

ADULT CARE AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 29 January 2020

Present: Councillor M McLaughlin (Chair)

Councillors K Cannon M Jordan
T Cottier C Muspratt
S Frost A Wright
P Gilchrist

47 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bruce Berry, Paul Hayes, Sharon Jones, Yvonne Nolan, Tony Norbury, Les Rowlands and Graham Hokinson, Director of Adult Care and Health.

48 MEMBERS DECLARATIONS OF INTEREST

Councillor Moira McLaughlin	Personal interest by virtue of her daughter's employment within the NHS.
Councillor Phil Gilchrist	Personal interest by virtue of his role as a Governor appointed to the Cheshire and Wirral NHS Partnership Trust, and as a member of the Health and Wellbeing Board.
Councillor Mary Jordan	Personal interest by virtue of employment within the NHS; and involvement in Incubabies, a charity raising funds for the neonatal unit at Arrowe Park; and her son's employment as a GP.
Councillor Christina Muspratt	Personal interest by virtue of her daughters' employment within the NHS and as a GP.

49 ADULT, CARE & WELLBEING SCRUTINY BUDGET PROPOSALS FOR 2020/21

Vikki Gregorich, Senior Finance Manager the report of the Director of Finance and Investment (S151) that formed part of the Council's formal budget process - as set out in the constitution and in accordance with the legal requirements to set a balanced and sustainable budget for 2020/21. The Senior Finance Manager also presented an update on the Medium Term Financial Plan (MTFP) covering the period from 2021/22 to 2024/25.

Jason Oxley, Assistant Director - Health and Care Outcomes Jacqui Evans, Assistant Director - Integrated Commissioning Programme were also in

attendance to answer questions relating to the savings proposals and provide information on the pressures faced by the Adult Care and Health Services.

In a variation from past practice, the previous format of scrutiny workshops had been discontinued, and each Overview and Scrutiny Committee reviewed a list of budget proposals under its remit.

As such, Members were requested to review and comment on the financial proposals for 2020/21 that were currently subject to consultation and further consideration by Cabinet on 17 February 2020; and to note the financial challenges facing the Council in setting a sustainable and balanced budget for the MTFP period from 2021/22 to 2024/25.

The report informed how, in September 2019, the Government announced the Local Government Finance Settlement for 2020/21 budgets, in the form of a single year Spending Round, with a multi-year Spending Review following in 2020. This year's Spending Round formed the basis for updating the MTFP and set out a 4.3% real-term increase in overall Government funding for Local Authorities - against a backdrop of consistent cuts in the previous three Spending Reviews since 2010 and continued pressures in delivery of social care. Details of how the overall announcement would affect the specific funding settlements for individual Local Authorities were not available at the time of writing the report. The Spending Round settlement for 2020/21 represented an improvement in funding in comparison to previous assumptions for 2020/21, given:

- No loss of the Council's equivalent of the Revenue Support Grant or Public Health Grant;
- A £6.4m increase in funding for Adult and Children's Social Care;
- A proposed £2.8m increase in Council Tax - resulting from permission to include a 2% Adult Social Care Precept in 20/21, over and above an inflationary increase of up to 2%;
- A (£0.8m) reduction in Council Tax due to the Council's review of the Local Council Tax Reduction Scheme; and
- A new round of the New Homes Bonus allocations for 2020/21 only.

The Senior Finance Manager informed that, on a positive front, a range of expected and significant cuts hadn't filtered through in the current financial year.

Members highlighted a number of general areas of concern, that included arrangements relating to the funding settlement – broadly what had been expected. Issues of comparison were also raised regarding the fair funding review and Local Government Associations (LGA) projections. A Member pointed out the negative impact of the fair funding review on Wirral.

The Senior Finance Manager informed that full analysis of the budget continued and will be shared with Members. But the fair funding review was a

national decision, and a complex piece of work based on geography and demographics.

The Assistant Director - Health and Care Outcomes provided a verbal summary in respect of the organisational pressures falling to the Adult Care and Health Service. These included:

- Demand Factors – increasing demand and acuity in care packages in Adult Social Care (£3.8m)
- Contract Increases – agreed increase for contracts with Cheshire & Wirral Partnership Trust (£0.17m)
- Contract Increases - agreed increases for contracts with Wirral Community Foundation Trust (£0.27m)
- Additional demand associated with increasing populations (£1.91m)
- Increased provider fee rate associated with actual cost of care (£3.00m) and special fee rate (£0.65m)
- Replacement of Adult Care and Health 'One Off Reserves' (£4.0m)

The Assistant Director - Health and Care Outcomes apprised Members of financial savings proposals totalling £4m, as follows:

- Housing for Independence including Extra Care Housing (£0.5m);
- Use of Technology to increase Independence and reduce falls (£0.5m);
- Care Package Review for Independence (£2.3m);
- Wirral Evolutions increasing employment and reducing cost (£0.5m); and
- Use of Electronic Financial Assessments to ensure accelerated income collection items (£0.2m)

Members noted that cost of Services provided by Wirral Evolutions and planned efficiencies have been difficult to deliver, and that in partnership with Adult Services, service users will be re-assessed to ensure they receive the appropriate level of care. Discussions were underway with Wirral Evolutions regarding service and efficiencies (nb: Council is the sole shareholder in the company).

