

# Budget Position – Quarter 3 (Period 9)

**Adult Care and Well Being  
Overview and Scrutiny Panel  
20 March 2024**

# Corporate Budget Position – Quarter 3 (Period 9)

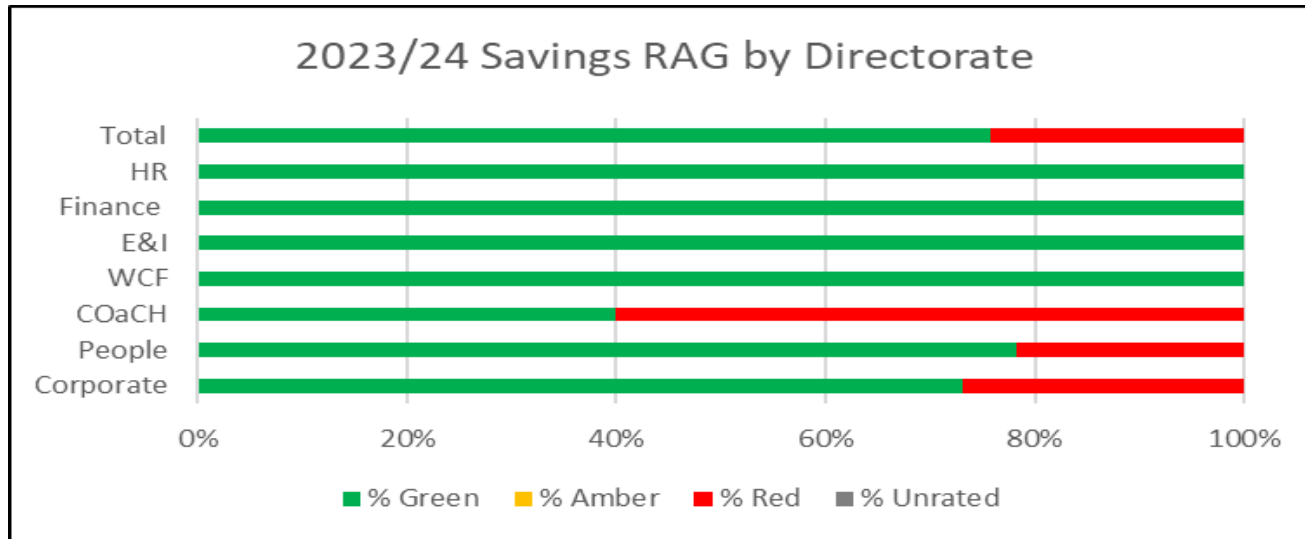
# Key Headlines – 2023/24

- At the end December, our net overspend was at **£19.2m** on a £401m net budget – this was **after** using one off monies from additional income from business rates (£4.1m), £9m additional use of reserves (on top of £5.5m used to balance the budget approved before the start of this year) that were set aside in the budget to manage.
- Our structural deficit (*a budget deficit due to our ongoing expenditure greater than our income*) is **c£35m**.
- Our overspend position is not because of poor control, oversight or policy decisions. It is simply an exceptionally large increase in our costs for demanded services, set against our constrained ability to raise additional income.

FY 2023/24 P9			
Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	145.816	151.145	5.329
People – Communities	21.596	22.023	0.427
WCF Contract	90.244	90.244	0.000
Economy & Infrastructure	72.072	72.581	0.509
Home to School Transport	20.759	29.750	8.991
Commercial & Change	10.291	11.586	1.295
Chief Executive / HR / Finance	3.222	3.085	-0.137
Public Health	0.186	0.186	0.000
<b>Total: Service excl DSG</b>	<b>364.186</b>	<b>380.600</b>	<b>16.414</b>
Corporate Items	36.630	33.948	-2.682
Non-assigned items	0.000	0.000	0.000
<b>WCC TOTAL</b>	<b>400.816</b>	<b>414.548</b>	<b>13.732</b>
WCF Company Position	123.284	141.820	18.536
<b>WCF Total</b>	<b>123.284</b>	<b>141.820</b>	<b>18.536</b>
<b>WCC Net Budget</b>	<b>400.816</b>	<b>433.084</b>	<b>32.268</b>
<b>Additional Funding:</b>			
Business Rates			-4.100
Use of Reserves			-9.000
<b>Net WCC &amp; WCF Overspend</b>			<b>19.168</b>

