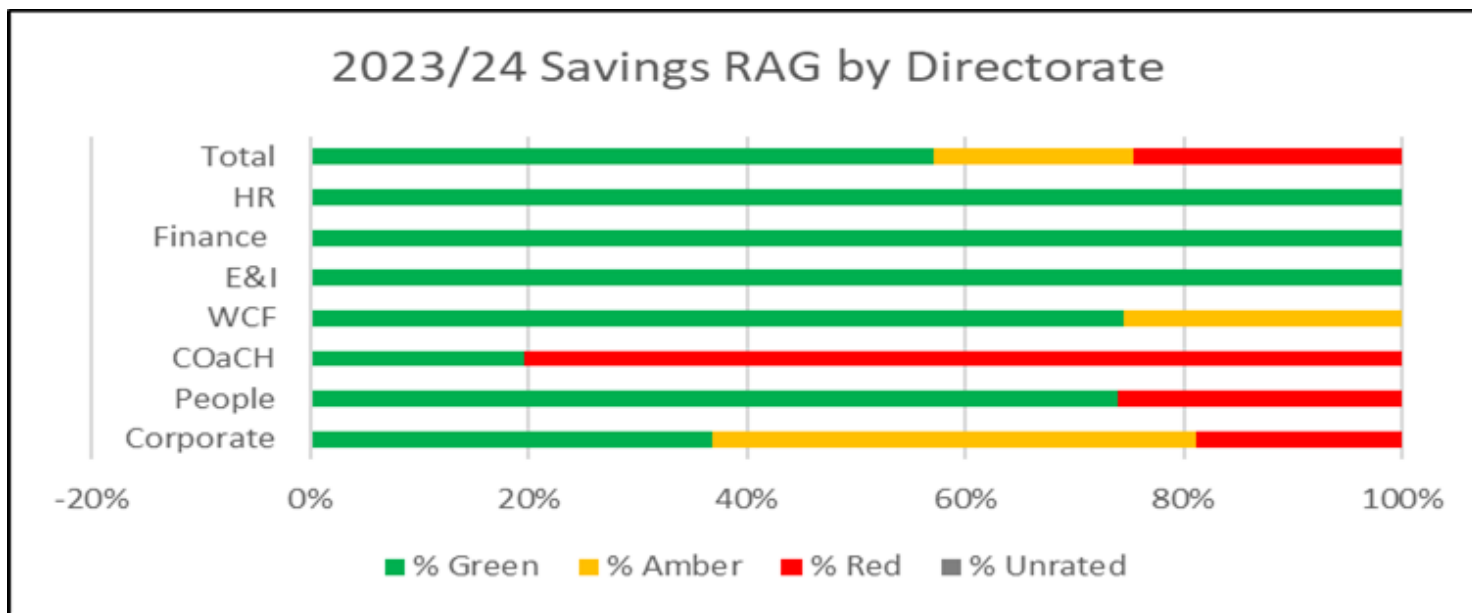
Forecast Financial Position – P4

FY 2023/24 P4			
Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	146.417	152.299	5.882
People – Communities	21.596	22.188	0.592
Children’s Services/WCF	111.003	111.003	0.000
Economy & Infrastructure	72.072	72.733	0.661
Commercial & Change	9.690	10.707	1.017
Chief Executive / HR / Finance	3.222	3.237	0.015
Public Health	0.186	0.186	0.000
Total: Service excl DSG	364.186	372.353	8.167
Corporate Items	36.630	35.130	-1.500
Non-assigned items	0.000	0.000	0.000
WCC TOTAL	400.816	407.483	6.667
WCF Total (Including HTST)	145.277	167.956	22.679
WCC & WCF Total Services	546.093	575.439	29.346
Additional Funding:			
Business Rates			-4.100
WCC & WCF Underlying Budget Pressure			25.246
Use of Reserves agreed at Budget Setting			-7.000
Net WCC & WCF Overspend			18.246

