

ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE

Monday, 7 June 2021

REPORT TITLE:	2021/22 BUDGET MONITORING AND 22/23 BUDGET PROCESS
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

On 17 March 2021, the Committee approved the process for monitoring the 2021/22 budget and for commencing the budget setting process for 2022/23. This report highlights these processes and includes further supporting information to ensure they can be followed.

The Committee is aware that the Ministry for Housing, Local Government and Communities have provided a conditional offer of exceptional financial support (capitalisation directive) for 2021/22 of up to £10.7m. One of the conditions of that offer is that the Council will need to provide evidence from the assurance review of the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing.

Therefore, it is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it is reporting a forecast balanced position to the end of the year and that the process for 22/23 budget setting is underway early so that an agreed budget can be agreed by Full Council in March.

2021/22 Budget Monitoring

The report updates on the position for the 2021/22 budget and the role of the Committees in monitoring the budget during the year. This enables Committees to take ownership of their specific budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets. Supporting information is provided to the Committee in order for this to happen as part of the appendices. The Committee is accountable for ensuring that the committee budget remains within the relevant envelope and will take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remains in balance at all times, by agreeing mitigating actions to bring the budget back in line, should a deficit be forecast.

To enable committees to manage and monitor budgets effectively in year, a suite of detailed information will be provided on a quarterly basis:

- Full revenue budget monitoring report for the preceding quarter
- Full list of budget savings proposals and the progress for their achievement
- Full list of reserves allocated to the Committee for future on-off commitments
- Full capital budget monitoring report for the preceding quarter
- Other specific information relevant to the individual committee

In addition, committees who have requested it, will be provided with an exception report on a monthly basis, outside of the quarterly monitoring process. This will be a summary report and will highlight any known significant changes from the previous quarterly forecast that require the committees attention

2022/23 Budget Process

Members will note that one of the key documents required to enable the Council to receive approval for exceptional financial support was a balanced five-year medium term financial plan (MTFP). A summary of this was provided in the budget report to the Committee on 17 March 2021. This document was prepared by Officers and now requires committee oversight and approval. The Committees will consider whether the proposals included in the MTFP for the 2022/23 budget, and beyond, are to be taken forward or whether they are to be replaced by alternative proposals that the committee recommend.

Officers have prepared a suite of documents included within the appendices to support the Committee in its role of contributing to the budget setting process.

Each committee, supported by the officers, is accountable for identifying, developing and agreeing savings proposals during the summer to ensure a draft balanced budget can be considered by the Policy and Resources Committee in October 2021, to enable budget consultation to start in a timely manner in November 2021.

To enable the officer budget proposals to be scrutinised by the Committee, it is recommended that a budget working group be established to consider the content of the MTFP and make recommendations into the committee on the viability of the proposals, the robustness of the pressures/growth items and to recommend any additional proposals that the Committee require officers to prepare.

This matter affects all Wards within the Borough and is not a key decision.

RECOMMENDATION/S

That Adult Social Care and public Health committee:

1. Note the content of the report and the current forecast position of savings for 2021/22 and the ongoing work being undertaken to mitigate any under-achievement.
2. Agree to include the current proposals within this report from the Medium Term Financial Plan from 2022/23 – 2025/26 and the Director of Adult Care and Health to develop them into full business cases, where appropriate, for

inclusion in the 2022/23 budget proposals to Policy and Resources Committee at its October meeting for approval.

3. Convenes a series of budget workshops to identify any alternative savings/income/reductions in pressures to ensure that a full suite of costed and deliverable proposals can be recommended to the Policy and Resources Committee at its October meeting for approval.
4. Commence the Zero Based Budgeting project within the budget workshops to contribute to the overall savings target of £170k in 2021/22

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The 2021/22 Budget was agreed at Full Council on 1 March 2021. This budget was made up of savings proposals, pressures/growth items and funding that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.
- 1.2 The 2022/23 budget is required to be agreed by full Council no later than 11 March each year. Members should be engaged as early as possible in this process to have time to consider and recommend proposals to be able to present a balanced budget to full Council and to allow sufficient time for a meaningful public consultation exercise.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee could choose to not engage in the budget monitoring process for 2021/22 which could result in an overspend position for 2021/22 being reported.
- 2.2 The Committee could choose to not engage in the budget setting process for 2022/23 which could result in the inability to recommend a balanced budget to full Council in March 2022.
- 2.3 Both of these options would result in an unbalanced budget which is unlawful. Under these circumstances, the Section 151 Officer would be required to issue a section 114 notice and report this to all Members of Full Council. The outcome of which would result in intervention by Government.
- 2.4 The Committee can decide to establish their own process for monitoring the 2021/22 in-year budget and setting the 2022/23 budget. This would need to be agreed at the 29 June Policy and Resources Committee which reduces the time available to implement mitigating actions, where an adverse 2021/22 forecast maybe found.
- 2.5 This also reduces the time available for the identification and agreement of proposals to be included in the 2022/23 budget. Either of these delays could put the ability to present a balanced 21/22 and 22/23 budget at risk and increase the risk.