# Savings within the 2023/24 Budget

- £22.4m of savings built into the overall budget
- 76% rated as green i.e., delivered or expected to be fully delivered 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 which has been built into the 2024/25 base budget



- Current value of the Capital Programme for 2023/24 to 2026/27, following approval by Full Council, totals £390m
- 54% 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 (4%) and use of earmarked reserves held for capital (1%) and revenue funding (1%)

Total Expenditure	23/24	23/24 Revised	24/25 Revised	25/26 Revised	26/27 Onwards	Total 23/24 +
	Actuals YTD	Budget	Budget	Budget	Revised Budget	Revised Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Open for Business	6,240	15,804	47,978	17,585	8,788	90,154
The Environment	47,188	80,913	64,795	3,930	815	150,453
Children and Families	14,830	24,656	51,597	28,796	25,802	130,850
Efficiency and Transformation	1,252	6,344	4,213	2,214	3,076	15,847
Health and Well-Being	101	768	1,899	27	0	2,694
<b>TOTAL</b>	<b>69,611</b>	<b>128,485</b>	<b>170,481</b>	<b>52,552</b>	<b>38,480</b>	<b>389,999</b>

# 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, spend will be allowed on:

- 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.

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

- Required refresh of the MTFP has been approved by Council.
- Significant and sustained inflation.
- Extremely challenging time for local government.
- Council remains focused on living within its means.
- 2024/25 budget setting process has been extremely tough as the Council seeks to achieve its priorities whilst meeting the growing cost of demand, all from within limited funds.

- 15 Feb Council Report outlines all the areas of pressures, demand and savings and efficiencies.
- Appendix 3 outlines the approved savings and efficiencies as part of the budget.

Proposed Budget	2024/25
	£m
Structural deficit	35.0
Pressures and Investments	52.0
Removal of non-recurrent reserves	0.0
<b>Total pressures and investments</b>	<b>87.0</b>
<b>Funded From:</b>	
Government Funding	-27.9
Council Tax	-19.6
Additional use of Reserves	-2.3
Savings and Efficiencies	-37.2
<b>Gap</b>	<b>0.0</b>

## Key Messages

- Very difficult time for local government
- Essential that services remain within budget and implement the delivery of the £37.2m savings
- Council will still constantly review and ensure we only spend where it is absolutely necessary throughout 2024/25.



