

# 2023/24 Quarter 2 (Period 6) Budget Position

**Adult Care and Well-being Overview and  
Scrutiny Panel**

**5 December 2023**

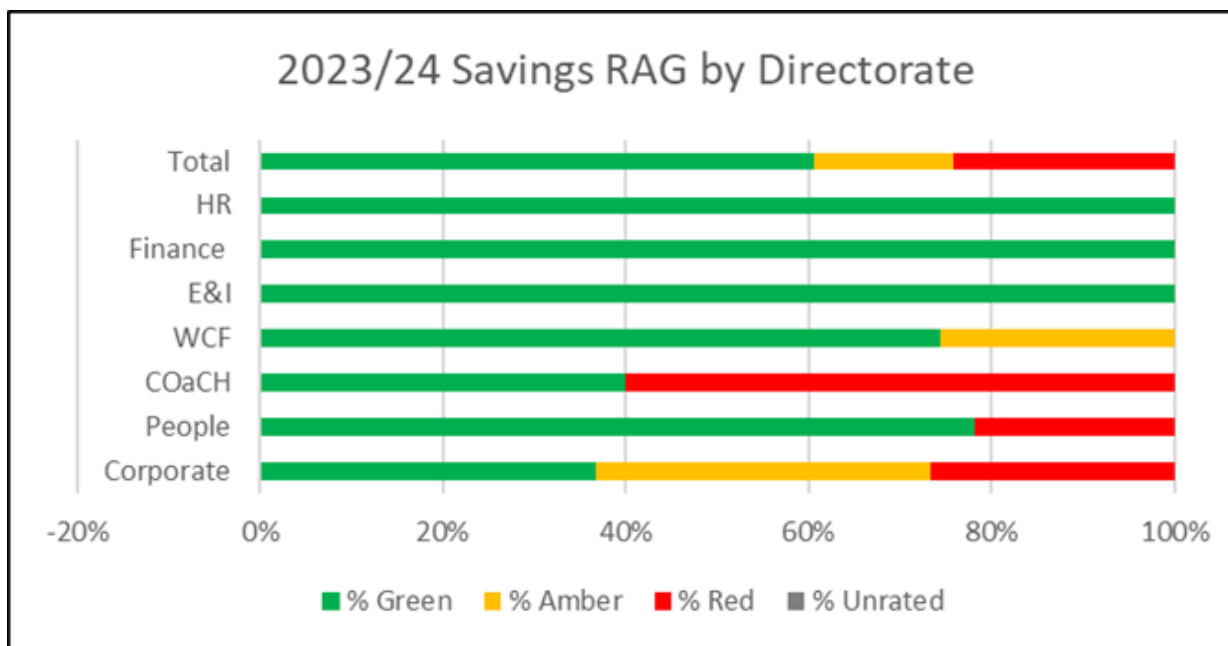
# Corporate Budget Position – Quarter 2 (Period 6)

- Budget Report to Cabinet on 23 November 2023 summarises the financial position for Council and each of the service areas.
- The overall outturn forecast at Period 6 is for a net overspend of £21.9m 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). A further £2m was held for pressures within Home to School Transport (HTST)
- 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 £21.9m
- Significant pressures in Adults, Childrens and Home to School Transport – price and demand, this position is similar for other Local Authorities

# Forecast Financial Position – P6

FY 2023/24 P6			
Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	145.815	151.678	5.863
People – Communities	21.596	22.110	0.514
Children's Services/WCF	111.003	111.003	0.000
Economy & Infrastructure	72.072	72.788	0.716
Commercial & Change	10.291	11.134	0.843
Chief Executive / HR / Finance	3.222	3.184	-0.038
Public Health	0.186	0.186	0.000
<b>Total: Service excl DSG</b>	<b>364.185</b>	<b>372.083</b>	<b>7.898</b>
Corporate Items	36.630	35.130	-1.500
Non-assigned items	0.000	0.000	0.000
<b>WCC TOTAL</b>	<b>400.815</b>	<b>407.213</b>	<b>6.398</b>
WCF	123.325	142.403	19.078
Home to School Transport	22.477	31.977	9.500
<b>WCF Total</b>	<b>145.802</b>	<b>174.380</b>	<b>28.578</b>
<b>WCC &amp; WCF Total Services</b>	<b>546.617</b>	<b>581.593</b>	<b>34.976</b>
<b>Additional Funding:</b>			
Business Rates			-4.100
Use of Reserves			-9.000
<b>Net WCC &amp; WCF</b>			<b>21.876</b>
<b>Overspend</b>			

