

BUDGET & SPENDING REPORT - SELECT COMMITTEE MONITORING

Committee name	Health and Social Care Select Committee
Corporate Director(s) responsible	Sandra Taylor Corporate Director Adult Social Care & Health Daniel Kennedy, Corporate Director Homes & Communities
Papers with report	None
Ward	All

RECOMMENDATIONS

That the Health and Social Care Select Committee:

1. notes the 2024/25 Outturn position
2. notes the 2025/26 Month 2 budget monitoring position

HEADLINES

This report provides an update on the 2024/25 Outturn position and 2025/26 Month 2 budget monitoring position relevant to the Select Committee.

Corporate Directors, supported by their Finance Business Partners, will attend the meeting to provide further details and clarifications.

2024/25 OUTTURN POSITION

The 2024/25 Outturn position reports an adverse variance against budget of £2.57m for the services within the remit of this Committee.

Table 1 below provides an overview of the Committee's outturn position by directorate. It includes adjustments for Earmarked Reserves, Provisions and Transformation Capitalisation.

Table 1: 2024/25 Outturn by Directorate

Directorate		Approved Budget £'000	Underlying Forecast £'000	Earmarked Reserves £'000	Provisions £'000	Transformation Capitalisation £'000	Forecast Outturn £'000	Variance £'000	Month 10 £'000	Movement £'000
Adults & Health	Expenditure	157,263	165,096	(20)	(570)	(734)	163,772	6,509	5,383	1,126
	Income	(46,245)	(50,242)	281	0	0	(49,961)	(3,716)	(3,059)	(657)
		111,018	114,853	261	(570)	(734)	113,811	2,793	2,324	469
Homes & Communities	Expenditure	7,481	5,324	0	0	(20)	5,305	(2,176)	1,738	(3,915)
	Income	(7,365)	(5,411)	0	0	0	(5,411)	1,954	(1,807)	3,761
		116	(87)	0	0	(20)	(106)	(223)	(69)	(154)
Total Service Operating Budgets		111,134	114,767	261	(570)	(754)	113,704	2,570	2,255	315

Table 2 below provides a detailed breakdown of the Committee's outturn by service area.

Table 2: 2024/25 Outturn by Service Area

Dirctorate	Service	£'000	Approved Budget £'000	Underlying Forecast £'000	Earmarked Reserves £'000	Provisions £'000	Transformation Capitalisation £'000	Forecast Outturn £'000	Variance £'000	Month 10 £'000	Movement £'000
Adults & Health	OT Minor Adaptations and Community Equipment	Expenditure	2,850	3,387	0	0	0	3,387	537	620	(83)
		Income	(2,207)	(3,035)	0	0	0	(3,035)	(828)	(689)	(139)
			643	352	0	0	0	352	(291)	(70)	(221)
Adults & Health	Head of Direct Care Provision (HSC)	Expenditure	10,388	9,837	0	0	(45)	9,792	(596)	(700)	104
		Income	(778)	(869)	0	0	0	(869)	(91)	9	(100)
			9,611	8,969	0	0	(45)	8,924	(687)	(691)	4
Adults & Health	Head of Learning Disability and Mental Health Services	Expenditure	4,590	4,080	0	0	(49)	4,031	(559)	(529)	(31)
		Income	(320)	(337)	0	0	0	(337)	(17)	(17)	(0)
			4,270	3,743	0	0	(49)	3,694	(576)	(545)	(31)
Adults & Health	Head of Hospital and Localities Services	Expenditure	6,672	5,615	0	0	(49)	5,565	(1,107)	(856)	(251)
		Income	(479)	(480)	0	0	0	(480)	(1)	0	(1)
			6,193	5,135	0	0	(49)	5,086	(1,107)	(856)	(251)
Adults & Health	Director of Health and Public Health	Expenditure	9,575	9,742	(20)	0	0	9,722	147	(131)	279
		Income	(1,305)	(2,075)	480	0	0	(1,595)	(290)	(31)	(259)
			8,270	7,667	460	0	0	8,127	(143)	(162)	19
Adults & Health	Director Adult Services and Health	Expenditure	944	1,525	0	0	(590)	935	(9)	338	(347)
		Income	(5,077)	(5,023)	274	0	0	(4,750)	328	(6)	334
			(4,134)	(3,498)	274	0	(590)	(3,815)	319	332	(14)
Adults & Health	Head of Safeguarding Adults	Expenditure	2,054	1,974	0	0	0	1,974	(80)	(101)	21
		Income	0	0	0	0	0	0	0	0	0
			2,054	1,974	0	0	0	1,974	(80)	(101)	21
Adults & Health	ASC Placements	Expenditure	120,189	128,936	0	(570)	0	128,366	8,176	6,742	1,434
		Income	(36,079)	(38,424)	(472)	0	0	(38,896)	(2,817)	(2,325)	(492)
			84,110	90,512	(472)	(570)	0	89,470	5,359	4,417	942
Homes & Communities	Head of Health and Strategic Partnership	Expenditure	7,481	5,324	0	0	(20)	5,305	(2,176)	1,738	(3,915)
		Income	(7,365)	(5,411)	0	0	0	(5,411)	1,954	(1,807)	3,761
			116	(87)	0	0	(20)	(106)	(223)	(69)	(154)
Total Service Operating Budgets			111,134	114,767	261	(570)	(754)	113,704	2,570	2,255	315

