

**ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE****16 November 2021**

<b>REPORT TITLE:</b>	<b>REVENUE BUDGET MONITORING QUARTER 2</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 2 (Apr-Sep) 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 £0.481m favourable, as reported at quarter 2 (Apr – Sep) of 2021/22
2. Note progress on the achievement of approved savings and the projected year end forecast position at quarter 2 (Apr – Sep) 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 £0.125m adverse, as reported at quarter 2 (Apr – Sep) of 2021/22
5. Note the current activity profiles from 2018 to quarter 2 (April – Sep) of 2021/22

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 Regular monitoring and reporting of the Revenue Budgets, achievement of savings 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 2, month 6 (September 2021) of the 2021/22 financial year.
- 3.2 As at the end of September 2021 (quarter 2), the financial forecast year end position for Adult Social Care and Public Health is a small favourable variance of £0.481m against a budget of £113.582m.
- 3.3 This forecast anticipates continued uptake by providers of the Real Living Wage fee rates agreed at Committee on 7<sup>th</sup> June 2021 and full achievement of the £4.5m saving target against community care. Provision is also identified for anticipated winter pressures.
- 3.4 Government funding for hospital discharge has now been extended to March 2022. For the period April to August 2021 funds of £0.7m have been received and are reflected in the forecast figures.

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

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b> (+ Fav, - Adv)		<b>Adv/ Fav</b>
	£000	£000	£000	%	
Adult Social Care Central Functions	5,601	5,218	383	7%	Favourable
Older People Services - WCFT	51,693	51,484	209	0%	Favourable
Mental Health & Disability Services - CWP	52,626	52,717	-91	0%	Adverse
Other Care Commissions	-104	-55	-49	-47%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	480	450	30	6%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>110,034</b>	<b>109,552</b>	<b>481</b>	<b>0%</b>	<b>Favourable</b>
Support/ Admin Building Overhead	3,548	3,548	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>113,582</b>	<b>113,101</b>	<b>481</b>	<b>0%</b>	<b>Favourable</b>

3.5 **Central Functions:** A favourable variance of £0.383m is reported at quarter 2. This variance is a result of a small number of vacancies and delays in recruitment. This position will continue to be monitored throughout the year.

3.6 **Older People Services:** A favourable variance of £0.209m is reported at quarter 2. The forecast assumes full achievement of the £2m savings target attributed to Older People services. 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 table below represents the current percentage of providers and care provided that is currently paid at Real Living Wage rates:

	Figures based on current open provisions as at 21/9/21			
	Total Providers	RLW rate agreed	% by Provider	% by Client
Dom Care	29	22	75.86%	98.81%
Supported Living	58	30	51.72%	66.00%
Res/Nurs	149	44	29.53%	49.31%

3.7 **Mental Health & Disability Services:** An adverse variance of £0.091m is reported at quarter 2. This is an improved position from quarter 1 due to minor favourable movements across community care. The forecast assumes full achievement of the £2.5m savings target attributed to complex care services.

3.8 **Other Care Commissions:** An adverse variance of £0.049m is reported at quarter 2 due to a number of minor variances from budget.

- 3.9 **Public Health:** A balanced position is reported at quarter 2. 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.
- 3.10 **Wirral Intelligence Team:** A favourable variance of £0.030m is reported at quarter 2. The minor forecast surplus within this Service Area is relates to employee budgets.
- 3.11 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 Social 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	-88,055	-88,378	324	0%	Favourable
<b>Expenditure:</b>					
Employee	6,579	6,221	358	5%	Favourable
Non Pay	57,623	57,823	-200	0%	Adverse
Cost of Care	133,887	133,887	0	0%	
<b>Total Expenditure</b>	<b>198,088</b>	<b>197,931</b>	<b>158</b>	<b>0%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>110,034</b>	<b>109,552</b>	<b>481</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>113,101</b>	<b>481</b>	<b>0%</b>	<b>Favourable</b>

- 3.12 **Income:** A favourable variance of £0.324m is reported at quarter 2. £0.274m of which is due to a favourable variance against client income. This is an improved position from quarter 1 and will be offset against a variance within changing demands in cost of care.
- 3.13 **Employee:** A favourable variance of £0.358m is reported at quarter 2. The forecast surplus within Employee budgets is due to vacancies, part year and full year.
- 3.14 **Non Pay:** An adverse variance of £0.200m is reported at quarter 2. This is due to minor variances to budget.
- 3.15 **Cost of Care:** A balances position is reported at quarter 2. 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. Provision is also identified for anticipated winter pressures across the care system.