3.0 BACKGROUND INFORMATION

- 3.1 At its Committee in March, the Policy and Resources Committee agreed the process for managing and monitoring the 2021/22 budget. This process is as follows:

2021/22 Budget Monitoring

- 3.2 Committee's will be accountable for ensuring that the budget remains within the relevant envelope for each committee and will take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remains in balance at all times or provides mitigating actions to bring the budget back in line, should a year end deficit be forecast.
- 3.3 To enable committees to manage and monitor budgets effectively in year, a suite of detailed information will be provided on a quarterly basis:
- Full revenue budget monitoring report for the preceding quarter (available at the end of Quarter 1)
 - Summary Budget Book (Appendix 1)
 - Full list of budget savings proposals and the progress for their achievement (Appendix 3)
 - Full list of reserves allocated to the Committee for future on-off commitments (Appendix 4)
 - Full capital budget monitoring report for the preceding quarter (available at the end of Quarter 1)
 - Other specific information relevant to the individual committee
- 3.4 Committees had previously requested a budget book that detailed the individual budgets for each committee. Appendix 1 contains a summary of this by service. The full budget books are extremely detailed and could contain hundreds of separate lines and would be more conducive to a workshop where these can be scrutinised and discussed in detail. It is recommended that a budget working group is established by the Committee, convened immediately, that would meet throughout the summer to:
- Oversee the monitoring of the 2021/22 in-year budget
 - Review the detailed budgets for the committee
 - Undertake the Zero Based Budgeting exercise (paragraph 3.15)
 - Identify proposals/scrutinise pressures to be included for the 2022/23 budget (paragraphs 3.19 and 3.20)
- 3.5 Committees have the autonomy to vire (transfer) budgets from one function to another within their overall committee budget envelope. Virements will be also agreed by the relevant Statutory Officers as there are certain conditions where budgets are not allowed to be vired for the purposes of gaining a specific benefit e.g. where budgets from supplies budget headings are vired to employees budget headings to take advantage of an uplift for pay inflation.
- 3.6 Each committee will be responsible for remaining within its overall budget envelope and not overspending. Where an adverse variance is forecast, each committee will be required to take remedial action to bring the budget back in line and ensure that overspends are mitigated.

- 3.7 Where a committee has taken all possible steps for remedial action and is unable to mitigate an overspend, this must be reported to the P&R Committee who will take an organisational view of how this adverse variance will be managed. There must be immediate action agreed to ensure a forecast balanced budget can be reported, and this will be monitored by the P&R Committee.
- 3.8 Whilst each committee is required to remain within its annual budget envelope, there may be reasons for committees to report a favourable variance in-year. Committees wishing to use any forecast underspend must have approval from the P&R Committee to do this. The council cannot be in a situation where one committee is forecasting an overspend that it is unable to mitigate, and another committee is forecasting an underspend and utilises this for its own purposes.
- 3.9 The P&R Committee has overall responsibility for taking any necessary steps required to ensure a whole Council budget can report a balanced budget throughout the year.

2021/22 Interim Budget Forecast

- 3.10 As at June 2021, the majority of the approved 2021/22 savings are on target to be achieved. One saving is at risk of not being fully achieved relating to the Wirral Evolutions review of day services for people with Learning Disability. The Council have been supporting Wirral Evolutions for a number of months in order for them to review the services they provide at day centres.
- 3.11 Some of the savings are predicated on a number of staff leaving the Company on voluntary redundancy. As the saving was not approved until March, work could not start on staff consultation until after that date meaning that there would be a delay in staff being able to leave. The impact being a delay to the saving being achieved.
- 3.12 The Council will continue to work closely with the Company throughout the year to support them in being able to achieve the full saving.

Zero Based Budgeting

- 3.13 As part of the 2021/22 budget, a savings proposal of £170k to carry out a zero based budgeting exercise was agreed. Zero basing is a method of budgeting in which all expenditure must be justified before it is agreed. The process starts from a 'zero base' i.e. a zero budget and every function within the area is analysed for its needs and costs. Budgets are then built around what is needed for the following period, regardless of whether each budget is higher or lower than the previous one.
- 3.14 The process can be time-consuming and is usually undertaken in advance of the following years budget setting. The proposal for £170k saving recognises

that this is a part year saving and should provide an indication of further savings that could be achieved in 2022/23.

- 3.15 In order for this saving to be achieved in-year, it is recommended that Members of the budget workshops, supported by Officers, start the zero basing in July. Officers will shortly be undertaking a 'spring-clean' of budgets to ensure that the current activity is correctly reflected in the budgets in order for the zero-basing to be undertaken effectively.

