



ADULT SOCIAL CARE AND HEALTH COMMITTEE

Monday, 18 January 2021

REPORT TITLE:	REVENUE BUDGET MONITORING
REPORT OF:	DIRECTOR OF CARE AND HEALTH

REPORT SUMMARY

This report sets out the financial monitoring information for the Adult Social Care and Health Committee. The report provides Members with an overview of budget performance for this area of activity. The financial information details the projected year-end revenue position, as reported at quarter 2 (Apr-Sep) 2020/21.

RECOMMENDATION/S

The Adult Social Care and Health Committee are requested to note the projected year-end revenue forecast position of £0.06m favourable, as reported at quarter 2 (Apr-Sep) of 2020-21

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular monitoring and reporting of the Revenue Budgets, savings achievements and Medium-Term Financial Strategy (MTFS) position enables decisions to be taken faster, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered.

3.0 BACKGROUND INFORMATION

- 3.1 This Statement provides a summary of the projected year-end revenue position as at the end of Quarter 2, Month 6 (September 2020) of 2020/21 financial year.
- 3.2 As at the end of September 20 (Quarter 2), the forecast year end position for Adult Care and Health is small favourable variance of £0.06m against a budget of £106.6m. The cost of care pressure has been managed, to date, through access to increased Government funding for the COVID-19 response and the Clinical Commissioning Group (CCG) responsibility to provisionally fund hospital discharges and deflections. The CCG, up until 31 Aug 20, had funded £0.9m of hospital discharges and deflections and has further alleviated costs by funding additional emergency bed provision. As at the 1 September 20, a revised and reduced Hospital Discharge Policy applies, again funded by CCG but will not provide the same level of funding accessed during the first two quarters of the financial year.
- 3.3 This reduced 'cost of care' burden on the revenue budget will be offset by the increased risk of non-achievement of the £3.75m of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic. In the current circumstances, it is difficult to forecast with confidence the likely progress toward the achievement of these savings. At present, our forecast position assumes £1m of these savings will be achieved. There is also the added risk of, potentially significant, increases in demand for care services as we move through the year and the impact of COVID-19 and the period of lockdown is realised.

TABLE 1 2020/21 Adult Care and Health – Service Budget & Forecast

	Full Year				
	Budget	Forecast	Variance	Adv/Fav	
	£000	£000	(+ Fav, - Adv) £000	%	
Adult Social Care Central Functions	9,778	9,369	409	4%	Favourable
Older People Services - WCFT	44,903	45,079	(175)	0%	Adverse
Mental Health & Disability Services - CWP	48,293	48,421	(128)	0%	Adverse
Other Care Commissions	(148)	(44)	(104)	-70%	Adverse
Public Health	(6,126)	(6,307)	181	3%	Favourable
Wirral Intelligence Service	485	431	54	11%	Favourable
Movement on Reserves	5,864	6,045	(181)		
Directorate Surplus / (Deficit)	103,049	102,994	56	0%	
Support / Admin Building Overhead	3,577	3,577	0	0%	
Total Surplus / (Deficit)	106,627	106,571	56	0%	

- 3.4 **Central Functions:** A favourable variance of £0.4m is reported at quarter 2. This variance is largely due to savings from employee costs. This position will continue to be monitored throughout the year.
- 3.5 **Older People Services:** An adverse variance of £0.2m is reported at quarter 2. The main contributing factor for the variance in this area is due to the increased risk of non-achievement of the efficiency savings approved at the start of the financial year. This pressure has been offset by access to Government COVID-19 monies and the current CCG's responsibility to provisionally fund hospital discharges and deflections.
- 3.6 **Mental Health & Disability Services:** An adverse variance of £0.1m is reported at quarter 2. The forecast deficit position is also due to the increased risk of non-achievement of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic. In the current circumstances, it is difficult to forecast with confidence the likely progress toward the achievement of these savings at this time. The current forecast assumes £0.5m of the £1.65m of savings within this area will be achieved
- 3.7 **Other Care Commissions:** An adverse variance of £0.1m is reported at quarter 2. The forecast adverse variance in this area relates to early intervention and prevention (EIP) commissions. Many of these commissions have been extended longer than initially anticipated due to the COVID-19 pandemic. A review is currently being undertaken in light of the current environment and this will inform future forecasts.

- 3.8 **Public Health:** A balanced position is reported at quarter 2. Public Health is a ringfenced grant with an annual value £29.7m and projected to be fully utilised. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream.
- 3.9 **Wirral Intelligence Team:** A favourable variance of £0.05m is reported at quarter 2. The minor forecast surplus within this Service Area is due to notional slippage against various posts.

TABLE 2 2020/21 Adult Care and Health – Subjective Budget & Forecast

	Full Year				
	Budget	Forecast	Variance	Adv/Fav	
	£000	£000	(+ Fav, - Adv) £000	%	
Income	(83,919)	(84,235)	316	0%	Favourable
Expenditure					
Employee	5,786	5,288	499	9%	Favourable
Non Pay	47,506	47,716	(210)	0%	Adverse
Cost of Care	127,813	128,180	(367)	0%	Adverse
Total Expenditure	181,105	181,184	(79)	0%	
Directorate Surplus / (Deficit)	97,185	96,949	237	0%	Favourable
Support / Admin Building Overhead	3,577	3,577	0	0%	
Movement on Reserves	5,864	6,045	(181)	-3%	Adverse
Total Surplus / (Deficit)	106,627	106,571	56	0%	

- 3.10 **Employee:** The forecast surplus within Employee budgets is due to existing vacant posts.
- 3.11 **Movement on reserves:** The movement within reserves relates to the Cheshire and Merseyside Public Health Partnership (CHAMPS) budget. A project is underway to realign the budget for CHAMPS outcomes, which is expected to inform on the reserves position.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This is the revenue budget monitoring report that provides information on the forecast outturn for the Adult Care and Health Directorate for 2020/21. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to the Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

5.0 LEGAL IMPLICATIONS

- 5.1 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
1. Senior Leadership / Directorate Teams regularly reviewing the financial position.
 2. Availability of General Fund Balances.
 3. Review of existing services and service provision.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The priorities in the Council Plan 2025 were informed by stakeholder engagement carried out in 2019.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 There are no equality implications arising specifically from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The Wirral Plan 2025 includes a set of goals and objectives to create a sustainable environment which urgently tackles the environment emergency. These are based on developing and delivering plans that improve the environment for Wirral residents. The performance report will include information on key areas where environment and climate related outcomes are delivered.
- 10.2 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

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APPENDICES

None

BACKGROUND PAPERS

- 2020/21 Revenue Budget Monitor for Quarter Two (Apr - Sep)
- Revenue Budget 2020/21 and Medium-Term Financial Plan (2021/22 to 2024/25)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date