## Budget Saving Achievement Progress

- 3.16 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 Social Care and Public Health – Budget Savings**

Saving Title	Agreed Value	Achieved to Date	Forecast Value	RAG Rating	Comments
Demand Mitigations	£3.8m	£1.9m	£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	£0.3m	£0.5m	<b>Amber (Green after mitigations applied)</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, however the savings will still be achieved through the Social Care Grant
<b>TOTAL</b>	<b>£4.5M</b>	<b>£2.2M</b>	<b>£4.5M</b>		

- 3.17 **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.
- 3.18 **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.

- 3.19 **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

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

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

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Use of Reserve £000</b>	<b>Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Adult Social Care - Safeguarding	181	0	0	181
Public Health Ringfenced Grant	3,682	0	2,114	5,796
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>0</b>	<b>2,114</b>	<b>10,358</b>

- 3.21 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).
- 3.22 The Public Health Ringfenced grant reserve has a balance of £3.7m. Current spending plans against this years' grant allocation of £30.1m will result in a transfer to reserve of £2.1m to meet future year contractual commitments.

## Capital Forecast Position

- 3.23 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.

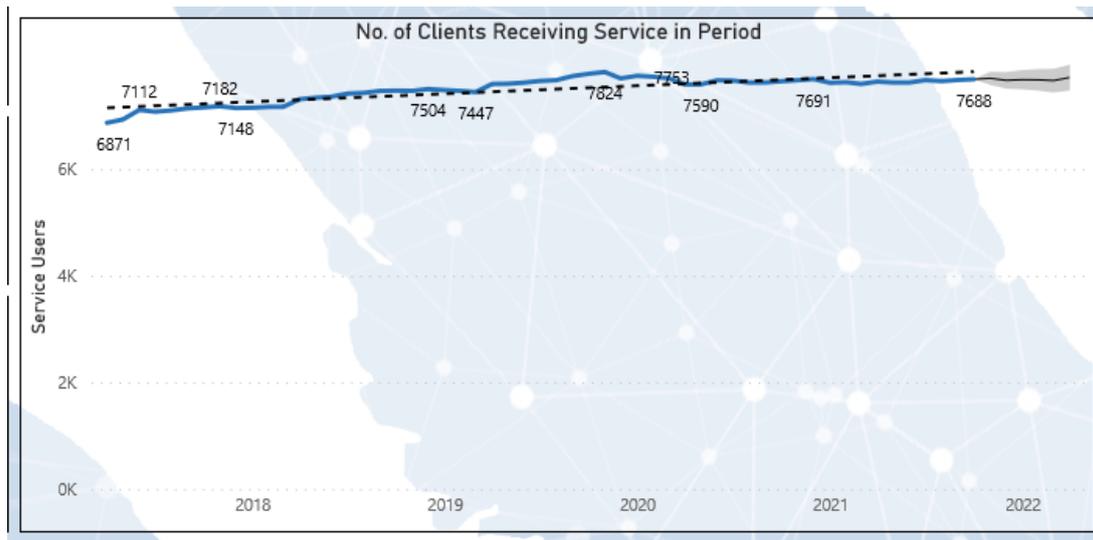
**TABLE 5: 2021/22 Adult Social Care and Public Health – Capital Budget and Forecast**

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
Extra Care Housing	2,874	2,874	0	2,467
Liquid Logic – Early Intervention & Prevention		125	(125)	125
Telecare & Telehealth Ecosystem	454	454	0	841
<b>Total</b>	<b>3,440</b>	<b>3,565</b>	<b>(125)</b>	<b>3,433</b>