2022/23 Budget Setting

- 3.16 The process for setting the 2022/23 will commence immediately. Officers, to satisfy the requirement of MHCLG for exceptional financial support, have compiled a five-year medium term financial plan (MTFP). Committees will consider whether the proposals included in the MTFP for the 2022/23 budget, and beyond, are to be taken forward or whether they are to be replaced by alternative proposals that the committees recommend.
- 3.17 The budget gap for the Council for 2022/23 currently stand at £19.5m. At the Policy and Resources Committee on 17 March, a full list of proposals were included in the budget report that balanced this gap. Since then, as Officers have been reviewing these proposals, some of these values are currently at risk and there now remains a forecast unmitigated budget gap, of around £5m.
- 3.18 In readiness for the first committees of the new municipal year, Officers have prepared a suite of documents for the committees. These are:
- List of future years savings and pressures included within the MTFP (Appendix 5)
 - Summary business cases for each of the savings' proposals in the MTFP for 2022/23 and whether any specific consultation is required for each one (To be included as part of the budget workshops)
 - Summary business cases for each of the perceived pressures/growth items in the MTFP with supporting evidence as to how they have been estimated (To be included as part of the budget workshops)
 - Oversight of all savings proposals and growth/pressures over the medium term for Members to ensure no duplication or contradiction across Committees (To be included as part of the budget workshops)
- 3.19 Each committee, via the budget working groups, will be accountable for identifying, developing and agreeing savings proposals during the summer to meet the 2022/23 budget gap and ensure a draft balanced budget can be considered by the P&R Committee in October 2021, to enable budget consultation to start in a timely manner in November 2021.
- 3.20 It is recommended that the budget workshops not only identify additional savings proposals to meet the gap but to scrutinise and challenge the pressures and growth items included in the MTFP for 2022/23 to see if these can be reduced.

Exceptional Financial Support

- 3.21 Members will be aware that in March, MHCLG provided a conditional offer of Exceptional Financial Support (EFS) to the Council of up to £10.7m to support the indirect pressures forecast as an ongoing impact of Covid-19 in the 2022/23 budget. One of the conditions of that offer was that an external assurance review would be commissioned by MHCLG.
- 3.22 In preparedness for this review, the Council has been working with the Chartered Institute of Public Finance and Accountancy (CIPFA) to carry out an interim assessment of MTFP and a high level review of the cost of the services the Council provides. Further information regarding EFS can be found at Appendix 6.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This report describes the process for 2021/22 budget monitoring and 2022/23 budget setting. Included within it are the current financial forecasts for both years. Therefore, all the financial implications are included within the body of the report.

5.0 LEGAL IMPLICATIONS

- 5.1 The role of the Policy and Resources Committee, in consultation with the respective Policy and Service Committees, has been charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and budget to recommend to the Council.
- 5.2 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.3 Section 30(6) of the Local Government Finance Act 1992 provides that the Council has to set its budget before 11th March in the financial year preceding the one in respect of which the budget is set.
- 5.4 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.

- 5.5 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. The detailed summary of responses provided are attached in the appendix to this report. It must be borne in mind that this is consultation on the budget proposals, not on the decision to take whatever decision is implied by the adoption of that budget. The consultation process, including the Council's consideration of the responses, is required to comply with the following overarching obligations (unless detailed statutory rules supplant these):
- (a) Consultation must be at a time when proposals are at a formative stage.
 - (b) The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
 - (c) Consulters must give sufficient time for responses to be made and considered.
 - (d) Responses must be conscientiously taken into account in finalising the decision. This is the same whether or not a public body was required to consult or chooses to do so. This is because all of those rules are aspects of an overriding requirement for 'fairness'. The process must be substantively fair and have the appearance of fairness. The setting of the budget and council tax by Members involves their consideration of choices.
- 5.6 When considering options, Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.
- 5.7 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.8 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.9 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.10 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 5.11 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to the Policy and Services Committees when considering decisions.
- 5.12 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.13 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
- 5.14 Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 At this time, there are no additional resource implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there will be resource implications, and these will be addressed within the relevant business cases presented to the Committee.

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget for 2021/22 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2021/22 budget, albeit the best estimates that were available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic etc
- 7.2 A robust monitoring and management process for the 2021/22 budget must be agreed and in place as soon as possible. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.

- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 The budget agreed by full Council on 1 March 2021 for 2021/22 was underpinned by an offer of a maximum of £10.7m exceptional financial support provided by MHCLG. This offer was conditional and is described in paragraph 3.21. If the Council does not accept recommendations made from the external assurance review, this may put the offer of the exceptional financial support at risk. If the Council is not able to report a balanced budget without some or all of the exceptional financial support, this may also result in the Section 151 Officer issuing a Section 114 notice in year.
- 7.5 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.
- 7.6 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.
- 7.7 The MTFP currently presents a balanced budget over a five-year period. If the committees are not minded to accept the proposals included by officers in the MTFP, especially for the 2022/23 budget, alternative proposals need to be identified and agreed as soon as possible. A delay in agreeing these may put the timetable for setting the 2022/23 at risk and may result in a balanced budget not being identified in time for the deadline of 11 March 2022.
- 7.8 The five-year MTFP is based on current estimated information available. A four-year comprehensive spending review (CSR) is anticipated from Government from 2022/23. Assumptions have been made in the current MTFP for income and funding from business rates and council tax and social care grants as the main sources of funding. If there is an adverse change to these assumptions as a result of the CSR, additional savings proposals or reduced expenditure would need to be identified as soon as possible to ensure a balanced five-year MTFP can be achieved. Committees will be kept updated with any announcements regarding the CSR through the year.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2021/22 budget monitoring process and the 2022/23 budget setting process. SLT have compiled the MTFP.

