



ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE

Monday, 7 June 2021

REPORT TITLE:	CAPITAL AND REVENUE BUDGET MONITORING QUARTER 4
REPORT OF:	DIRECTOR OF CARE AND HEALTH

REPORT SUMMARY

This report sets out the financial monitoring information for the Adult Social Care and Public Health Committee. The report provides Members with an overview of budget performance for this area of activity. The financial information details the year-end revenue and capital outturn position, as reported at quarter 4 (Apr-Mar) 2020/21.

RECOMMENDATION/S

The Adult Social Care and Public Health Committee is requested to note the year-end revenue outturn position of £1.1m favourable and the £0.8m favourable position of the capital programme, as reported at quarter 4 (Apr-Mar) 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 The financial outturn for 2020-21 is a favourable position of £1.1m against a total net budget of £106.63m. This represents a significant improvement from the forecast 'balanced' position reported at the end of Month 11 (February).
- 3.2 However, it should be noted that this position includes a £0.6m joint funded income correction relating to two historic invoices which only came to light in March 21. This historic adjustment does not relate to our financial performance in 2020-21 but nevertheless does need to be reflected in our figures.
- 3.3 Other significant differences from the position which we had previously reported include a £0.14m increase in the Better Care Fund (BCF) surplus position due to winter pressure monies not being utilised as expected and a £0.15m favourable movement in expected costs of corporate recharges.
- 3.4 Throughout this financial year, the cost of care pressure has been managed 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. In 2020-21, the CCG funded £1.7m of hospital discharges and deflections and further alleviated costs by funding additional emergency bed provision.
- 3.5 The pandemic also limited the ability to achieve £3.75m of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic, exacerbating financial pressures. Despite this, £1.5m of savings were achieved in 2020-21 across the two Trusts.
- 3.6 Overall, the Adult Care and Health budget experienced substantial pressures in 2020-21 which would have led to a significant overspend had it not been for the CCG and COVID grant support.

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

	Budget	Outturn	Variance (+ Fav / - Adv)		Adv/ Fav
	£000	£000	£000	%	
ASC Central Functions	9,778	8,574	1,235	13%	Favourable
Older People Services - WCFT	44,903	44,998	-95	0%	Adverse
Mental Health & Disability Services - CWP	48,293	48,170	123	0%	Favourable
Other Care Commissions	-148	75	-223	-151%	Adverse
Public Health	215	-4,789	5,003	0%	Favourable
Wirral Intelligence Service	485	438	47	10%	Favourable
Directorate Surplus / (Deficit)	103,525	97,465	6,091	6%	Favourable
Support/Admin Building Overhead	3,577	3,548	29	1%	Favourable
Movement in Reserves	-476	4,512	-5,019	1054%	Favourable
Total Surplus/ (Deficit)	106,627	105,525	1,101	1%	Favourable

- 3.7 **Central Functions:** A favourable variance of £1.235m is reported for 2020-21. This is due to savings from employee costs from vacancies and short delays in filling vacant posts. The BCF surplus, due to winter pressure monies not being utilised as expected, is also shown against this service area, along with the favourable variances from corporate recharges.
- 3.8 **Older People Services:** An adverse variance of £0.095m is reported for 2020-21. The increased risk of non-achievement of the efficiency savings approved at the start of the financial year has been offset by access to Government COVID-19 monies and the CCG's responsibility to provisionally fund hospital discharges and deflections.
- 3.9 **Mental Health & Disability Services:** A favourable variance of £0.123m is reported for 2020-21. The cost of care within Mental Health & Disability Services has been eased due to access to Government COVID-19 monies and the current CCG's responsibility to provisionally fund hospital discharges. This has helped to offset the pressures from the reduced achievement of the efficiency savings approved at the start of the financial year.
- 3.10 **Other Care Commissions** An adverse variance of £0.223m is reported for 2020-21. The 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.
- 3.11 **Public Health:** A balanced position is reported for 2020-21. As Public Health variances cannot be utilised by Wirral Council for any other activity, a corresponding movement in reserves is shown, having the impact of fully utilising the grant in-year, which is in line with the ringfenced nature of the grant for Public Health activity.