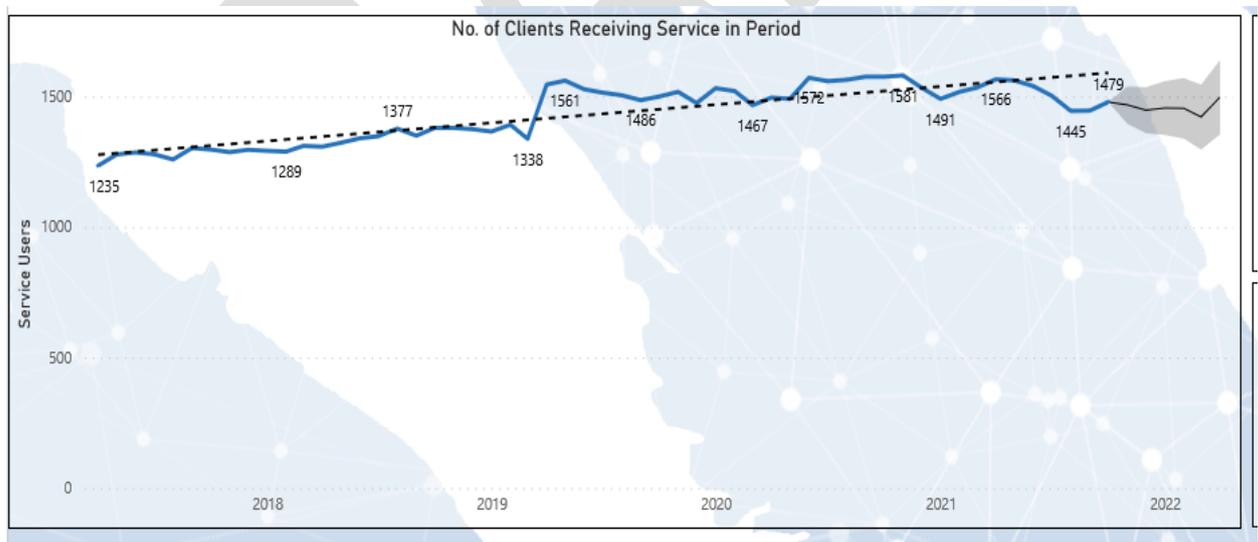
- 3.24 **Telecare & Telehealth Ecosystem:** A full review of spending and a revised capital requirement has been completed this month. Predicted costs of £3m have been reduced as additional funding streams become available – in total over £415k of planned Council expenditure has been avoided and met by the NHS. Discussions are ongoing to confirm the level of borrowing required to deliver this programme of work as greater alignment and stronger interdepartmental working with Strategic Housing is considered. Further variance is expected as negotiations with suppliers result in better value purchasing, along with continued investment from NHS.
- 3.25 **Extra Care:** Poppyfields is now open and almost fully occupied. The Housing 21 Scheme in Upton is expected to start January 2022 when £2,764,050 (75% of the expected grant) will be paid. Completion is estimated as July 2023. The Rock Ferry High site is expected to complete 2023 and the Belong Scheme in late 2022.
- 3.26 **Citizen and Provider Portal/Integrated I.T.:** The enhanced functionality for portal developments and integrated system elements are currently being tested with the aim of a planned roll out by the end of this financial year. This will be dependent on the necessary testing being successfully completed for implementation for the committed spend. This covers a broader range of online adult social care services ability for providers and residents with integration across the core case management system for brokering services. An enhanced care finder element will focus on the ability to source personal assistants as part of the Direct payment service options and the go live of an embedded real time view of Health records within the adult social care system record.

### Activity Data

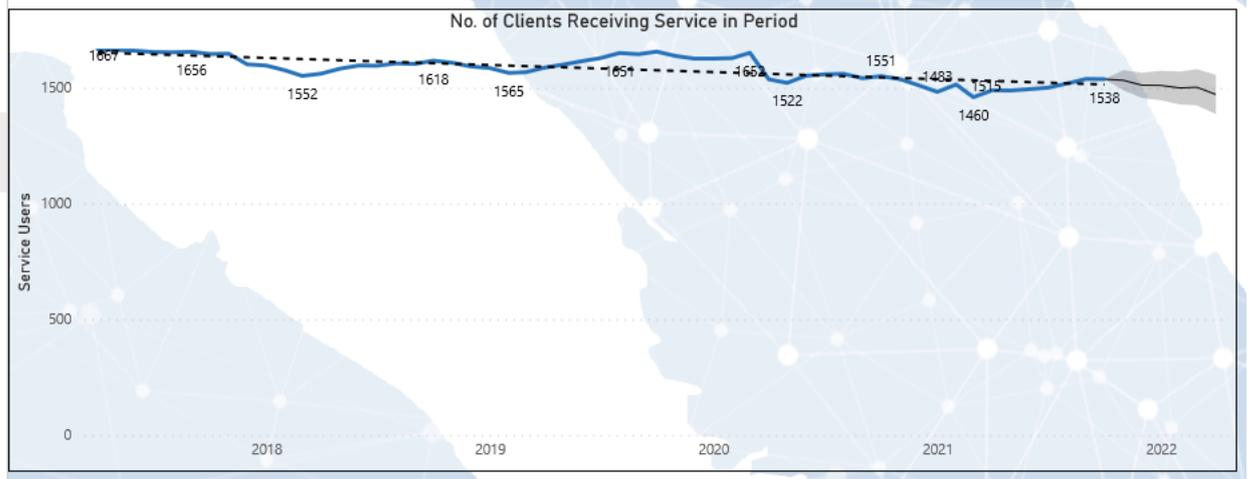
- 3.27 **All Current Services:** The table below represents the number of current services provided by Adult Social Care as at September 2020. There are currently 7,688 active services across Adult Social Care. Looking at all services of any type currently delivered we see a slight drop between March 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.