The overspend of £2.57m is largely due to demand for adult social care services being materially higher than the amount included in the Council's budget strategy. Management action identified to contain an element of this spend by supplier management and containing annual uplifts to a value below the budgeted increase (with the budgeted increase being based on the ADASS value of 7.9% and CPI running significantly below this value at 3% in January 2025) has been successful. The overspend driven by ASC placements was £5.4m, with staffing underspends across the service and other mitigating actions reducing the overall.

Table 3 provides a detailed breakdown of the 2024/25 savings position.

Table 3: 2024/25 Savings Outturn

Directorate	Saving Description	RAG Rating 2024/25 & B/fwd savings								Total
		Total	B	G	A1	A2	R	W/O New	W/O Funded	2024/25
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Director Adult Services and Health	Mental Health COVID-19 Recovery Strategy	(500)	(500)							(500)
Corporate Director Adult Services and Health	Post-Pandemic Reablement	(500)	(500)							(500)
Corporate Director Adult Services and Health	Care Diagnostic Equipment	(150)	(150)							(150)
Corporate Director Adult Services and Health	Telecare	(54)	(54)							(54)
Corporate Director Homes & Communities	Community & Voluntary Grants	(175)			(175)					(175)
Grand Total		(1,379)	(1,204)	0	(175)	0	0	0	0	(1,379)

2025/26 MONTH 2 BUDGET MONITORING POSITION

At Month 2 service operating budgets within the Committee's remit are forecasting a net overspend of £8.2m against budget.

Table 4 below provides an overview of the Committee's Month 2 budget monitoring position by directorate. It includes adjustments for Earmarked Reserves, Provisions and Transformation Capitalisation.

Table 4: 2025/26 Month 2 Budget Monitoring by Directorate

Directorate		Approved Budget £'000	Underlying Forecast £'000	Earmarked Reserves £'000	Provisions £'000	Transformation Capitalisation £'000	Forecast Outturn £'000	Variance £'000	Month 1 £'000	Movement £'000
Adults & Health	Expenditure	158,365	166,492	(467)	0	(180)	165,845	7,480	0	7,480
	Income	(45,249)	(45,751)	1,307	0	0	(44,443)	806	0	806
		113,116	120,741	840	0	(180)	121,402	8,286	0	8,286
Homes & Communities	Expenditure	5,321	5,690	0	0	0	5,690	369	0	369
	Income	(5,247)	(5,705)	0	0	0	(5,705)	(458)	0	(458)
		74	(15)	0	0	0	(15)	(89)	0	(89)
Total Service Operating Budgets		113,190	120,726	840	0	(180)	121,387	8,197	0	8,197

Table 5 below provides a detailed breakdown of the Committee's outturn by service area.

Table 5: 2025/26 Month 2 Budget Monitoring by Service Area

Directorate	Service		Approved Budget £'000	Underlying Forecast £'000	Earmarked Reserves £'000	Provisions £'000	Transformation Capitalisation £'000	Forecast Outturn £'000	Variance £'000	Month 1 £'000	Movement £'000
Adults & Health	OT Minor Adaptations and Community Equipment	Expenditure	2,859	3,372	0	0	0	3,372	513	0	513
		Income	(2,387)	(2,911)	0	0	0	(2,911)	(524)	0	(524)
			472	461	0	0	0	461	(11)	0	(11)
Adults & Health	Head of Direct Care Provision (HSC)	Expenditure	9,479	9,642	0	0	0	9,642	163	0	163
		Income	(701)	(670)	0	0	0	(670)	31	0	31
			8,778	8,972	0	0	0	8,972	194	0	194
Adults & Health	Head of Learning Disability and Mental Health Services	Expenditure	4,646	4,403	0	0	0	4,403	(243)	0	(243)
		Income	(361)	(361)	0	0	0	(361)	0	0	0
			4,285	4,042	0	0	0	4,042	(243)	0	(243)
Adults & Health	Head of Hospital and Localities Services	Expenditure	6,127	5,718	0	0	0	5,718	(409)	0	(409)
		Income	(47)	(47)	0	0	0	(47)	0	0	0
			6,080	5,671	0	0	0	5,671	(409)	0	(409)
Adults & Health	Director of Health and Public Health	Expenditure	10,981	10,170	(467)	0	0	9,702	(1,279)	0	(1,279)
		Income	(1,555)	(1,585)	1,307	0	0	(277)	1,278	0	1,278
			9,426	8,585	840	0	0	9,425	(1)	0	(1)
Adults & Health	Director Adult Services and Health	Expenditure	(3,818)	1,986	0	0	(180)	1,807	5,625	0	5,625
		Income	(4,637)	(4,640)	0	0	0	(4,640)	(3)	0	(3)
			(8,455)	(2,654)	0	0	(180)	(2,833)	5,622	0	5,622
Adults & Health	Head of Safeguarding Adults	Expenditure	2,067	2,039	0	0	0	2,039	(28)	0	(28)
		Income	0	0	0	0	0	0	0	0	0
			2,067	2,039	0	0	0	2,039	(28)	0	(28)
Adults & Health	ASC Placements	Expenditure	126,026	129,162	0	0	0	129,162	3,136	0	3,136
		Income	(35,561)	(35,537)	0	0	0	(35,537)	24	0	24
			90,465	93,625	0	0	0	93,625	3,160	0	3,160
Homes & Communities	Head of Health and Strategic Partnership	Expenditure	5,321	5,690	0	0	0	5,690	369	0	369
		Income	(5,247)	(5,705)	0	0	0	(5,705)	(458)	0	(458)
			74	(15)	0	0	0	(15)	(89)	0	(89)
Total Service Operating Budgets			113,190	120,726	840	0	(180)	121,387	8,197	0	8,197

