

Adult Social Care and Public Health Committee

Tuesday, 11 October 2022

REPORT TITLE:	2022/23 REVENUE AND CAPITAL BUDGET MONITORING FOR QUARTER 1 (1 APR – 30 JUN)
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 as at Quarter 1 (1 Apr – 30 Jun) 2022/23. The report provides Members with an overview of budget performance for this area of activity, including progress on the delivery of the 2022/23 saving programme and a summary of reserves to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

Managing a budget requires difficult decisions to ensure that a balanced position can be presented. Regular Member engagement, which this report forms part of, is considered essential in delivering effective governance and financial oversight.

At the end of Quarter 1, there is a forecast adverse position of £0.180m on the Committees net revenue budget of £115.107m. This position is based on activity to date, projected trends in income and expenditure and potential mitigation to offset areas of adverse variance. This variance, if it cannot be offset via other mitigations in year, will be funded from the Social Care Fund Reserve at the end of the year.

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

The report contributes to the Wirral Plan 2021-2026 in supporting the organisation in meeting all Council priorities.

RECOMMENDATION/S

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

1. Note the projected adverse revenue position at Quarter 1.
2. Note progress on delivery of the 2022/23 savings programme at Quarter 1.
3. Note the reserves allocated to the Committee for future one-off commitments.
4. Note the forecast level of reserves at Quarter 1.
5. Note the current activity profiles from 2018 to Quarter 1 of 2022/23.
6. Note the forecast capital position presented at Quarter 1

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a balanced position at the end of the financial year.
- 1.2 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.
- 1.3 This report presents timely information on the Quarter 1 financial position for 2022/23.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Policy & Resources Committee has previously determined the budget monitoring process to follow and this report details the agreed course of action.
- 2.2 In striving to manage budgets, available options have been evaluated to maintain a balance between service delivery and a balanced budget.

3.0 BACKGROUND INFORMATION

- 3.1 This section provides a summary of the projected year end revenue position as at the end of Quarter 1, month 3 (June 2022) of the 2022/23 financial year.
- 3.2 As at the end of June 2022 (Quarter 1), the financial forecast year end position for Adult Social Care and Public Health is a small adverse position of £0.180m against a total net budget of £115.107m. This will be mitigated with use of the social care grant reserve set aside from 2021/22.
- 3.3 The current forecast assumes full achievement of the £3.89m savings target. There is currently no plan to use reserves to meet the savings target.
- 3.4 Government funding for hospital discharge has now ceased. During 2021/22 this £1.6m funding supported the pressure on community care.
- 3.5 The current forecast position anticipates improvement within the domiciliary care market to reduce levels of placements within residential care settings. Should the level of placements within residential settings continue to increase, the current forecast position will be unsustainable.

TABLE 1: 2022/23 Adult Care and Health – Service Budget & Outturn

	Budget	Forecast	Variance		Adv/ Fav
	£000	£000	(+ Fav, - Adv) £000	%	
Adult Social Care Central Functions	8,980	8,668	312	3%	Favourable
Older People Services - WCFT	51,708	53,291	-1,583	-3%	Adverse
Mental Health & Disability Services - CWP	54,068	52,948	1,120	2%	Favourable
Other Care Commissions	93	123	-30	32%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	519	519	0	0%	
Committee Budget	115,107	115,287	-180	0%	Adverse

- 3.6 **Central Functions:** A favourable variance of £0.312m is reported at Quarter 1. This variance is as a result of a small number of vacancies and delays in recruitment. This position will continue to be monitored throughout the year.
- 3.7 **Older People Services:** An adverse variance of £1.583m is reported at Quarter 1. During the financial year 2021/22 funding of £1.6m was received from Wirral CCG to support the hospital discharge programme. The funding supported the cost of a care package for 4 weeks following discharge from hospital. This allowed a quicker discharge into community based settings to support bed capacity within the hospitals. This funding ended 31 March 2022, however it was agreed to extend the current discharge programme for a further 3 months to 30 June 2022, funded through Wirral CCG and the BCF. While there continues to be pressure within Older Peoples services due to hospital discharge, mitigations are in place supporting the domiciliary care market to increase capacity and reduce the need for more costly residential placements. The forecast assumes full achievement of the £1.945m savings target attributed to Older People services.
- 3.8 **Mental Health & Disability Services:** A favourable variance of £1.120m is reported at Quarter 1. Part year savings achieved in 2021/22 are having a cumulative impact on the forecast for 2022/23. The forecast assumes full achievement of the £1.945m savings target attributed to complex care services.
- 3.9 **Other Care Commissions:** An adverse variance of £0.030m is reported at Quarter 1. This is due to minor variances to budget.
- 3.10 **Public Health:** A balanced position (following contribution from reserves) is reported at Quarter 1. Public Health is a ringfenced grant with an annual value £30.99m.