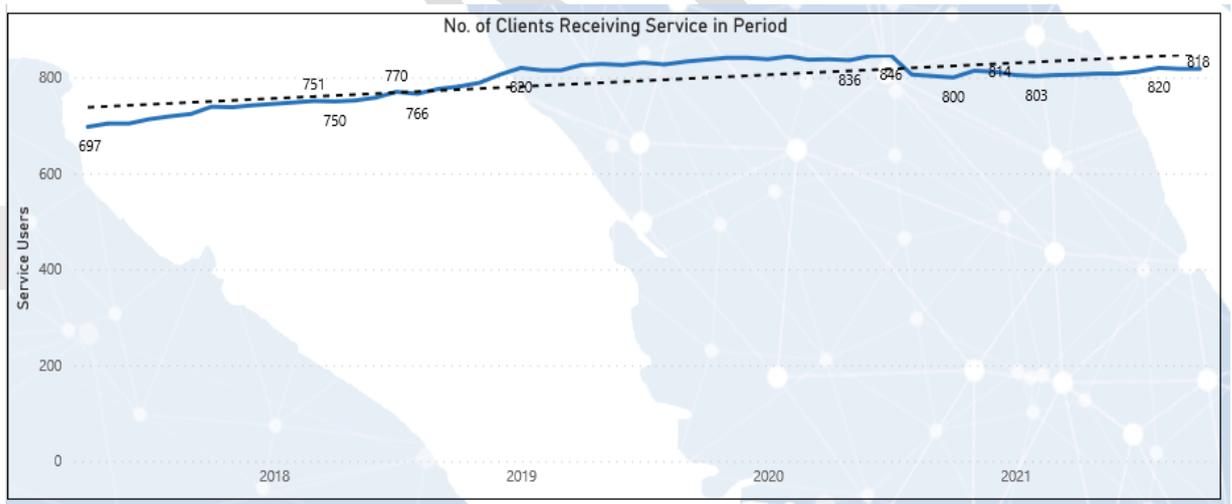
**3.28 Domiciliary Care Services:** The table below represents the number of current domiciliary care services provided by Adult Social Care as at September 2021. There are currently 1,479 open domiciliary care services. Domiciliary Care services saw a slight increase of service users between March 2020 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.