- £22.4m of savings built into the overall budget
- 61% rated as green i.e., delivered or expected to be fully delivered, 15% rated amber where there is some risk of non-delivery, and 24% 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 £372m
- 51% 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 (42%), capital receipts (4%) and use of earmarked reserves held for capital (1%) and revenue funding (2%)

Total Expenditure	23/24 Actuals YTD £'000	23/24 Revised Budget £'000	24/25 Revised Budget £'000	25/26 Revised Budget £'000	26/27 Onwards Revised Budget £'000	Total 23/24 + Revised Budget £'000
Open for Business	4,035	30,224	41,218	12,763	5,619	89,824
The Environment	29,777	83,970	51,589	6,000	3,400	144,959
Children and Families	9,978	46,572	55,026	10,474	6,630	118,702
Efficiency and Transformation	529	10,387	5,492	0	0	15,879
Health and Well-Being	37	2,101	891	27	0	3,019
<b>TOTAL</b>	<b>44,356</b>	<b>173,254</b>	<b>154,216</b>	<b>29,264</b>	<b>15,649</b>	<b>372,383</b>

# Financial planning, strategy and the Medium-Term Financial Plan

- 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.
- Any overspend not dealt with in 2023/24 would, potentially, carry over into 2024/25 thereby increasing the requirement for savings in that year.
- 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.

# Spending Controls for the Council

Management actions have been put in place to control spending across the council to reduce the deficit in the current financial year based on the following principles:

- Existing permanent staffing and payroll costs,
- expenditure on goods and services which have already been received,
- contractually committed expenditure,
- urgent expenditure to safeguard vulnerable residents (Adults and Children),
- expenditure required to deliver the council's provision of essential statutory services at a minimum possible level, which includes adults and children's services including HTST,
- agreed political priorities of the council,
- expenditure necessary to achieve value for money and / or mitigate additional in year costs and / or generate additional income where evidenced through an "invest to save" business case.



