



Non-key Decision Committee Report

PURPOSE: Non-key Decision Update Report

COMMITTEE: Adult Social Care Committee

DATE: 01 July 2024

TITLE: 2023/24 P12 Finance Provisional Outturn Report

Ward(s): City Wide

Officer presenting the report: Hugh Evans: Executive Director, Adults and Communities

Committee Chair: Cllr Lorraine Francis

Executive Director lead: Hugh Evans: Executive Director for Adult and Communities

Proposal origin: Other

Purpose of Report:

1. The Council Revenue and Capital budget for 2023/24 was agreed by Full Council on 21 February 2023. This report presents to the Adult Social Care Committee, the Adult Directorate's financial performance for the 2023/24 financial year against that approved budget. The report is for noting.

Evidence Base:

2. The Adults Social Care services, covering divisions 14 – Adult Social Care and 57 – Commissioning, Contracts Quality and Performance (Adults), had a general fund revised budget of £197.8m in 2023/24, which equated to 45% of the total revised net service expenditure for the Council. The services outturned with a position of £198.0m, an adverse variance of £0.2m.

Overview

3. The Adult Social Care (ASC) directorate reported an end of year overspend of £0.2 million position against its revised net budget of £197.7 million. The improvement of £1.2 million from the P10 forecast is due to the drawdown of £1.7 million optimism bias (OB) funding from corporate centre due to non-delivery of savings.
4. It should be noted that without the application of £1.7 million optimism bias funding budget revisions, the ASC directorate would have overspent by £1.9 million.
5. There are several areas that led to the movements in the financial position in the final months of the year. These include: non-delivery of previously forecast savings; additional optimism bias funding received in relation to non-delivery of savings target of £4.3 million and other grant receipts of £3.1 million.
6. The main variances are reflected in the table below as follows:

Table 1 Adult Social Care Outturn Position 2023/24

Financial Year 2023/24	Revised Budget 2023/24	Previous Budget 2023/24	Budget Change	2023/24 Outturn	Budget Variance at Outturn	Change from P10
	£m	£m	£m	£m	£m	£m
Adult Purchasing (AP)						
Older Adults 65+	80.816	79.154	1.662	85.644	4.828	(1.913)
Working Age Adults 18 - 64	97.683	97.683	-	105.075	7.392	0.478
Preparing for Adulthood	11.559	11.559	-	12.839	1.280	0.325
Income - Service User Contributions Only	(27.305)	(27.305)	-	(29.332)	(2.027)	0.761
AP Per Current ABW	162.753	161.091	1.662	174.227	11.473	(0.350)
Grants	-	-	-	(3.085)	(3.085)	-
Adult Purchasing Outturn	162.753	161,091	1.662	171.142	8.389	(0.350)
Non-Adult Purchasing						
Employees	36.822	36.495	0.327	35.091	(1.732)	0.526
Other - Net	(1.820)	(9.211)	7.390	(8.264)	(6.443)	(1.353)
Non-Adult Purchasing - Total	35.002	27.284	7.718	26.827	(8.175)	(0.828)
Total per budget report	197.755	188.375	9.380	197.969	0.214	(1.178)

Adult purchasing budgets £8.4 million overspend

7. **Working Age Adults** is a growing area of demand for ASC, with increased numbers of people being supported at a significant and increasing cost to the council. These budgets overspent by £7.4 million due primarily to pressures in accommodation-based support which overspent by £3.6 million; overspends in residential placements of £2.1 million; in nursing care home placements of £0.2 million and home care overspends of £0.8 million. Other overspends total £0.7 million.
8. Demand increase: the service was supporting 2,774 people at the end of the financial year, in comparison to the 2023/24 budget which had assumed funding for 2,573 people. Increased numbers of people supported during the year and the delays to planned savings delivery was a significant factor in the overspend position.
9. **Older Adults** overspent by £4.8 million due mainly to overspends in nursing placements of £3.2 million; home care costs with an overspend of £0.3 million, residential care home placements with an overspend of £1.3 million and accommodation-based support with an overspend of £0.3 million. These were offset by other underspends totalling £0.3 million.
10. The number of older people being supported was 2,754 at the end of the year in comparison to the 2022/23 budget which had assumed funding for 2,602 people.
11. Other Non-Adult purchasing budgets underspent by £6.4 million, due mainly to underspends on in-house services and other income. Employee budgets underspent by £1.7 million reflecting the significant recruitment and retention challenges faced by the service.

Future risks and opportunities

12 There remains a significant challenge to deliver savings and achieve a sustainable financial position in ASC for 2024/25 and beyond. Bristol continues to be considered a high spender in comparison to other authorities and there is an expectation that value for money and financial sustainability should be a focus of further significant improvement.

13 ASC faces significant challenges from:

- Underlying service pressures within adult purchasing budgets which overspent by £11.5 million in 2023/24. Whilst budgets have been increased by £3.8 million in 2024/25 to reflect service pressures across the whole of Adult Social Care, there remains much work to improve cost efficiency and to achieve a financially sustainable position.
- The need to deliver savings brought forward from 2023/24 estimated to be c.£2.3 million combined with £8.6 million of new savings in 2024/25, making a combined total of £10.9 million. Savings delivery remains a key priority area for the service.
- Inflationary pressures which continue to affect the social care market and drive providers costs. £11.1 million inflation will be applied to 2024/25 ASC adult purchasing budgets.
- Social Care workforce challenges, due to the inability to recruit and retain staff across the sector.

Capital

Table 2: Capital outturn summary 2023/24

Approved Budget Council £m	Directorate	Revised Budget £'m	Outturn £'m	Outturn Variance £'m
2.6	Adults & Communities	1.0	1.1	0.1

14. The Adults & Communities Directorate has a very small proportion of the overall capital programme, made up of community improvements and the Adult Social Care better lives at home programme. The overall capital position reported against revised budget was largely on plan at outturn.

Officer Recommendations

That the Committee notes:

1. The contents of report, on the provisional outturn position for Adult Social Care divisions.

Corporate Strategy alignment:

The Corporate Strategy underpins the council's budget.

City Benefits:

Cross priority report, that covers whole of council's business.

Consultation Details:

N/A

Background Documents:

[Budget Report 2023/24](#)

APPENDICES

Appendix A – Further essential background / detail on the proposal

NO

Use this section to provide more details to expand upon the points made in this report.