- 3.11 The Public Health Grant for 2022/23 is £30.99m an increase of £0.857m from the 2021/22 allocation of £30.142m. Approximately £23m of the grant is assigned to commissioning services delivering Wirral residents services in the following areas:
- The 0-19 Healthy Child Programme
 - Drug and Alcohol prevention and Treatment
 - Sexual Health services
 - Community Connectors
 - Information and Advice support
 - Smoking Cessation
 - Infection Control
 - NHS Healthcheck programme
- 3.12 A further £6.7m of the grant funds internal Council services which meet the following priorities:
- Economic regeneration and a strong local economy
 - A healthy standard of living for all
 - Support for children, young people, and families
 - Action to address differences in health outcomes and prevention
 - Facilitating residents and partners working together
- 3.13 £0.390m funds directly delivered services within the Council such as Drug and Alcohol support for Young People and the Response service.
- 3.14 Finally running costs for the service equates to approximately £2m.
- 3.15 In addition to the Public Health Grant, Wirral has been awarded £1.72m in supplemental funding for substance misuse and recovery, inpatient placement support and inpatient detox.
- 3.16 An assessment of the pressures associated with the cost of living on current Public Health contracts is being undertaken. Once completed the recommendations will go to Committee for approval which will further diminish Public Health reserves recurrently.
- 3.17 **Wirral Intelligence Team:** A balanced position is reported at Quarter 1.

TABLE 2: 2022/23 Adult Care and Health – Subjective Budget & Outturn

	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/ Fav
	£000	£000	£000	%	
Income:	-87,149	-86,595	-554	-1%	Adverse
Expenditure:					
Employee	7,838	7,494	344	4%	Favourable
Non Pay	59,672	59,811	-139	0%	Adverse
Cost of Care	134,746	134,577	169	0%	Favourable
Total Expenditure	202,256	201,882	374	0%	Favourable
Committee Budget	115,107	115,287	-180	0%	Adverse

Progress on Delivery of the 2022/23 Savings Programme

3.18 In terms of savings, £0.196m of the £3.89m savings target is delivered. Representing 5% of the total savings target with a further 95% or £3.694m anticipated to be delivered.

TABLE 3: 2022/23 Adult Care and Health – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Demand Mitigations	£3.89m	£3.89m	Green	On target to be achieved
TOTAL	£3.89m	£3.89m		

3.19 On target to be achieved. Adult Care and Health work closely with both NHS Wirral Community Health and Care Foundation Trust (WCHFT) and Cheshire and Wirral NHS Partnership Trust (CWP) to achieve the savings target set each year. The Trusts have been informed of the 2022/23 target and regular meetings are set up to discuss their approach and progress throughout the year. They are currently progressing well with £0.196m achieved to date and a further £0.4m of savings identified by the Trusts but is yet to be validated. This will be completed during Quarter 2.

Earmarked Reserves

3.20 Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area. Table 4 below sets out the reserves within Adult Care and Health and the movement in year.