- 8.2 Since the budget was agreed at Full Council on 1 March, some proposals may have been the subject of further consultation with Members, Customer and Residents. The details of these are included within the individual business cases or are the subject of separate reports to the Committee

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 At this time, there are no further equality implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be equality implications associated with these, and these will be addressed within the relevant business cases presented to the Committee.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 At this time, there are no additional environmental and climate implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant business cases presented to the Committee.

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APPENDICES

- Appendix 1 Adult Social Care and Public Health Committee 2021-22 Budget Book
- Appendix 2 Adult Social Care and Public Health Committee 2020-21 Activity Profile
- Appendix 3 Achievement of 2021/22 approved savings
- Appendix 4 Committee Reserves
- Appendix 5 Future years savings proposals and Growth/Pressures
- Appendix 6 Exceptional Financial Support

BACKGROUND PAPERS

MHCLG Exceptional Financial Support Offer Letter

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	17 March 2021
Full Council	1 March 2021
Policy and Resources Committee	7 October 2020

APPENDIX 1

Adult Social Care and Public Health Committee 2021-22 Budget Book

The Adult Social Care and Public Health Committee oversees and is responsible for the full range of Adult Social Care and Public Health services that the population of our Borough require. This includes not only formal statutory care services but also preventative and community-based services, as well as responding outbreaks of disease.

The Committee will hold the Director to account for oversight of the care market including service commissioning and quality standards of adult social care services.

The Committee is responsible for Safeguarding vulnerable people, ensuring that social care needs are met and enabling people to live fulfilling lives and stay as independent as possible. The Adult Social Care and Health Committee is also responsible for the promotion of the health and wellbeing for the whole population of the Borough.

The tables below breakdown and explain the financial resources available to the Committee in 2021-22.

REVENUE BUDGETS

Revenue Budgets are the monies the Council allocates for its day-to-day expenditure. It is the amount of money the Council requires to provide its services during the year.

Table 1 below, highlights how the revenue budgets are allocated across the various Service Areas of the Adult Care and Health Directorate.

TABLE 1: 2021/22 Adult Social Care and Public Health – Service Budget

Service Area	Budget £000
ASC Central Functions	5,601
Older People Services - WCFT	51,693
Mental Health & Disability Services - CWP	52,626
Other Care Commissions	-104
Public Health	-1,714
Wirral Intelligence Service	480
Sub Total	108,582
Support/Admin Building Overhead	3,548
Movement in Reserves	1,452
Total Committee Budget	113,583

ASC Central Functions: This service area contains the central teams and support service functions which help adults social care to operate efficiently. Teams such as the Directorate Management Team, the Safeguarding Team and the Contract and Commissioning Team are included within this service area.

Older People Services – WCFT: This service area relates to the services for adult social care that range from 18+ and includes the vast majority of individuals that link in with Adult Social Care and primary services/community services. This support is largely for residents who require support in the short to medium term and mostly affects people coming out of hospital or illnesses occurring in later years of residents' lives. The delivery of these services is transferred to an external provider, Wirral Community Foundation NHS Trust (WCFT). WCFT have the contractual responsibility to manage the day-to-day operation of the services and are tasked with working collaboratively with the Council and partners to seek future efficiencies to mitigate against anticipated future service growth pressures. Services included in this area are Hospital Discharge, MASH (Multi Agency Safeguarding Hub) as well as support for older people to live independently at home, or with varying degrees of support, as per their assessment and support plan.

Mental Health & Disability Services – CWP: This service area relates to the individuals with complex needs/ diagnoses and usually have access to Secondary Services, such as Learning Disability Nursing and/or Mental Health services. This support is person-centred specialist support for someone, usually, with a chronic or long-term health condition, who requires extra assistance to manage their symptoms and day-to-day activities. There are three main types of services, Learning Disability (LD), Mental Health (MH) and Children with Disabilities (CwD). The delivery of these services is transferred to an external provider, the Cheshire and Wirral Partnership NHS Foundation Trust (CWP). CWP have the contractual responsibility to manage the day-to-day operation of the services and are tasked with working collaboratively with the Council and partners to seek future efficiencies to mitigate against anticipated future service growth pressures.

Other Care Commissions: This service area contains services and commissions which are generic to the work of Adult Social Care and/or do not fit easily within the service areas of Complex or Non-Complex care. Services such as Assistive Technology and the equipment service contract, as well as the commissions with voluntary organisations.

Public Health: Public Health responsibilities include, improving the health and wellbeing of residents, reducing differences between the health of different groups by promoting healthier lifestyles, providing Public Health advice to the NHS and the public, protecting residents from public health threats and hazards and preparing for and responding to public health emergencies.

Wirral Intelligence Service: This service area relates to the Wirral Intelligence Service Team who work with partners, groups and communities to help improve understanding of Wirral and its people; providing analysis which can be used to support services and campaigns for improving outcomes for residents.

Table 2, below, highlights how the revenue budget is allocated across the various subjective or types of expenditure.