# Specific 2023/24 Quarter 3 (Period 9) information

## Areas within remit of Adult Care and Well Being Panel

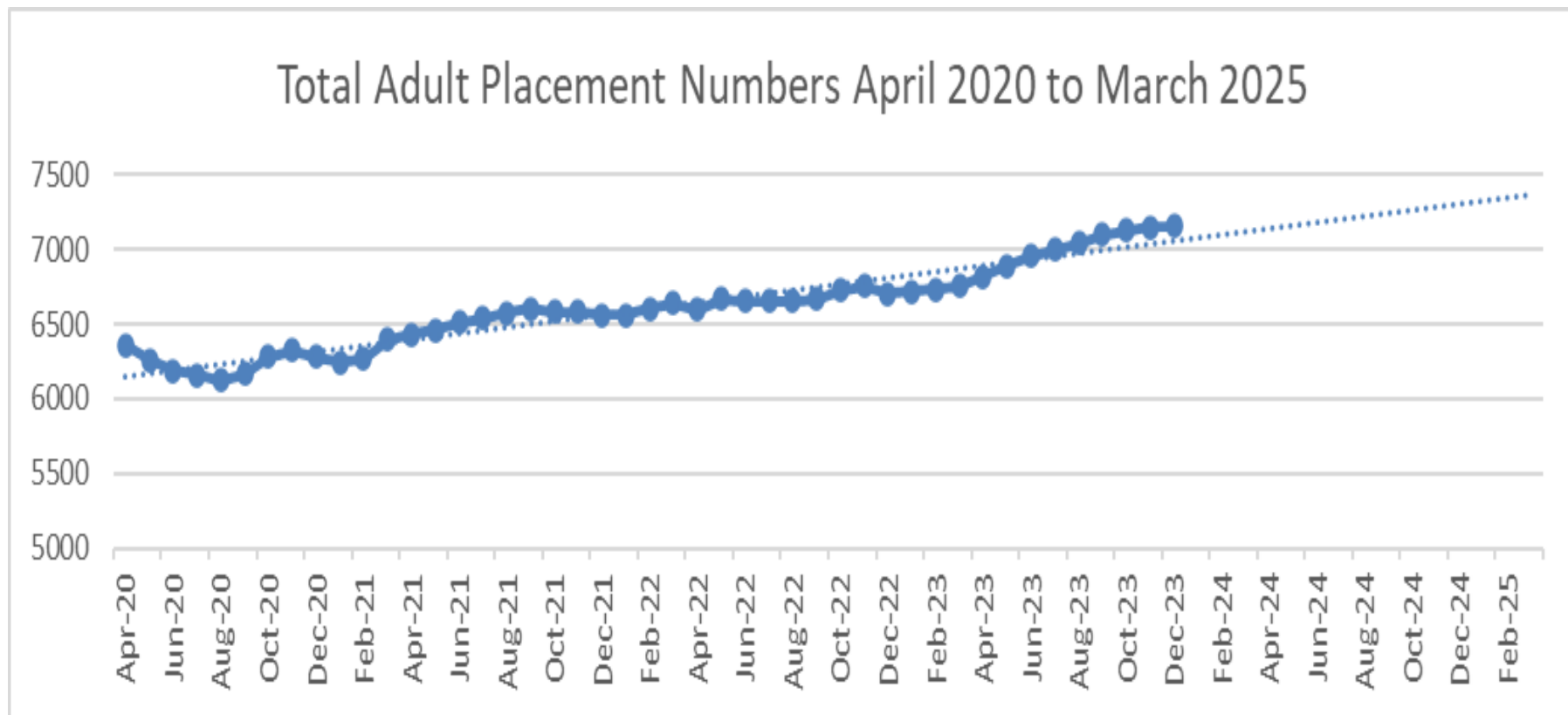
# P9 Financial Position – Adult Services

Adults Revenue Forecast	2023-24 Gross Budget Q3	2023-24 Net Budget Q3	2023-24 Forecast Outturn Q3	2023-24 Forecast Variance Q3	2023-24 Forecast Variance Q1	2023-24 Forecast Variance Q2
	£'000	£'000	£'000	£'000	£'000	£'000
Older People	113,097	76,530	77,880	1,350	2,641	856
Learning Disabilities	86,191	76,751	80,497	3,746	5,248	3,990
Physical Disability	24,289	20,379	21,126	747	1,335	757
Mental Health	31,894	23,284	23,556	272	559	320
Adults Commissioning Unit	18,981	1,008	1,209	201	188	280
Central Services (incl iBCF and Social Care Grant)	1,491	-52,136	-52,819	-683	-4,089	-340
Provider Services	11,551	10,532	10,334	-198	15	-131
<b>TOTAL ADULTS</b>	<b>287,494</b>	<b>156,348</b>	<b>161,783</b>	<b>5,435</b>	<b>5,897</b>	<b>5,732</b>

