

**ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE****23 September 2021**

<b>REPORT TITLE:</b>	<b>REVENUE BUDGET MONITORING QUARTER 1</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CARE AND HEALTH</b>

**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 projected year-end revenue position, as reported at quarter 1 (Apr-Jun) 2021/22.

**RECOMMENDATION/S**

The Adult Social Care and Public Health Committee is recommended to:

1. Note the projected year-end revenue forecast position of £0.61m favourable, as reported at quarter 1 (Apr – Jun) of 2021/22
2. Note progress on the achievement of approved savings and the projected year end forecast position at quarter 1 (Apr – Jun) of 2021/22
3. Note the reserves allocated to the Committee for future one-off commitments.
4. Note the projected year-end capital forecast position of £3.2m favourable, as reported at quarter 1 (Apr – Jun) of 2021/22
5. Note the current activity profiles from 2018 to quarter 1 (April – Jun) of 2021/22

## 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 Update reports could be provided at a different frequency however quarterly monitoring is considered good practice.

### 3.0 BACKGROUND INFORMATION

#### Revenue Forecast Position

- 3.1 This section provides a summary of the projected year-end revenue position as at the end of Quarter 1, Month 3 (June 2021) of the 2021/22 financial year.
- 3.2 As at the end of June 2021 (Quarter 1), the financial forecast year end position for Adult Care and Public Health is a small favourable variance of £0.61m against a budget of £113.6m.
- 3.3 The current forecast assumes full achievement of the £4.5m savings target and continued uptake by community care providers of the Real Living Wage fee rates as agreed at Committee on 7<sup>th</sup> June 2021.

**TABLE 1 2021/22 Adult Care and Public Health – Service Budget & Forecast**

	Budget	Forecast	Variance		Adv/ Fav
	£000	£000	£000	%	
Adult Social Care Central Functions	5,601	5,163	438	8%	Favourable
Older People Services - WCFT	51,693	51,351	342	1%	Favourable
Mental Health & Disability Services - CWP	52,626	52,804	-178	0%	Adverse
Other Care Commissions	-104	-91	-13	-13%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	480	457	23	5%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>110,034</b>	<b>109,422</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>
Support/ Admin Building Overhead	3,548	3,548	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>113,582</b>	<b>112,970</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>

- 3.4 **Central Functions:** A favourable variance of £0.438m is reported at quarter 1. This variance is as a result of a small number of vacancies, delays in recruitment and some staff not paid at top of scale. This position will continue to be monitored throughout the year.
- 3.5 **Older People Services:** A favourable variance of £0.342m is reported at quarter 1. The variance will reflect some slippage against providers who have yet to sign up to the Real Living Wage approved rates and will therefore be paid at the standard rate. The forecast assumes full achievement of the £2m savings target attributed to Older People services.
- 3.6 **Mental Health & Disability Services:** An adverse variance of £0.178m is reported at quarter 1. This is largely due to a shortfall against expected income although this is an improved position from month 2. The forecast assumes full achievement of the £2.5m savings target attributed to complex care services.
- 3.7 **Other Care Commissions:** An adverse variance of £0.013m is reported at quarter 1 due to a number of minor variances from budget.
- 3.8 **Public Health:** A balanced position is reported at quarter 1. Public Health is a ringfenced grant with an annual value £30.1m 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 £0.023m is reported at quarter 1. The minor forecast surplus within this Service Area is relates to employee budgets.
- 3.10 As the Council has a capitalisation offer from HM Treasury of £10.7m this year to offset Covid-19 pressures, any favourable variance that reduces these pressures will result in the equivalent reduction of the capitalisation directive. Pressures arising from Covid-19 associated with this committee are the costs of the Real Living Wage.