TABLE 2: 2021/22 Adult Social Care and Public Health – Subjective Budget

Subjective	Budget £000
Income	-86,333
Expenditure:	
Employee	6,193
Non-Pay	54,835
Cost of Care	133,888
Total Expenditure	194,916
Sub Total	108,583
Support/Admin Building Overhead	3,548
Movement in Reserves	1,452
Total Committee Budget	113,583

Better Care Fund and the Section 75 pooled fund agreement

Elements of the Adult Social Care budgets, shown above, are funded via the Better Care Fund.

The Better Care Fund (BCF) is a programme, spanning both the NHS and local government, which seeks to join up health and social care services so that people can manage their own health and wellbeing and remain as independent as possible.

The Council has entered a pooled budget arrangement in partnership with Wirral NHS Clinical Commissioning Group, under Section 75 of the Health Act 2006, for the commissioning and delivery of various integrated Care & Health functions. This pooled budget is hosted by the Council and includes, but is not limited to, services funded by the Better Care Fund.

The pool incentivises the NHS and local government to work more closely together around people, placing their well-being as the focus of care and health services. The pooled fund arrangements are well established in Wirral and enable a range of responsive services to vulnerable Wirral residents, as well as a significant component of BCF funding to protect frontline social care delivery.

Table 3 below, provides a further detailed breakdown of the service budgets.

TABLE 3: 2021/22 Adult Social Care and Public Health – Service budgets

Service Areas	Income (£000)	Employee (£000)	Non-Pay (£000)	Cost of Care (£000)	Service Sub Total	Support/ Admin Building Overhead (£000)	Movement in Reserves (£000)	Net Total Budget (£000)
Central Functions	-2,782	3,258	4,832	293	5,601	3,287	0	8,888
Older People Services - WCFT								
WCFT Commissioning Contract	-4,194	0	9,533	-1,038	4,301	0	0	4,301
Neighbourhoods	-20,219	0	1	65,495	45,276	0	0	45,276
Integrated Neighbourhood Services	-5,990	0	69	8,036	2,115	0	0	2,115
Mental Health & Disability Services - CWP								
CWP Commissioning Contract	-475	0	5,982	-1,022	4,486	0	0	4,486
All Age Disability Service	-9,202	0	0	40,356	31,154	0	0	31,154
Mental Health Services	-3,957	0	2	13,834	9,879	0	0	9,879
Children with Disabilities Service	-80	2	96	1,102	1,120	0	0	1,120
Integrated Disability Services	-843	0	0	6,830	5,987	0	0	5,987
Other Care Commissions								
Care Commissions	-6,528	151	6,273	0	-104	0	0	-104
Adult Social Care Total	-54,269	3,410	26,787	133,887	109,816	3,287	0	113,102

Service Areas	Income Budget (£000)	Employee (£000)	Non-Pay (£000)	Cost of Care (£000)	Service Sub Total	Support/ Admin Building Overhead (£000)	Movement in Reserves (£000)	Net Total Budget (£000)
Public Health								
Wider determinants of health	-30,456	1,123	7,908	0	-21,425	262	1,946	-19,218
Collaborative Service CHAMPS	-645	754	385	0	494	0	-494	0
Children Non-Core Healthy Child Prog.	0	0	698	0	698	0	0	698
Children Core Healthy Child Prog.	0	0	5,317	0	5,317	0	0	5,317
Adults Health Improvement	0	0	388	0	388	0	0	388
Children Health Improvement	0	0	716	0	716	0	0	716
Drugs and Alcohol Abuse Adults	0	0	5,937	0	5,937	0	0	5,937
Stop Smoking Services	0	0	739	0	739	0	0	739
Sexual Health Services	0	0	2,938	0	2,938	0	0	2,938
Health Protection- Infection Control	0	0	270	0	270	0	0	270
Public Mental Health	-143	0	1,121	0	978	0	0	978
Miscellaneous Public Health	-375	0	1,568	0	1,193	0	0	1,193
Suicide Prevention	0	0	44	0	44	0	0	44
Public Health Total	-31,619	1,877	28,028	0	-1,714	262	1,452	0
Wirral Intelligence Service	-445	906	20	0	480	0	0	480
COMMITTEE BUDGET TOTAL	-86,333	6,193	54,835	133,887	108,583	3,548	1,452	113,583