Public Health is a ringfenced grant with an annual value £29.7m. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream. Access to additional COVID funding and projects affected by the impact of CV-19 and local restrictions have led to a larger than initially expected contribution to reserves at the year end.

- 3.12 **Wirral Intelligence Team:** Favourable variance of £0.05m represents surpluses in staffing costs mainly due to staff not being at the top of their pay scales, although the budget is set assuming that this is the case, coupled with short delays in filling vacant posts.
- 3.13 **Movement on reserves:** The movement within reserves relates to year end contributions to Public Health reserves. Access to additional COVID funding and Public Health projects affected by the impact of CV-19 and local restrictions have led to a larger than initially expected contribution to reserves.
- 3.14 **Pressures and Savings Statement** The pandemic limited the ability to achieve £3.75m of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic, exacerbating financial pressures. Despite this, £1.5m of savings were achieved in 2020-21 across the two Trusts.

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

	Budget	Outturn	Variance (+ Fav / - Adv)		Adv/ Fav
	£000	£000	£000	%	
Income	-83,919	-87,319	3,400	4%	Favourable
Expenditure:					
Employee	5,786	5,115	671	12%	Favourable
Non Pay	53,846	53,585	291	1%	Favourable
Cost of Care	127,813	126,084	1,729	1%	Favourable
Total Expenditure	187,445	184,784	2,691	1%	Favourable
Directorate Surplus / (Deficit)	103,525	97,465	6,091	6%	Favourable
Support/Admin Building Overhead	3,577	3,548	29	1%	Favourable
Movement in Reserves	-476	4,512	-5,019	1054%	Adverse
Total Surplus/ (Deficit)	106,627	105,525	1,101	1%	Favourable

- 3.15 **Income:** A favourable variance of £3.400m is reported for 2020-21. Within this position, it should be noted that there are a number of historic income adjustments relating to the correction of client income accruals and joint funded income. The Cheshire and Merseyside TCP Community Discharge grant income (£0.950m) is also shown here, as it is administered by Wirral Council. This income was not

represented in Directorate's original budget figures and hence shows up as a variance.

- 3.16 **Employees:** A favourable variance of £0.671m is reported for 2020-21. There are surpluses in all areas due to vacancies, staff not at the top of their pay scales (although the budget is set assuming that this is the case) and short delays in filling vacant posts.
- 3.17 **Non Pay:** A favourable variance of £0.291m is reported for 2020-21. Adverse variances relating to the contract extensions to the Early intervention and prevention (EIP) commissions have been offset by favourable variances in non-pay expenditure largely within Public Health, where project spend has been affected by the impact of CV-19 and local restrictions.
- 3.18 **Cost of Care:** A favourable variance of £1.729m is reported for 2020-21. It should be noted that the outturn position would have been significantly adverse had it not been for the substantial grant support which has helped to temporarily alleviate in-year financial pressures.

3.19 Capital Outturn

TABLE 3: 2020/21 Adult Care and Health – Capital Outturn

	Budget	Outturn	Variance		Adv/ Fav
	£000	£000	(+ Fav / - Adv) £000	%	
Adult Care & Health	1,021	211	810	79%	Favourable

- 3.20 Table 3 provides an update on the 2020/21 Capital Programme. Several variations have arisen since the programme was agreed in March 2020. The Covid-19 pandemic has delayed the expected programme of Assistive Technology installations and Extra Care Schemes in 2020-21. These budgets will be slipped into the next financial year (2021-22).

4.0 FINANCIAL IMPLICATIONS

- 4.1 This is the capital and 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.

REPORT AUTHOR: **Mark Goulding**
(*Senior Finance Business Partner*)
telephone: 0151 666 3403
email: markgoulding@wirral.gov.uk

APPENDICES

None

BACKGROUND PAPERS

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

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Adult Social Care and Public Health	13 Oct 20
Adult Social Care and Public Health	19 Nov 20
Adult Social Care and Public Health	18 Jan 21
Adult Social Care and Public Health	2 Mar 21