TABLE 4: 2022/23 Adult Care and Health – Earmarked Reserves

Reserve	Opening Balance £000	Forecast Use of Reserve £000	Forecast Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	106	106	0	0
Public Health Ringfenced Grant	6,594	526	0	6,068
Champs Innovation Fund	3,163	0	0	3,163
Champs Covid-19 Contact Tracing Hub	3,894	3,894	0	0
Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery)	872	872	0	0
Better Care Fund	236	236	0	0
Total	14,865	5,634	0	9,231

- 3.21 The Safeguarding reserve within Adult Social Care has an opening balance of £0.106m. The funding for the combined Board has now ceased. The residual funds have been used to support the Merseyside Safeguarding Adults Board business unit transition period and any residual SARs (Safeguarding Adults Reviews). A small amount of costs remains outstanding which will be offset against the balance of the reserve during 2022/23.
- 3.22 The Public Health Ringfenced grant reserve has an opening balance of £6.6m. The 2022/23 outturn anticipates use of £0.526m reserve alongside this year's grant allocation. This leaves a closing balance of £6.068m to meet future year contractual commitments.
- 3.23 Wirral has been awarded £2.8m as part of the ADDER/Accelerator programme for a two year period covering 2021-2023. This is one-off funding supporting the national drug treatment and recovery programme. The reserve is expected to be fully spent this financial year.
- 3.24 The Better Care Fund forms part of the S75 agreement in place between the LA and Wirral CCG and allows for unspent funds to be carried forward for use in the following financial year. This reserve will support the continued hospital discharge process for the first quarter of the 2022/23 financial year.

Capital Programme

3.25 Table 5 below sets out the planned spend against the capital programme for Adult Social care during 2022/23

Table 5 – Capital Programme 2022-23

Capital Programme	2022-23	2022-23 Spend Profile				2023-24	2024-25
	Total	Q1	Q2	Q3	Q4		
	£0						
Disabled Facilities Grant (DFG)	433	0	0	0	433		
Citizen and Provider Portal/Integrated I.T.	76	0	0	0	76		
Extra Care Housing	5,231	0	0	0	2,764	1,776	691
Liquid Logic – Early Intervention & Prevention	219	0	0	0	219		
Telecare & Telehealth Ecosystem	1,364	130	130	130	130	1,640	324
Total	7,323	130	130	130	3,622	3,416	1,015

3.26 **Telecare & Telehealth Ecosystem:** Additional funding streams have reduced the expected use of capital for this programme. In total over £415k of planned Council expenditure was avoided in 2021/22 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.

3.26.1 During Q1 2022, the deployment of Grandcare has been focussed as a technology option to reduce the need for Supporting People (SP); a tenancy support payment made to care providers. Typically, this will include help with bills and budgeting, maintaining the property and other household related tasks. None of the provision is designed to provide care. In practice, many people have already utilised their own technology for this activity, using apps on their own smartphones and tablets and using their devices to access digital and online services. As result, it has been identified that many people do not require this support – either from technology or from care workers, providing opportunities for significant efficiencies to be made. Of course, where support of some description is required, this is being commissioned following assessments of and reviews of care needs.