CAPITAL BUDGET

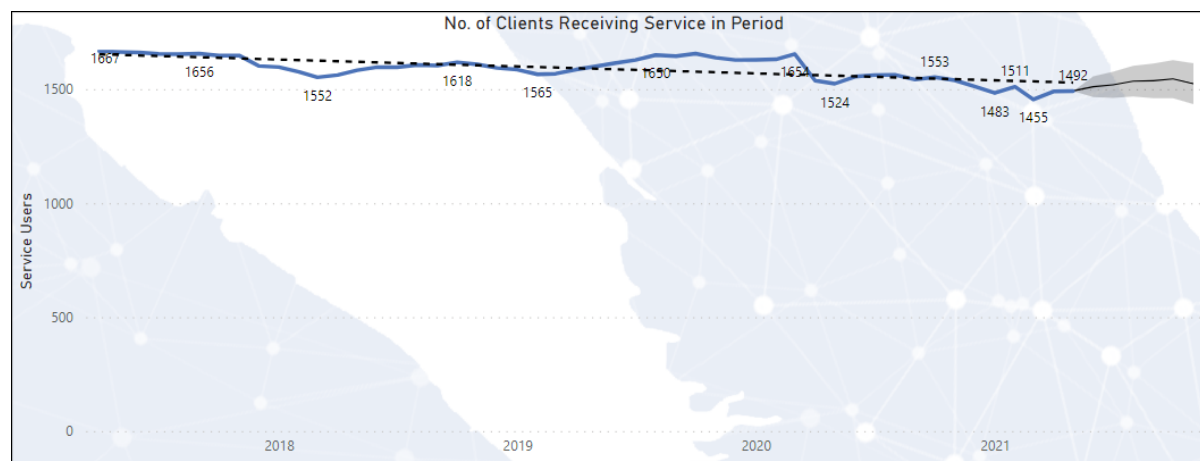
Capital budgets are the monies allocated for spend on providing or improving non-current assets, which include land, buildings and equipment, which will be of use or benefit in providing services for more than one financial year.

TABLE 4: 2020/21 Adult Social Care and Public Health – Capital Budget

Capital Programme	Budget £000
Extra Care Housing	2,874
Technology (Telecare & Integrated IT)	3,187
Community Intermediate Care	500
Total	6,561

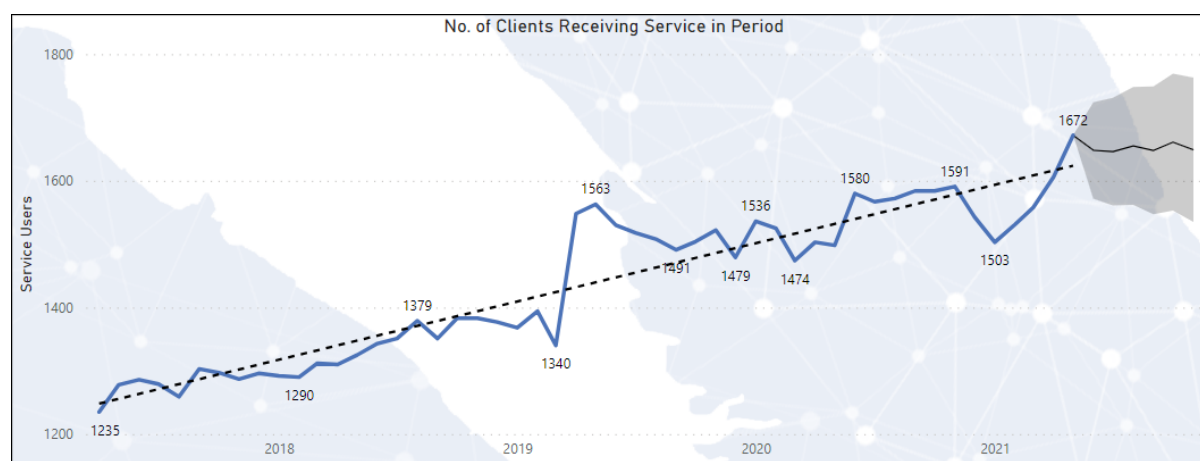
2020-21 Activity Profile

Residential/ Nursing Services (All service types)



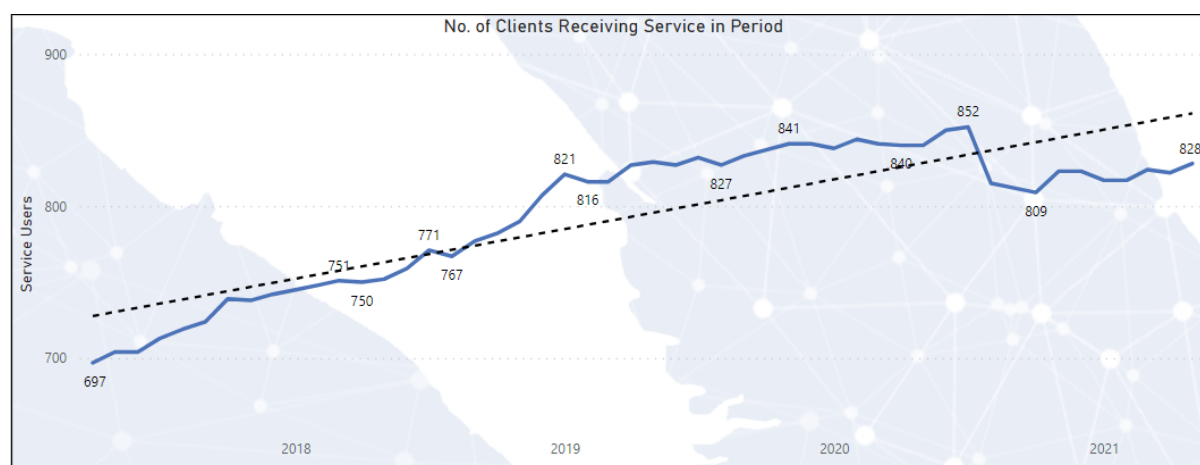
There was a small reduction in the number of overall residential /nursing service users between March 2020 and April 2020 (122 services, or 7.3%), which can at least in part be explained by a reduction in services such as Respite care as a result of COVID. Since then, services numbers have trended slightly down, with a 5.4% reduction in overall numbers in 2020/21.