The Chair opened the meeting to questions from Members and highlighted that if issues related to commercial business plans, care should be given to possible disclosure of sensitive or exempt information.

Responding to a Member question in respect of provider efficiencies, the Assistant Director - Health and Care Outcomes informed Members of the variety of services, and individual circumstances, would mean that despite the proposals, support to individuals would continue to be provided in the future. This could include services that might be more age appropriate, ensuring they received the right level of support.

Councillor Phil Gilchrist moved, and it was duly seconded by Councillor Moira McLaughlin, that -

'In view of the need to secure additional information, arising from the points raised by members, along with the need to clarify the issues raised, arrangements be made for a workshop to be held on a date to be confirmed with the spokespersons as soon as possible and relayed to members as soon as practicable thereafter'.

The Chair instructed officers that given the timescale available for comment, the workshop should take place, ideally within a week, but before the end of February at the very latest. She added that the matter of Fees and Charges, as charged to (and by) service providers contracted by the Council, also be considered at this time.

In response to a Member question, Jacqui Evans, Assistant Director - Integrated Commissioning Programme informed the Adult Care and Health Overview and Scrutiny Committee could be provided a demonstration of the IT system used by service users, to help allay fears regarding its accessibility and usefulness.

The Chair questioned whether the £2.3m saving relating to Care Package Review for Independence was achievable. The Assistant Director - Health and Care Outcomes informed that it was his belief that these savings were achievable, however as in previous years increased levels of demand would have a negative impact on achieving the planned targets. The Director further informed of confidence in the savings plans to help deliver the planned £0.5m savings in respect of extra care and serviced living, and that a balance budget would be delivered.

Following consultation with the Head of Legal Services and Deputy Monitoring Officer, it was agreed by the Committee that any recommendations arising from the proposed Workshop be formalised by the Chair in consultation with the Party Spokespersons for onward referral as part of the formal budget consultation process.

The Chair provided a verbal summary of matters of note, as identified by the Adult Care and Health Overview and Scrutiny Committee, that –

'The Committee notes the overall financial position of the Council and comments in relation to the negative impact of the Fair Funding Review at this early stage.

The Committee further notes the pressures placed on the Adult Care and Health budget due to increased demand and demographics of Wirral, and the use of £960k from reserves. Members also express their concerns that fee rates are set at the Joint Strategic Commissioning Board (JSCB) and requests further information in

respect of the current rates and fee setting process, for review at the Member Workshop.

Members welcome the provision of new housing and the Extra Care Housing project to assist independent living and encourages promotion of the facilities. Proposed budget savings arising from the project are noted.

Members further note the savings arising from the better use of technology related directly to a £3m capital bid that provide a range of IT solutions using vastly improved technology and assistive solutions. The Committee however expresses its concern that these IT solutions should not be used to directly replace human contact.

In respect of the Review of Care Packages the Committee recognises the need for constant review to ensure that people receive the appropriate level of care they need, but questions whether the proposed saving of £2.3m is achievable given the increasing levels of demand placed upon the Adult Care and Health Service.

The matter of Provider Efficiencies is causing Members the most concern, noting that at the start, Wirral Evolutions would develop a business plan that developed other sources of income and looked for other innovative ways of providing a service. The Committee is aware that the contract value is lower than the costs of providing the service, and it would not be appropriate to comment any further on this saving until Members have heard from the providers themselves and would ask that they be involved in the planned Workshop.

In respect of the Financial Assessment, and Member concerns regarding accumulation of debt, the Committee seeks confirmation that the interests of service users are protected and that assessments are not applied in a heavy-handed way. Members would welcome a demonstration of how the process works.

Resolved (unanimously) – That

- 1) the Committee notes the overall financial position of the Council and comments in relation to the negative impact of the Fair Funding Review at this early stage;**
- 2) the Committee further notes the pressures placed on the Adult Care and Health budget due to increased demand and demographics of Wirral, and the use of £960k from reserves. Members also express their concerns that fee rates are set at the Joint Strategic Commissioning Board (JSCB) and requests further information in respect of the current rates and fee setting process, for review at a Member Workshop;**

- 3) Members welcome the provision of new housing and the Extra Care Housing project to assist independent living and encourages promotion of the facilities. Proposed budget savings arising from the project are noted;**
- 4) Members further note the savings arising from the better use of technology related directly to a £3m capital bid that provide a range of IT solutions using vastly improved technology and assistive solutions. The Committee however expresses its concern that these IT solutions should not be used to directly replace human contact;**
- 5) in respect of the Review of Care Packages the Committee recognises the need for constant review to ensure that people receive the appropriate level of care they need, but questions whether the proposed saving of £2.3m is achievable given the increasing levels of demand placed upon the Adult Care and Health Service;**
- 6) representatives from Wirral Evolutions be invited to the Member Budget Workshop to enable Members to hear first-hand the company's plans for the development of other sources of income and other innovative ways of providing a service to help achieve the required budgetary savings;**
- 7) in respect of the Financial Assessment, and Member concerns regarding accumulation of debt, the Committee seeks confirmation that the interests of service users are protected and that assessments are not applied in a heavy-handed way. Members would welcome a demonstration of how the process works;**
- 8) in view of the need to secure additional information, arising from the points raised by members, along with the need to clarify the issues raised, arrangements be made for a workshop to be held on a date to be confirmed with the spokespersons as soon as possible and relayed to members as soon as practicable thereafter.**