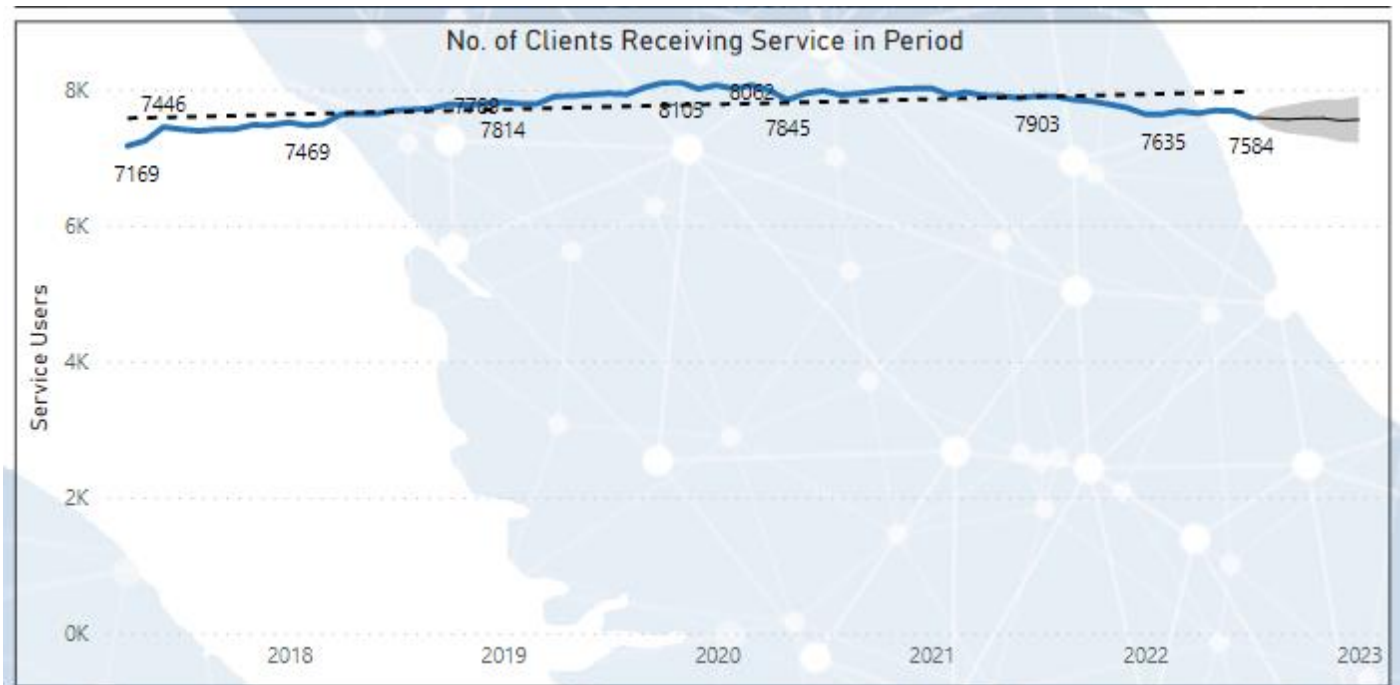
3.27 **Extra Care:** The Housing 21 Upton Scheme is expected to start this financial year when £2,764,050 (75% of the expected grant) will be paid. The balance of payment is expected to fall due early in financial year 2024-25.

3.27.1 The Rock Ferry High site is expected to complete 2023 and the Belong Scheme in late 2022.

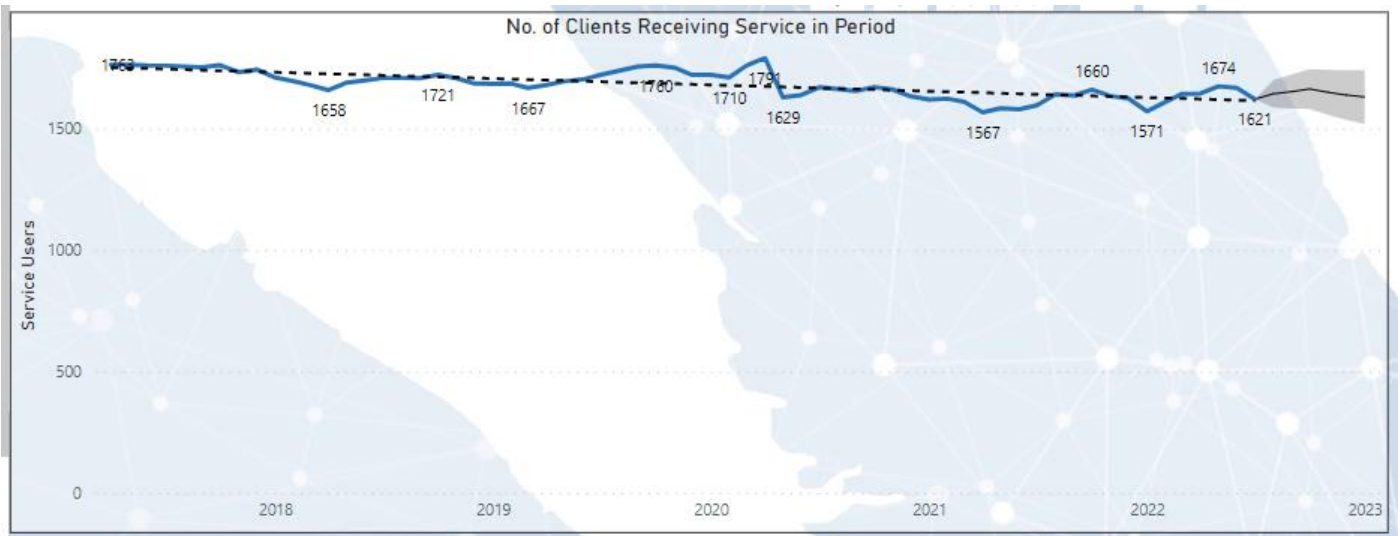
3.28 **Citizen and Provider Portal/Integrated I.T.:** The enhanced functionality for portal developments and integrated system elements are currently being tested with the aim of a planned roll out by the end of this financial year. This will be dependent on the necessary testing being successfully completed for implementation for the committed spend. This covers a broader range of online adult social care service 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