**TABLE 2 2021/22 Adult Care and Public Health – Subjective Budget & Forecast**

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Adv/ Fav</b>
	£000	£000	(+ Fav, - Adv) £000	%	
Income	-87,429	-86,758	-671	1%	Adverse
<b>Expenditure:</b>					
Employee	6,579	6,131	448	7%	Favourable
Non Pay	56,998	57,046	-48	0%	Adverse
Cost of Care	133,887	133,003	884	1%	Favourable
<b>Total Expenditure</b>	<b>195,427</b>	<b>194,007</b>	<b>1,420</b>	<b>1%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>110,034</b>	<b>109,422</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>
Support/Admin Building Overhead	3,548	3,548	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>113,582</b>	<b>112,970</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>

- 3.11 **Income:** An adverse variance of £0.671m is reported at quarter 1. £0.5m of which is due to a variance against client income. An adverse variance against client income will be offset against a favourable variance within changing demands in cost of care. There is also an adverse variance against BCF income which will be offset against a favourable cost of care variance.
- 3.12 **Employee:** A favourable variance of £0.448m is reported at quarter 1. The forecast surplus within Employee budgets is due to existing vacant posts and staff not at the top of their pay scales (although the budget is set assuming that this is the case).
- 3.13 **Non Pay:** An adverse variance of £0.048m is reported at quarter 1. This is due to minor variances to budget.
- 3.14 **Cost of Care:** A favourable variance of £0.884m is reported at quarter 1. The forecast assumes the full savings target of £4.5m is achieved during this financial year and providers continue to sign up to the Real Living Wage rates approved at Committee on 7<sup>th</sup> June 2021.

### **Budget Saving Achievement Progress**

- 3.15 Within each Committee's revenue budget there are a number of savings proposals 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.

**TABLE 3: 2021/22 Adult Care and Public Health – Budget Savings**

<b>Saving Title</b>	<b>Agreed Value</b>	<b>Achieved to Date</b>	<b>Forecast Value</b>	<b>RAG Rating</b>	<b>Comments</b>
Demand Mitigations	£3.8m	£0.4m	£3.8m	<b>Green</b>	On target to be achieved
Change Initiatives	£0.2m	£0.0m	£0.2m	<b>Green</b>	Work commenced with Partners for Change who are supporting this initiative
Wirral Evolutions review of day services for people with Learning Disability	£0.5m	£0.1m	£0.5m	<b>Green</b>	Wirral Evolutions have been requested to report to the Adults Social Care and Public Health Committee in the autumn with their business plan. This will result in a delay in restructure and therefore the savings will be made via other agreed means
<b>TOTAL</b>	<b>£4.5M</b>	<b>£0.5M</b>	<b>£4.5M</b>		

- 3.16 **Demand Mitigations:** As part of the Community Health and Care Efficiency Improvement Programme the Wirral Community Health and Care NHS Foundation Trust (WCHC) and Cheshire & Wirral Partnership Trust (CWP) have been tasked with delivering savings from their delegated responsibilities budget. The Trusts undertake a programme of targeted work each year to deliver savings against the care budget allocation. Activity includes focussed review work to ensure that people receive the right level of support, supporting people to access services that are proportionate to their needs, and working with commissioners on a range of activity to ensure best value and to achieve the best outcomes for people who need care and support.
- 3.17 **Change Initiatives:** Adult Social Care and Health are working with Partners for Change to explore a new way of working with people who ask for care and support or who already use care and support services. This is a cultural change programme, working with staff and with people who use services in “innovation sites”, responding to their needs with a different conversation. Rather than resorting to a traditional range of services to meet needs, staff will have a different conversation with people to identify what really matters to them and how they can find solutions to their needs, with support and with a different approach.
- 3.18 **Wirral Evolutions:** Wirral Evolutions are progressing with a service review, including their staffing arrangements, in order to manage their operating service costs within the agreed service payment and to reduce their costs by £0.5M.

### **Earmarked Reserves**

- 3.19 Earmarked reserves are amounts set aside for a specific purpose or projects.

**TABLE 4: 2021/22 Adult Care and Public Health – Earmarked Reserves**

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Social Care - Safeguarding	181	0	0	181
Public Health Ringfenced Grant	3,682	-2,173	0	1,509
Champs Innovation Fund	2,419	0	0	2,419
Champs Covid-19 Contact Tracing Hub	1,962	0	0	1,962
<b>Total</b>	<b>8,244</b>	<b>-2,173</b>	<b>0</b>	<b>6,071</b>

3.20 The Safeguarding reserve within Adult Social Care has a balance of £0.2m. The funding for the combined Board has now ceased. If required, the residual funds will be used to support the Merseyside Safeguarding Adults Board business unit transition period and any residual SARs (Safeguarding Adults Reviews).