An overspend of £8.2m is forecast at Month 2, with ASC placements forecasting a pressure of £8.8m. The service is able to partly mitigate this through reductions in staffing forecasts and holding vacant posts. This position is driven by the ongoing and unrelenting growing demand for the service since the pandemic, with all client groups reporting ongoing exceptional demand in 2025/26. To date, client numbers have grown by 1.5% in the first two months of the year, which on a straight-line basis would project growth to be 9% by the end of the year.

The savings requirement for 2025/26 is £7.7m. This is shown in table 6 below.

Table 6: 2025/26 Month 2 Savings

Directorate	Portfolio	Description		RAG Rating 2025/26 & B/fwd savings						Total
			Total	B	G	A1	A2	R	W/O	2025/26
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Director Adult Services and Health	Health & Social Care	Acquisition of Care home	(550)		(336)	(214)				(550)
Corporate Director Adult Services and Health	Health & Social Care	AI Digitisation of Operational Social Work Practices	(548)		(343)	(205)				(548)
Corporate Director Adult Services and Health	Health & Social Care	Care Diagnostic Equipment	(150)			(150)				(150)
Corporate Director Adult Services and Health	Health & Social Care	Creation of a care company for temporary staff via an SPV	(277)			(277)				(277)
Corporate Director Adult Services and Health	Health & Social Care	Implementation of Ask SARA	(150)			(150)				(150)
Corporate Director Adult Services and Health	Health & Social Care	Increase MVF by 1%	(146)			(146)				(146)
Corporate Director Adult Services and Health	Health & Social Care	Lease Income for Sexual Health Clinics	(250)			(250)				(250)
Corporate Director Adult Services and Health	Health & Social Care	Post 16 Transport	(624)		(583)	(41)				(624)
Corporate Director Adult Services and Health	Health & Social Care	Proposal to decant Lowdell Close Registered Care home due to safety concerns	(200)	(200)						(200)
Corporate Director Adult Services and Health	Health & Social Care	Re-negotiation of Social Care contracts	(1,739)			(870)	(870)			(1,739)
Corporate Director Adult Services and Health	Health & Social Care	Review of third sector Carers contract value in Social Care	(172)	(172)						(172)
Corporate Director Adult Services and Health	Health & Social Care	Review of third sector Information, Advice and Guidance contract value in Social Care	(170)	(170)						(170)
Corporate Director Adult Services and Health	Health & Social Care	Section 117 Fundingsplit with ICB	(2,031)			(1,016)	(1,016)			(2,031)
Corporate Director Adult Services and Health	Health & Social Care	Use of Disabled Facilities Grant	(300)		(180)		(120)			(300)
Corporate Director Adult Services and Health	Health & Social Care	Vacant Post Review	(283)	(283)						(283)
Corporate Budgets	Health & Social Care	Decentralised Operating Model for Corporate Policy & Projects	(77)					(77)		(77)
Grand Total			(7,667)	(825)	(1,442)	(3,318)	(2,005)	(77)	0	(7,667)

PERFORMANCE DATA

N/A

RESIDENT BENEFIT

Regular monitoring of financial performance ensures that spending and savings targets are met, which supports the efficient delivery of services to residents. By closely tracking expenditure and identifying variances, the council can take timely corrective actions to address overspending and mitigate risks. This also enhances public transparency and accountability, providing residents with confidence that their Council is managing finances prudently and prioritising their needs. Overall, regular monitoring supports safeguarding the Council's finances and the delivery of quality services to residents.

FINANCIAL IMPLICATIONS

This is primarily a finance report, and the implications are set out in the main body of the report above.

LEGAL IMPLICATIONS

There are no direct legal implications arising from regular monitoring of the council's finances by select committees.

Democratic Services advise that effective overview and scrutiny arrangements require access to the information under the committee's purview and, in accordance with the 2024 Statutory Scrutiny Guidance, such information includes finance and risk information from the Council, and its partners where relevant.

BACKGROUND PAPERS

NIL

APPENDICES

NIL