Domiciliary Care Services



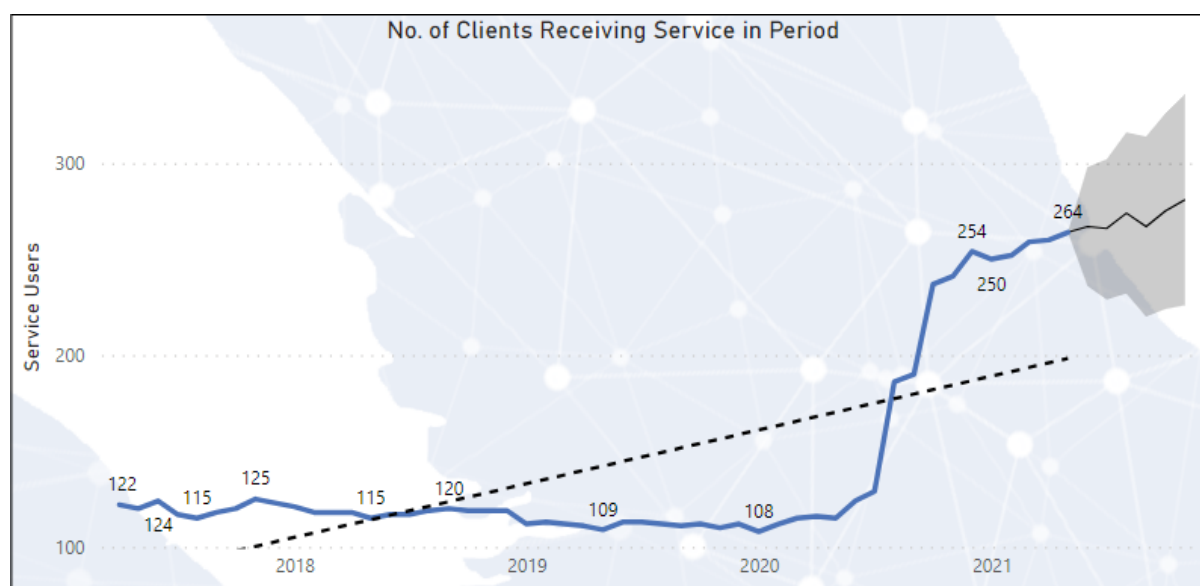
Domiciliary Care services saw a slight increase of service users between March 2020 and April 2020 (an increase of 29, or 1.9%), and an overall increase in 2020-21 of 3.7%. There was, however, a notable dip in service numbers in January 2021, at the peak of the second COVID-19 wave. Service numbers are trending upwards so far in 2021-22.

Supported Living Services



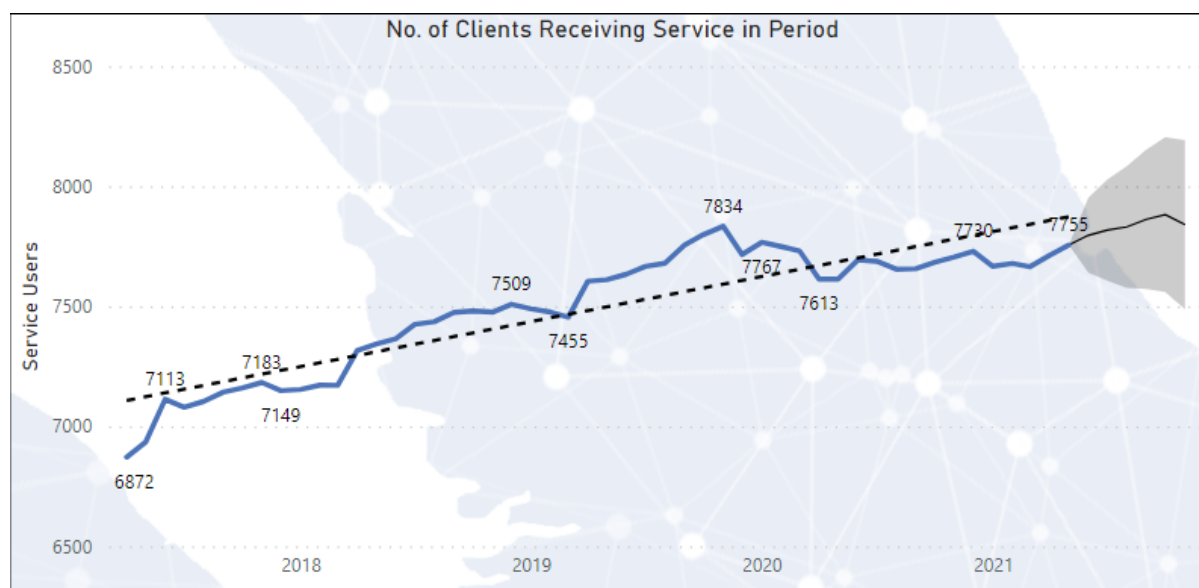
Supported Living services saw a 1.9% decrease over 2020-21, with a steep drop (37 services, or 4.3%) between July and August 2020 which relates to new extra care schemes opened on the Wirral. Numbers have remained constant apart from that one month though.