3.21 The Public Health Ringfenced grant reserve has a balance of £3.7m. The forecast use of £2.2m for 2021/22 supports the spending plans of £32.8m along with the £30.1m grant allocation for the current year.

### Capital Forecast Position

3.22 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.

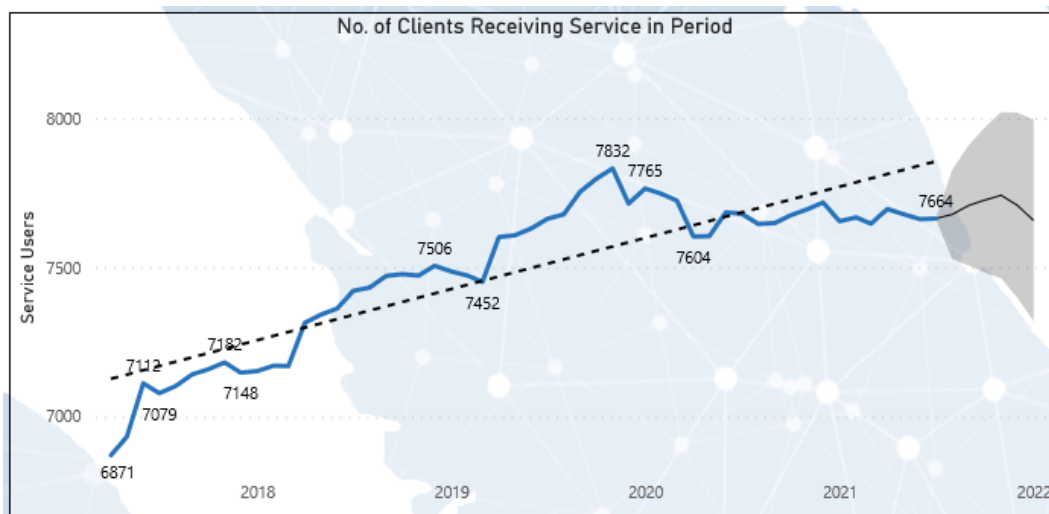
**TABLE 5: 2021/22 Adult Care and Public Health – Capital Budget and Forecast**

Capital Programme	2021/22			2022/23
	Budget £000	Outturn £000	Variance £000	Budget £000
Citizen and Provider Portal/Integrated I.T.	112	112	0	0
Community Intermediate Care	500	0	500	500
Extra Care Housing	2,874	2,874	0	2,467
Heswall Day Centre (part only)	127	127	0	0
Leasowe Leisure Centre/Wirral Evolutions	1,720	0	1,720	1,720
Liquid Logic – Early Intervention & Prevention		125	(125)	125
Telecare & Telehealth Ecosystem	3,075	383	2,692	1,200
<b>Total</b>	<b>8,408</b>	<b>3,621</b>	<b>4,787</b>	<b>6,012</b>