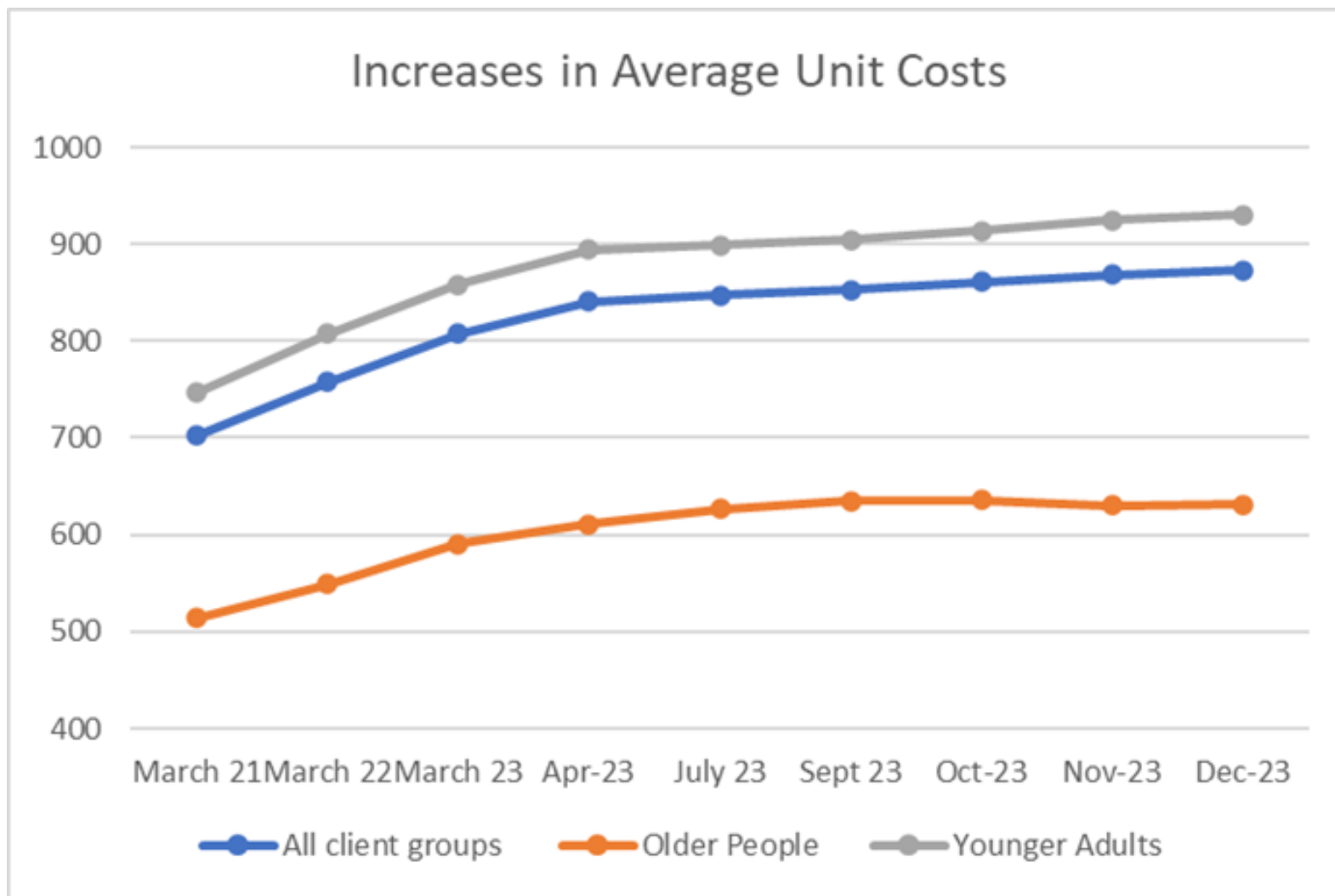
## P9 Headlines – Adult Services

- Net £5.4m overspend on its £156m net budget (3.5%)
- £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
- 6.6% growth seen by end of December (additional 439 packages)
- Pressure in the market based relating to unit costs

# Adult Placement Numbers



# Adult Unit Costs



# P9 Headlines – Placements – Change Since March 2023 - 1

## *Older People - £1.3m overspend*

- Increase of 288 clients
- Residential Care – 8% increase in average unit costs
- Nursing Care – 9% increase in average unit costs
- Home care - 8% increase in average unit costs

## *Learning Disabilities - £3.7m overspend*

- Increase of 83 clients
- Residential Care – 6% increase in average unit costs
- Supported living - 11% increase in average unit costs
- Home care - 21% increase in average unit costs
- Direct Payments – 10% increase in average unit costs

# P9 Headlines – Placements – Change Since March 2023 - 2

## *Mental Health - £0.3m overspend*

- Increase of 33 clients
- Residential Care – 8% increase in average unit costs
- Nursing Care – 24% increase in average unit costs
- Home care - 6% increase in average unit costs

## *Physical Disabilities - £0.7m overspend*

- Increase of 35 clients
- Nursing Care – 12% increase in average unit costs
- Home care - 13% increase in average unit costs