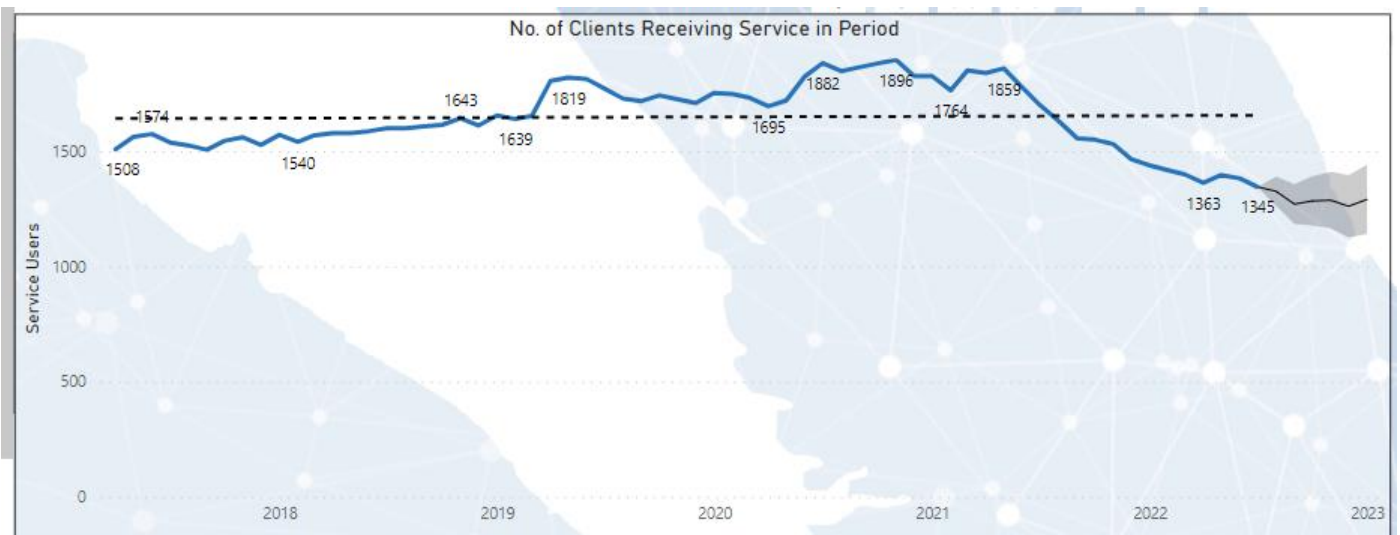
3.29 The tables below represent the activity profiles from 2017 to date for the current financial year.