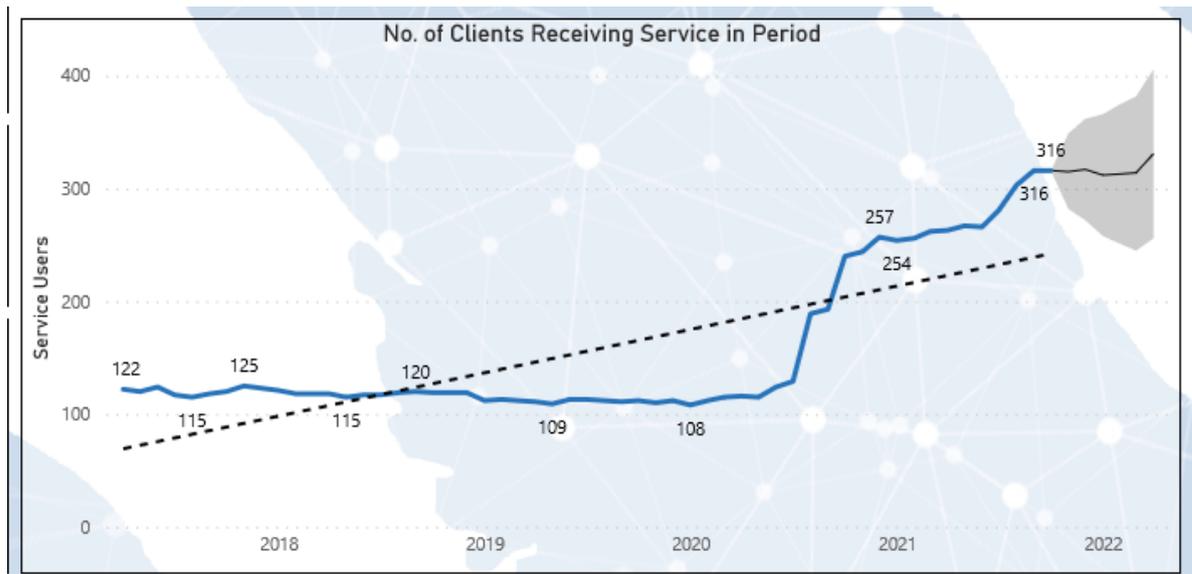
**3.29 Residential and Nursing Care Services:** The table below represents the number of residential and nursing care services currently provided by Adult Social Care as at September 2021. There are currently 1,538 open residential and nursing care packages. There was a small reduction in the number 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.



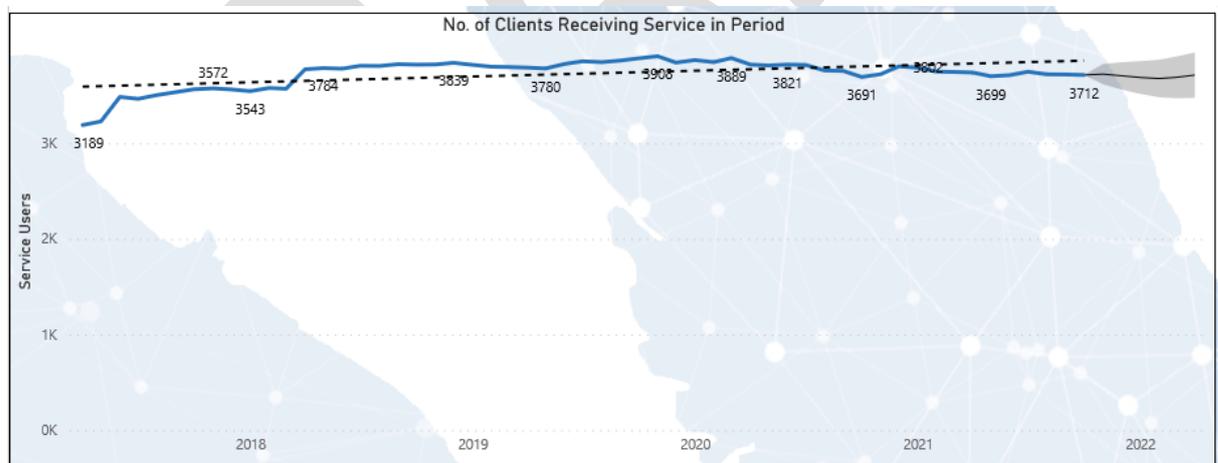
3.30 **Supported Living Care Services:** The table below represents the current number of supported living care services provided by Adult Social Care as at September 2021. There are currently 818 open supported living care packages. Supported Living services saw a 2.1% decrease over 2020-21, with a 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.



3.31 **Extra Care Services:** The table below represents the number of extra care services currently provided by Adult Social Care as at September 2021. There are currently 316 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.



**3.32 Assistive Technology:** The table below represents the number of assistive technology services currently provided by Adult Social Care as at September 2021. There are currently 3,712 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.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 Adult Social Care and Public Health services in general impact positively on community wealth including through commissioning local providers, employing people and paying care workers in the borough the Real Living Wage.

**REPORT AUTHOR:** **Sara Morris**  
Senior Finance Business Partner (Acting)  
telephone: 0151 666 3412  
email: [saramorris@wirral.gov.uk](mailto: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 Adult Social Care and Public Health Committee Adult Social Care and Public Health Committee Adult Social Care and Public Health Committee	13 <sup>th</sup> October 2021 23 <sup>rd</sup> September 2021 29 <sup>th</sup> July 2021 7 <sup>th</sup> June 2021

DRAFT