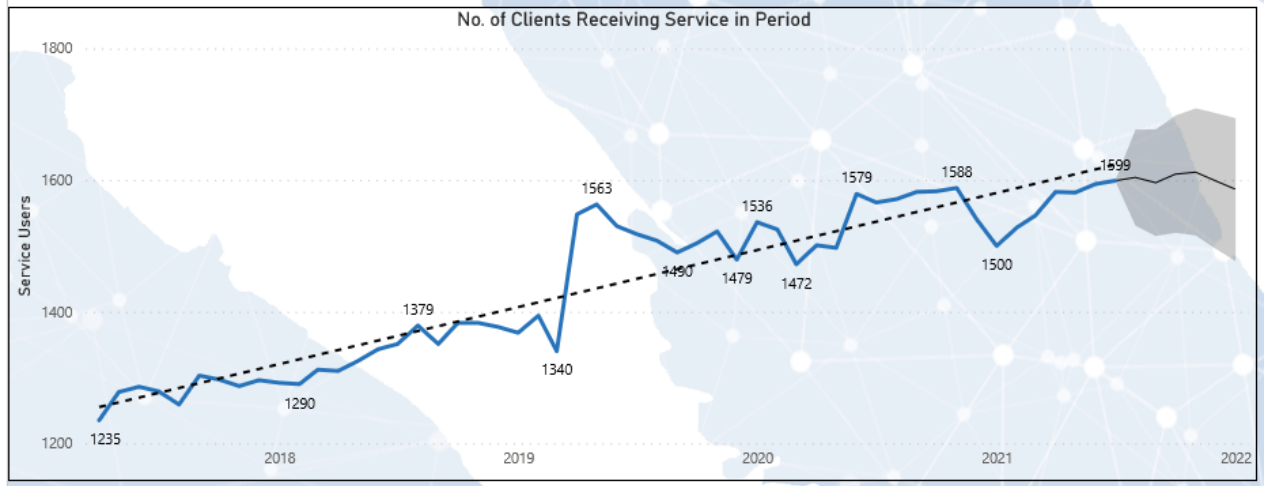
- 3.23 **Telecare & Telehealth Ecosystem:** Variance to the programme is due to the ability to attract additional funding and other resources that at the time of planning were impossible to have predicted. These spending plans may change in response to wider health and care system activity in Wirral, with contributions from partners, along with plans being developed by Cheshire and Merseyside Integrated Care System and NHSX / NHS Digital to fund remote monitoring activities in the region.
- 3.24 **Extra Care:** Poppyfields is due to open in July 2021 when it is completed and the remaining grant of £109,828.50 will then be paid. The Housing 21 Scheme in Upton is not expected to begin on site until planning permission is granted, when £2,764,050 (75% of the expected grant) will be paid.
- 3.25 **Leasowe Leisure Centre/Wirral Evolutions:** This capital programme will be deferred to 2022/23 pending the outcome of Committee review on the future service structure.

### Activity Data

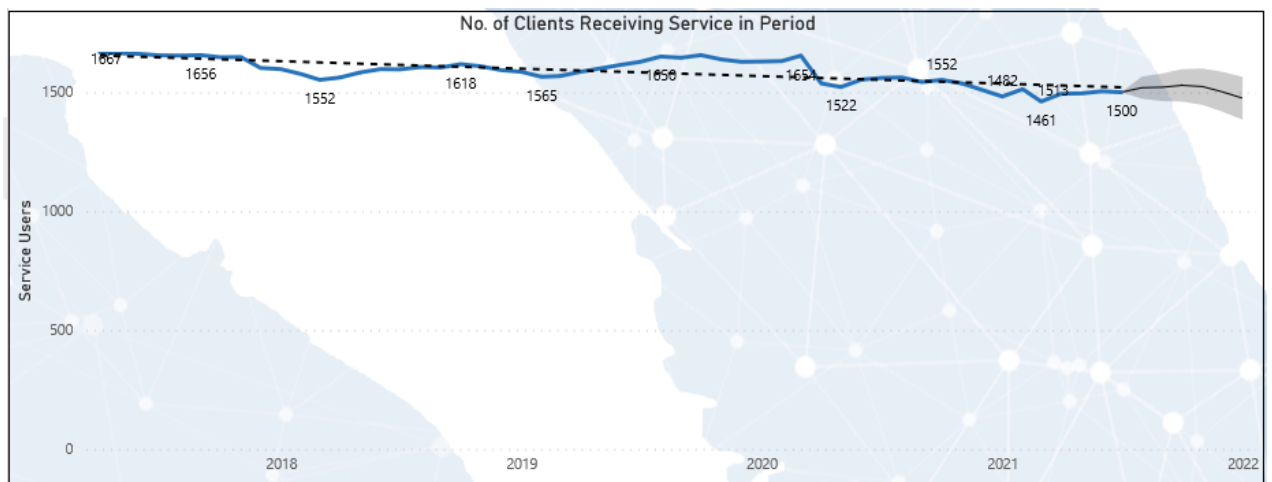
- 3.26 **All Current Services:** The table below represents the number of current services provided by Adult Social Care. There are currently 7,664 active services across Adult Social Care. Looking at all services of any type currently delivered we see a slight drop between March 2020 and April 2020 (120 services, or 2%). Numbers remained fairly constant during 2020-21, with an overall 0.35% (28 clients) reduction during the year.



- 3.27 **Domiciliary Care Services:** The table below represents the number of current domiciliary care services provided by Adult Social Care. There are currently 1,599 open 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 2.85%. 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.