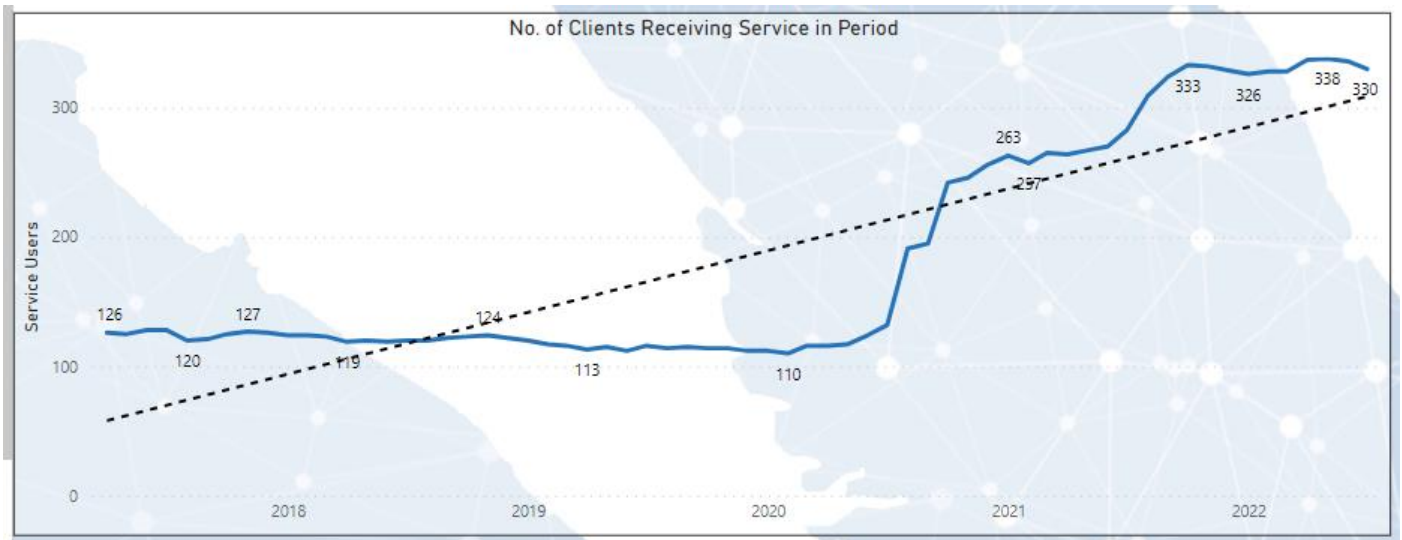
3.30 **All Current Services:** The table above identifies the overall number of clients accessing services between 2017 and 2022. Overall client numbers have increased by 6% to the current level of 7,584.



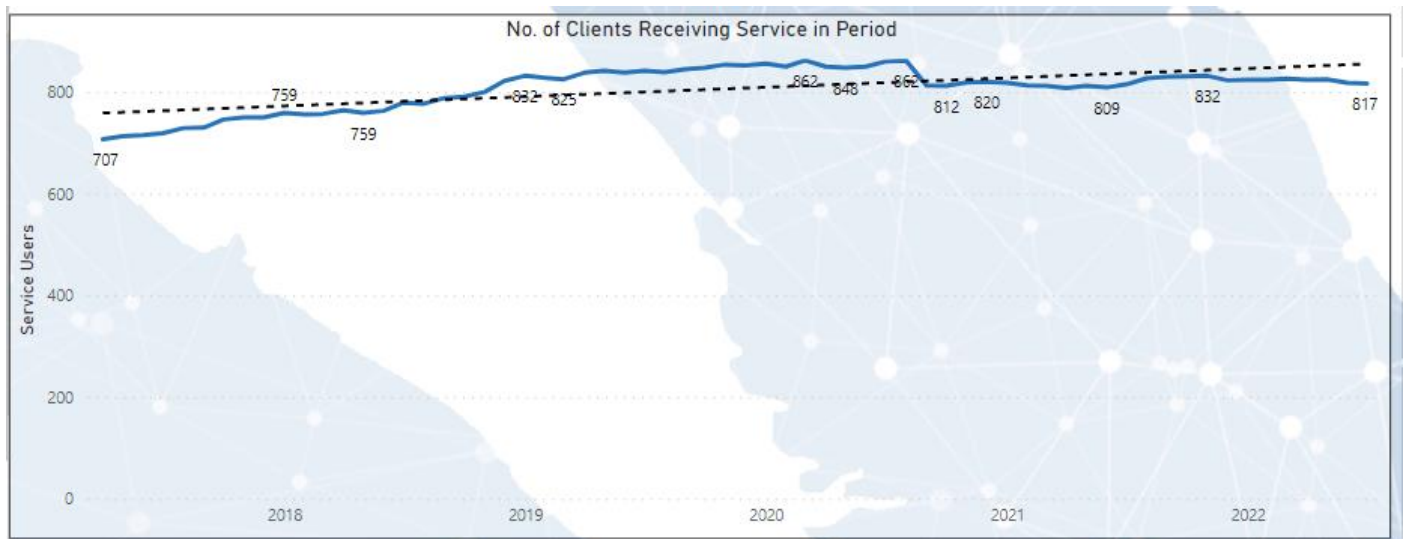
3.31 **Residential/ Nursing Services:** The table above identifies the number of clients accessing residential and nursing services between 2017 and 2022. The data shows client numbers reducing by 8% over this period – 1,763 at Apr-17 to 1,621 current. However, activity has been increasing during 2022 by 3% to date.