# Specific 2023/24 Quarter 2 (Period 6) information

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

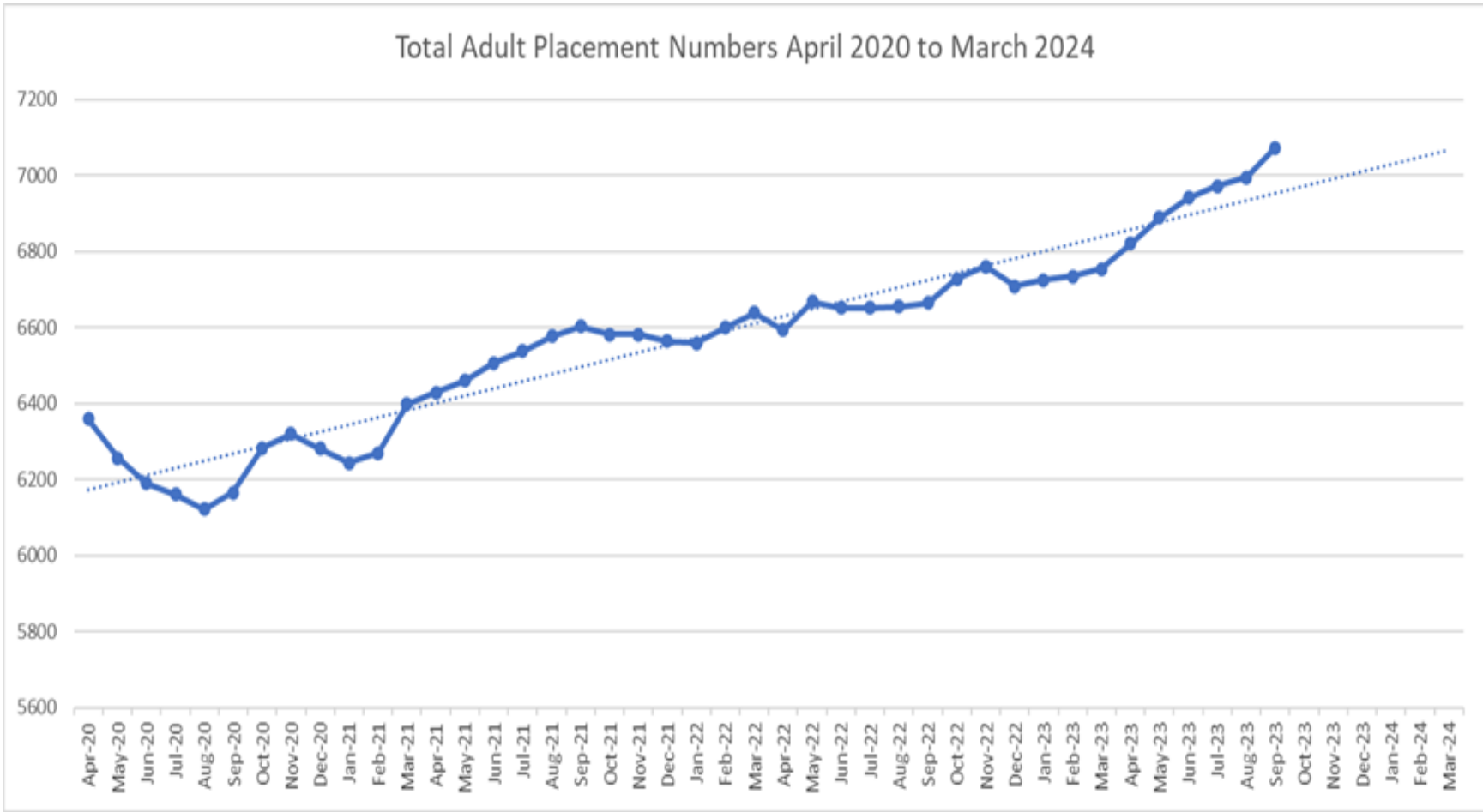
# P6 Financial Position – Adult Services

Adults Revenue Forecast	2023-24 Gross Budget Q2	2023-24 Net Budget Q2	2023-24 Forecast Outturn Q2	2023-24 Forecast Variance Q2	2023-24 Forecast Variance Q1
	£'000	£'000	£'000	£'000	£'000
Older People	113,097	76,530	77,386	856	2,641
Learning Disabilities	86,191	76,750	80,740	3,990	5,248
Physical Disability	24,289	20,379	21,136	757	1,335
Mental Health	31,894	23,284	23,604	320	559
Adults Commissioning Unit	18,981	1,008	1,288	280	188
Central Services (incl iBCF and Social Care Grant)	1,491	-52,136	-52,476	-340	-4,089
Provider Services	11,551	10,532	10,401	-131	15
<b>TOTAL ADULTS</b>	<b>287,494</b>	<b>156,347</b>	<b>162,079</b>	<b>5,732</b>	<b>5,897</b>