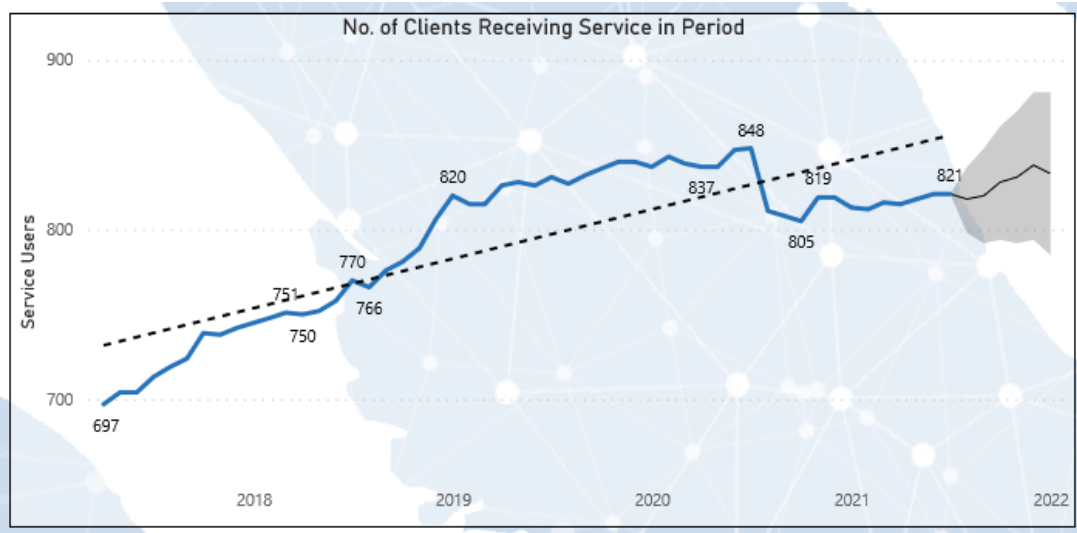


**3.28 Residential and Nursing Care Services:** The table below represents the number of residential and nursing care services currently provided by Adult Social Care. There are currently 1,500 open residential and nursing care packages. There was a small reduction in the number of overall residential /nursing service users between March 2020 and April 2020 (117 services, or 7.07%), 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 5.07% reduction in overall numbers in 2020/21.

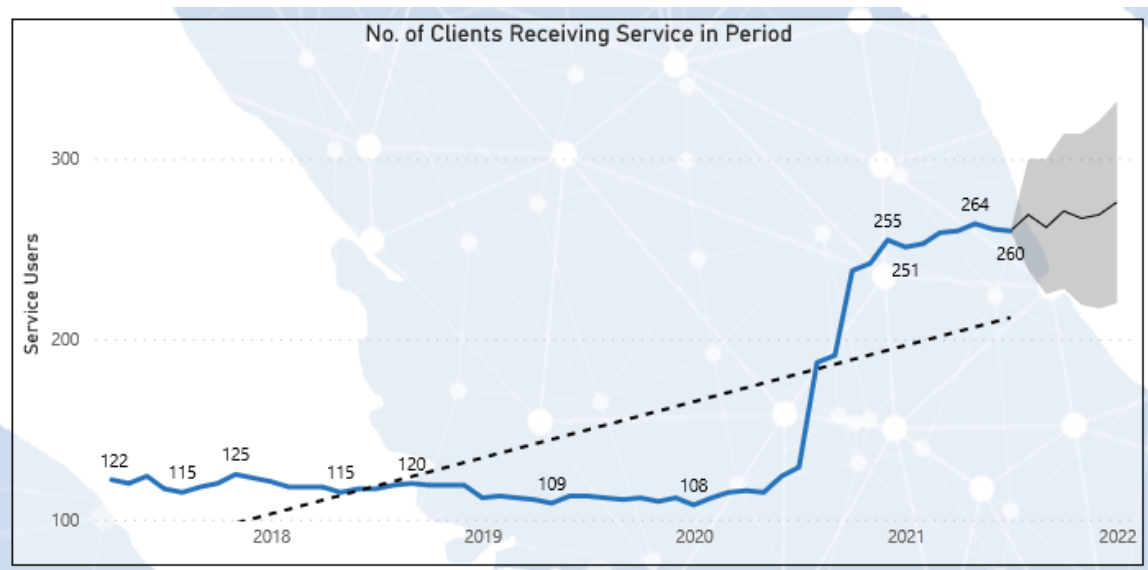


**3.29 Supported Living Care Services:** The table below represents the current number of supported living care services provided by Adult Social Care. There are currently 821 open supported living care packages. Supported Living services saw a 2.1% decrease over 2020-21, with a steep drop (37 services, or 4.36%) 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.