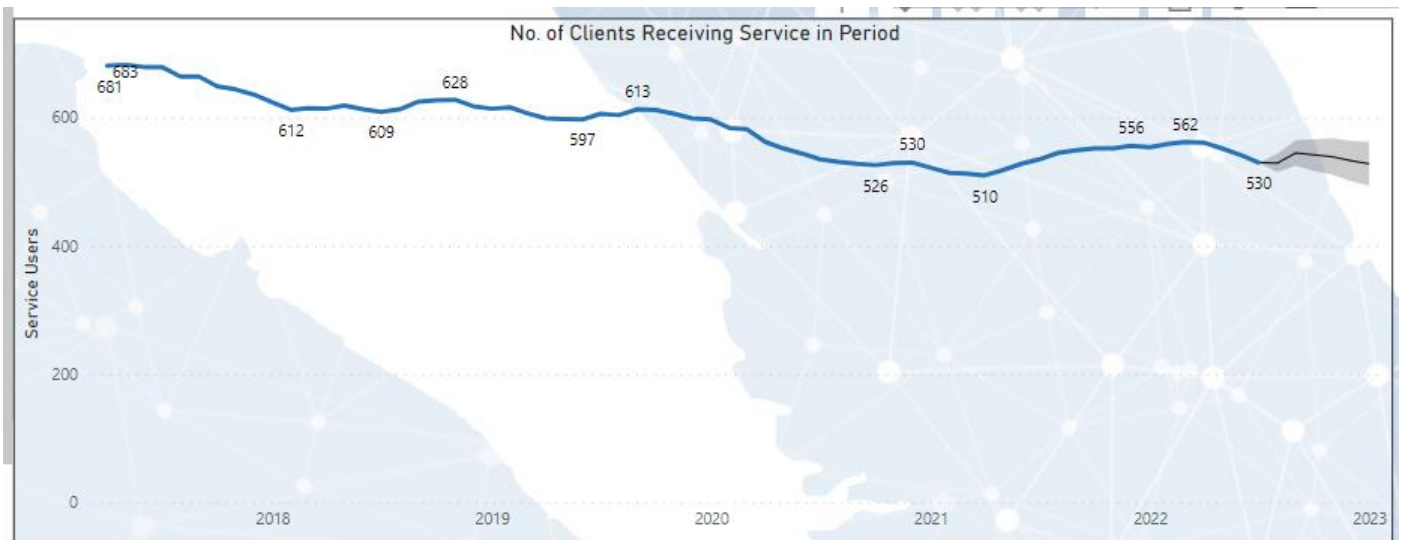
3.32 **Domiciliary Care:** The table above identifies the number of clients accessing domiciliary care between 2017 and 2022. The data shows client numbers reducing by 11% over this period – 1,508 in Apr-17 compared to 1,345 current.