Extra Care Services



Extra Care service numbers saw a significant increase in 2020-21. Between July and December 2020, service numbers increased by 125, or 96.9% as new extra care housing provisions have begun to open.

All Current Services (All service types)



Looking at all services of any type currently delivered by Adult Social Care, again we see a slight drop between March 2020 and April 2020 (115 services, or 1.5%). Numbers remained fairly constant during 2020-21, with an overall 0.7% increase during the year.

Numbers are beginning to increase again in 2021-22, with a 1.2% increase in the first seven weeks of the year.

Market Position Statement

The Council is aiming in the long term to continue to reduce the number of long-term placements in residential and nursing settings as it continues to both improve and grow its domiciliary care offer and increase the number of Extra Care housing units.

The Council will continue to support and place people with only the most complex needs such as dementia. We will continue to provide respite care for people where all options of supporting in the community have been considered. We will de-commission and reduce the number of placements for long term care in a care home setting and look at alternatives accommodation models and we will increase care and support at home offer so that more people can be supported in their own homes.

We will support people to sustain and improve the quality of their life living at home, preventing deterioration and social isolation through regular monitoring and support, diverting people away from inappropriate and long-term reliance on health and social care services unless they are absolutely necessary.

One of our main focuses for the future will be to deploy a range of technologies, with an ambitious roll out to support both health and care outcomes. This will include a range of technologies including electronic support planning, equipment to help people remain at home and also to make them more independent.

APPENDIX 3

Progress on the achievement of approved 2021/22 Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Demand Mitigations	£3.8m	£3.8m	Green	On target to be achieved
Change Initiatives	£0.2m	£0.2m	Green	Work commenced with Partners for Change who are supporting this initiative
Wirral Evolutions review of day services for people with Learning Disability	£0.5m	£0.25m	Amber	Reliant on staff exits via voluntary redundancy which did not commence until April resulting in a delay to achievement
TOTAL	£4.5M	£4.25M		

APPENDIX 4**List of Reserves as at 1 April 2021**

Reserve Name	Value £	Total £
Public Health Ringfenced Grant	-3,681,921	
Champs Innovation Fund	-2,418,534	
Champs Covid-19 Contact Tracing Hub	-1,962,303	
Safeguarding Adults Board	-180,819	
Adult Social Care & Public Health Total		-8,243,577

APPENDIX 5

Future years budget proposals and Pressures/Growth Items

Savings Proposals	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Demand Mitigations	3.0	4.0	4.0	4.0
Change Initiatives	1.0	1.0		
All Age Disability		1.0		
Total	4.0	5.0	4.0	4.0
Pressures/Growth Items				
Demand growth for Older People and Learning Disability	2.4	2.4	2.4	2.4
Care Cost Demand Pressures	3.0	3.0	3.0	3.0
Specialist Fee Rate Increases	0.3	0.3	0.3	0.3
Contract Increases	0.5	0.5	0.5	0.5
Total	6.2	6.2	6.2	6.2
Net Pressures	2.2	1.2	2.2	2.2

APPENDIX 6

Exceptional Financial Support

In March, the Ministry for Housing, Communities and Local Government (MHCLG) made an offer of £10.7m to the Council for exceptional financial support, sometimes called a capitalisation direction of capitalisation directive. This means that MHCLG approved the Council, in principle, to borrow £10.7m of funds to help ensure a balanced budget could be agreed by Full Council on 1 March. Borrowing to fund revenue (day to day) expenditure is not normally allowed under law, but on this occasion, a special case was put to HM Treasury and approved.

The Council had not been able to identify sufficient savings to balance the budget, due to additional financial pressures present as a result the outcome of Covid-19. Such pressures include Adults and Children's Social Care increases, SEN transport increases and Homelessness increases. Ordinarily, a Council would use its reserves and balances to help balance its budget in times of crisis and would not have to apply for exceptional financial support, however the Council does not have the level of reserves and balances to be able to do this.

The borrowing has to be paid back over a 20 year timeframe and costs the Council an additional 1% in interest over and above what it would it normally expect to pay, so it is prudent for the Council to identify any further proposals to reduce the level of exceptional financial support that it requires, so that the interest payments can also reduce.

The offer of exceptional finance support from MHCLG came with conditions which included an external assurance review that would review the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing. Therefore, as part of the external assurance review, MHCLG will be looking for areas that the Council can reduce its expenditure so that it may not have to provide all or any of the exceptional financial support offered.

This means that a further £10.7m proposals could be recommended to be implemented in year. If the Council fails to comply with MHCLG recommendations, the exceptional financial support may not be provided and a balanced budget could not be forecast to the end of the year.

In this circumstance, the Section 151 Officer would have to issue a Section 114 notice which states that the Councils' expenditure exceeds its funding and this would be reported to Full Council. The outcome of this would result in Government intervention and Commissioners appointed to manage the financial affairs of the Council. During the period of issuing a Section 114 notice, only statutory and contracted expenditure is allowed to take place, all other expenditure must stop.