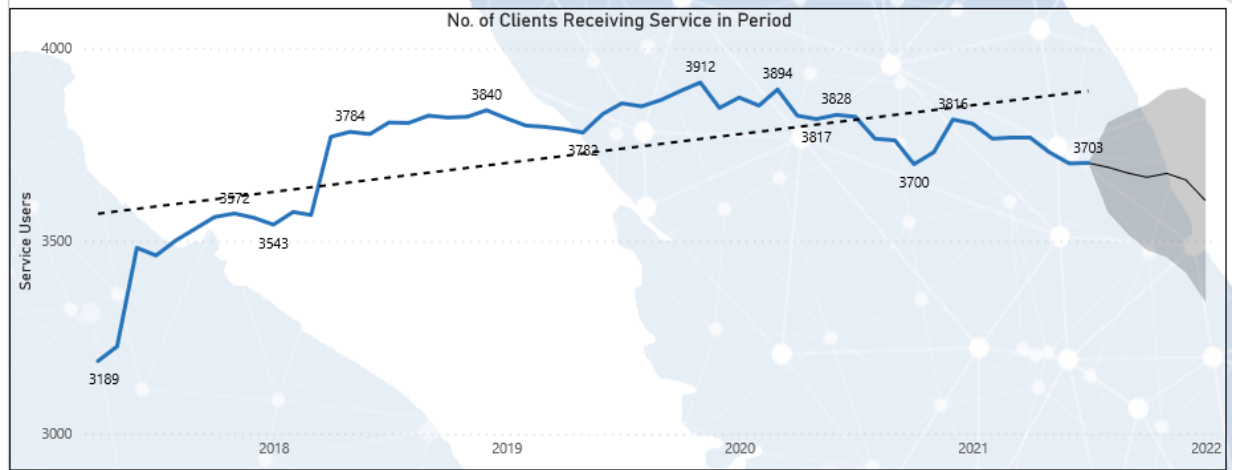




3.30 **Extra Care Services:** The table below represents the number of extra care services currently provided by Adult Social Care. There are currently 260 open extra care provisions within Adult Social Care. Extra Care service numbers saw a significant increase in 2020-21. Between July and December 2020, service numbers increased by 125, or 96.9% as new extra care housing provisions have begun to open.



3.31 **Assistive Technology:** The table below represents the number of assistive technology services currently provided by Adult Social Care. There are currently 3,703 clients in receipt of Assistive Technology support. There was a drop in numbers in the first half of last financial year which lifted by December 2020. Numbers are currently down by 2.9% on June 2020. The number of clients receiving Assistive Technology support represents 48.5% of the total clients currently receiving support which hasn't varied greatly to June 2020 at 49.8%.



## 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 Public Health Directorate for 2021/22. 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 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.
- 5.2 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.
- 5.3 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.

## **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 themes in the Wirral Plan were initially informed by stakeholder engagement carried out in 2019, as part of the development of the Wirral Plan 2025. These themes have remained the same, however further engagement has been sought over the past year aligned to the refreshed Wirral Plan 2021 - 2026 to ensure social and economic changes as a result of the pandemic and other factors are reflected.

## **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 includes five themed areas. One of which is focused on creating a 'Sustainable Environment', which outlines our ambitions and priorities for tackling the climate emergency. These are based on developing and delivering action plans that will 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:** **Sara Morris**  
Senior Finance Business Partner (Acting)  
telephone: 0151 666 3412  
email: saramorris@wirral.gov.uk

## **APPENDICES**

None

**BACKGROUND PAPERS**

- 2021/22 Revenue Budget Monitor for Quarter 1 (Apr - Jun)
- Revenue Budget 2021/22 and Medium-Term Financial Plan (2021/22 to 2025/26)

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Adult Social Care and Public Health Committee	29 <sup>th</sup> July 2021
Adult Social Care and Public Health Committee	7 <sup>th</sup> June 2021