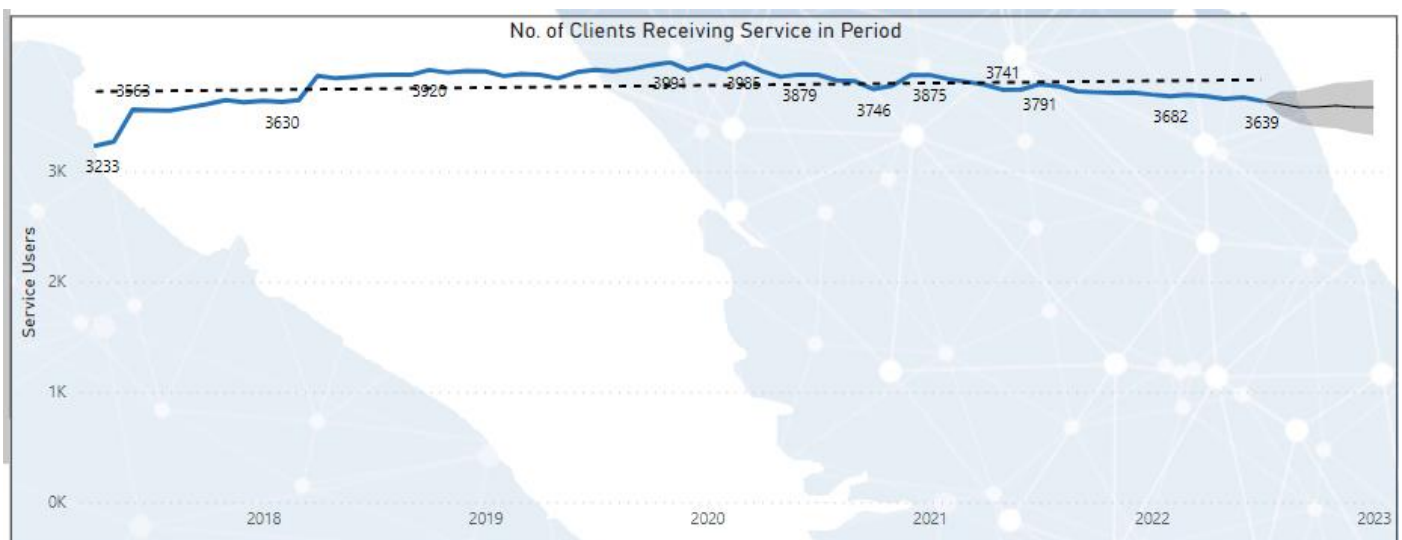
3.33 **Extra Care Services:** The table above identifies the number of clients accessing extra care between 2017 and 2022. Investment in extra care services is reflected in the data with numbers increasing by 62% over this period – 126 in Apr-17 compared to 330 current.



3.34 **Supported Living Services:** The table above identifies the number of clients accessing supported living services between 2017 and 2022. The data shows client numbers increasing by 13% over this period from 707 to 817.



3.35 **Direct Payments:** The table above identifies the number of clients receiving a Direct Payment between 2017 and 2022. The data shows client numbers reducing over this period by 22% - 681 as at Apr-17 compared to 530 current. However, numbers did increase during last financial year by 9% from the start of the year.



3.36 **Assistive Technology:** The table above identifies the number of clients accessing support from assistive technology between 2017 and 2022. The data shows an increase in client numbers of 12% over this period to the current total of 3,639, although numbers have been reducing over the last couple of years. This may be due to the impact of Covid-19 and reduced access to clients' homes.

4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 1 revenue budget monitoring report that provides information on the forecast outturn for the Adult Care and Health Directorate for 2022/23. 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 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.
- 5.2 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.
- 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. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

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 2022/23 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2022/23 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 the significant emerging inflationary and cost of living pressures, 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 2022/23 budget is in place. 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 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. Significant inflation and cost of living pressures have already impacted the Quarter 1 forecast position. and the impact of these pressures will be reviewed and considered in the MTFP as part of routine financial management.

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 2022/23 budget monitoring process and the 2022/23 budget setting process. This report will also be shared and reviewed by the Independent Panel.
- 8.2 Since the budget was agreed at Full Council on 28 February, 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 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.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 In year activity will have incorporated community wealth implications. Consideration would have taken account of related matters across headings such as the following:

- **Progressive Procurement and Social Value**
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
- **More local & community ownership of the economy**
Supporting more cooperatives and community businesses.
Enabling greater opportunities for local businesses.
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.
- **Decent and Fair Employment**
Paying all employees a fair and reasonable wage.
- **Making wealth work for local places**

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APPENDICES

None

BACKGROUND PAPERS

- 2021/22 Revenue Budget Monitor Quarter 4 (Apr - Mar)
- Adult Social Care and Public Health 2022/23 Budget Monitoring and 2023/24 Budget Setting Process

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Adult Social Care and Public Health	16 November 2021
Adult Social Care and Public Health	25 January 2022
Adult Social Care and Public Health	14 June 2022