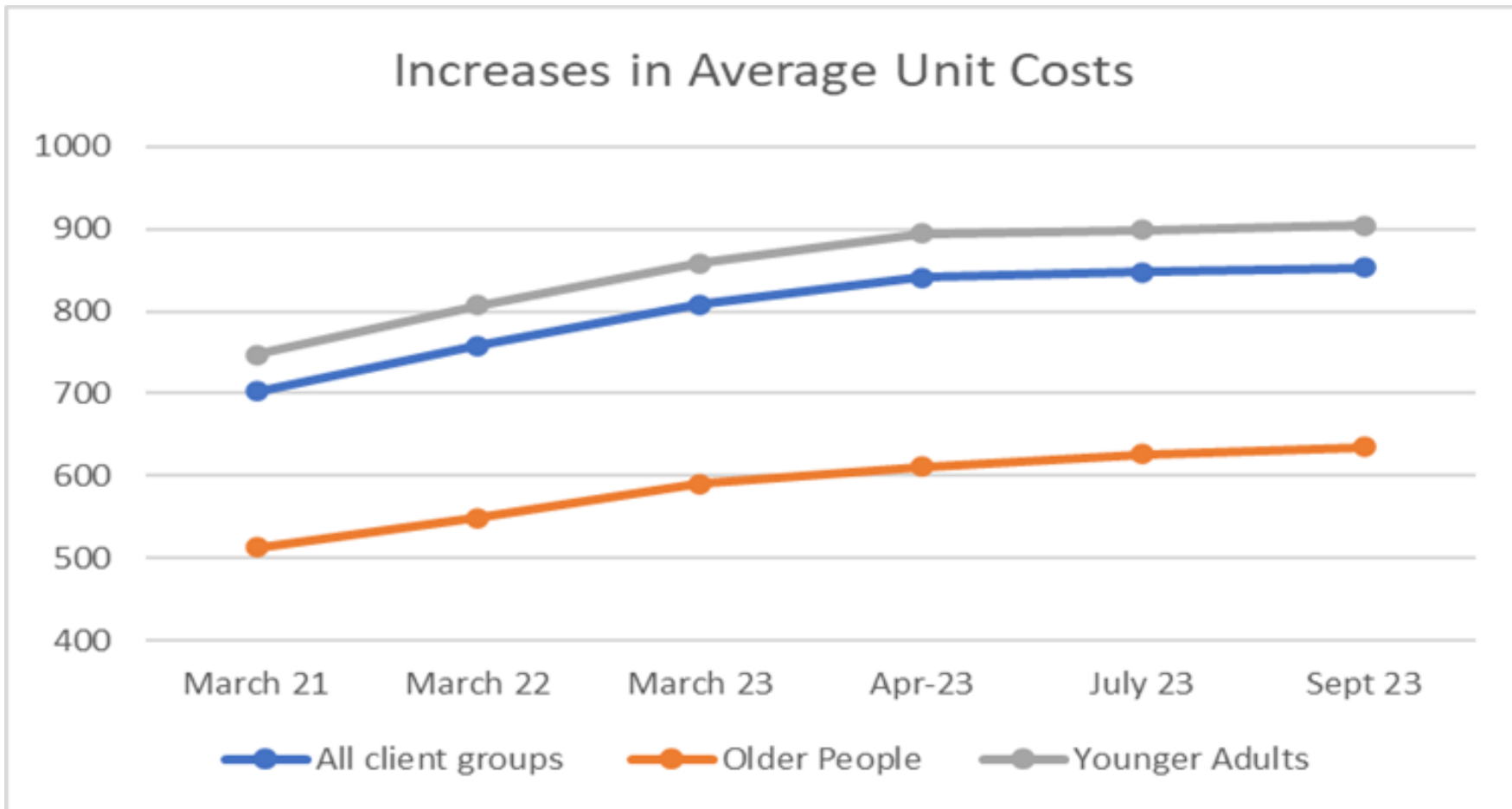
## P6 Headlines – Adult Services

- Net £5.7m overspend on its £156m net budget (3.7%)
- £8.9m 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
- 5.5% growth seen by end of September (additional 366 packages)
- Pressure in the market based relating to unit costs

# Adult Placement Numbers



# Adult Unit Costs



# P6 Headlines – Placements - 1

## *Older People - £2.3m overspend*

- Residential Care – increase of 85 clients and 6% increase in costs
- Nursing Care – increase of 68 clients and 9% increase in unit costs
- Home care - increase of 61 clients and 7% increase in unit costs

## *Learning Disabilities - £4.9m overspend*

- Increase of 53 clients
- Residential Care – 5% increase in unit costs
- Shared lives - 13% increase in unit costs
- Supported living - 9% increase in unit costs
- Home care - 16% increase in unit costs

## P6 Headlines – Placements - 2

### *Mental Health - £0.3m overspend*

- Residential Care – 6% increase in costs
- Nursing Care – 15% increase in unit costs
- Home care - 6% increase in unit costs

### *Physical Disabilities - £1.4m overspend*

- Increase of 48 clients
- Nursing Care – 9% increase in unit costs
- Home care - 9% increase in unit costs