Within this position Provider Services is included within Communities rather than Adults

Savings within the Budget

- £22.4m of savings built into the overall budget
- 57% rated as green i.e., delivered or expected to be fully delivered, 18% rated amber where there is some risk of non-delivery, and 25% rated red where there is significant risk of non-delivery
- £1.6m relate to one-off use of grants, including Public Health, and a further £1.5m are one-off, giving a recurrent pressure from 2024/25 of £3.1m



- Current value of the Capital Programme for 2023/24 to 2026/27, subject to approval by Full Council, totals £370.2m
- 48% is funded via external sources, namely developer contributions (s106 funding) and government grants including those allocated to the County Council for scheme delivery by district partners. The remainder is a mixture of borrowing (40%), capital receipts (5%) and use of earmarked reserves held for capital (7%).

Total Expenditure	2023/24 revised	2024/25 revised	2025/26 revised	2026/27 + revised	Total 2023/24 + Forecast
	£000	£000	£000	£000	£000
Open For Business	36,561	39,905	7,751	5,607	89,824
The Environment	85,671	49,777	6,000	3,400	144,848
Children and Families	46,156	46,283	16,606	8,319	117,364
Efficiency and Transformation	9,620	5,492	0	0	15,112
Health and Well-Being	2,851	191	27	0	3,069
TOTAL	180,858	141,649	30,384	17,326	370,217

Financial planning, strategy and the Medium-Term Financial Plan

- Updated Capital Strategy being requested to be approved.
- Updated data on Treasury Management reported.
- Required refresh of the MTFP has commenced.
- Significant and sustained inflation.
- Extremely challenging time for local government.
- Council remains focused on living within its means.
- 2024/25 budget setting process will once again prove to be extremely tough as the Council seeks to achieve its priorities whilst meeting the growing cost of demand, all from within limited funds.

Specific 2023/24 Period 4 information

Areas within remit of the Adult Care and Well-being Panel

P4 Financial Position – Adult Services

Adults Revenue Forecast	2023-24 Gross Budget Q1	2023-24 Net Budget Q1	2023-24 Forecast Outturn Q1	2023-24 Forecast Variance Q1
	£'000	£'000	£'000	£'000
Older People	109,972	76,172	78,813	2,641
Learning Disabilities	84,940	75,500	80,748	5,248
Physical Disability	23,608	19,698	21,033	1,335
Mental Health	31,785	23,175	23,734	559
Adults Commissioning Unit	19,913	445	633	188
Central Services (incl iBCF and Social Care Grant)	1,453	-48,573	-52,662	-4,089
Provider Services	11,276	10,532	10,547	15
TOTAL ADULTS	282,947	156,949	162,846	5,897

P4 Headlines – Adult Services

- Net £5.9m overspend on its £157m net budget (3.8%)
- £9.7m gross forecast overspend on placements - partially mitigated by use of £3m additional grant
- £0.6m additional grant funding increase in support for safeguarding assessments and reviews
- Budget based on 4% growth in clients
- 4% growth seen by end of July (additional 238 packages)
- Pressure in the market based relating to unit costs

P4 Headlines – Placements - 1

Older People - £2.6m overspend

- Residential Care – increase of 57 clients and 10% increase in costs
- Nursing Care – increase of 15 clients and 9% increase in unit costs
- Home care - increase of 64 clients and 7.6% increase in unit costs

Learning Disabilities - £5.2m overspend

- Increase of 62 clients
- Residential Care – 10% increase in unit costs
- Shared lives - 18% increase in unit costs
- Supported living - 9% increase in unit costs
- Home care - 11% increase in unit costs

P4 Headlines – Placements - 2

Mental Health - £0.6m overspend

- Residential Care – 11% increase in costs
- Nursing Care – 22% increase in unit costs
- Home care - 14% increase in unit costs

Physical Disabilities - £1.3m overspend

- Increase in client numbers
- Nursing Care – 6% increase in unit costs
- Home care - 15% increase in unit costs