

**ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE****Monday 6<sup>th</sup> March 2023**

<b>REPORT TITLE:</b>	<b>2022/23 REVENUE AND CAPITAL BUDGET MONITORING FOR QUARTER 3 (1 APR – 31 DEC)</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 as at Quarter 3 (1 Apr – 31 Dec) 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 3, there is a forecast adverse position of £0.603m on the Committees net revenue budget of £114.962m with mitigations to balance the budget at year end. This position is based on activity to date, projected trends in income and expenditure and potential mitigation to offset areas of adverse variance.

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 requested to:

1. Note the projected adverse revenue position at Quarter 3.
2. Note progress on delivery of the 2022/23 savings programme at Quarter 3.
3. Note the reserves allocated to the Committee for future one-off commitments.
4. Note the forecast level of reserves at Quarter 3.
5. Note the current activity profiles from 2017 to Quarter 3 of 2022/23.

## **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 3 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 3, month 9 (December 2022) of the 2022/23 financial year.
- 3.2 As at the end of December 2022 (Quarter 3), the financial forecast year end position for Adult Social Care and Public Health is an adverse position of £0.603m against a total net budget of £114.962m. This will be mitigated from use of the social care grant reserve set aside from 2021/22 and corporate reserves to meet the impact of the current pay offer.
- 3.3 The current forecast assumes full achievement of the £3.89m savings target.
- 3.4 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 Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Adult Social Care Central Functions	8,980	8,441	539	6%	Favourable
Older People Services - WCFT	51,709	53,546	-1,837	-4%	Adverse
Mental Health & Disability Services - CWP	51,976	51,516	460	1%	Favourable
Other Care Commissions	93	-531	624	671%	Favourable
Delivery Services	1,947	2,407	-460	-24%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	519	448	71	14%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>114,962</b>	<b>115,565</b>	<b>-603</b>	<b>-1%</b>	Adverse

- 3.5 **Budget Virement:** The budget has reduced from quarter 2 following realignment reflecting the transfer of day services back to the Local Authority from October 2022. The reduction is reflected with an increase within the Regeneration and Place directorate removing the income target for lease charges related to the day centre buildings. There is no impact to the Council budget overall.
- 3.6 **Central Functions:** A favourable variance of £0.539m is reported at quarter 3. The staffing budgets are reported here with current slippage of £0.380m against a small number of vacancies and delays in recruitment. This is an improved position from quarter 2 following the recruitment freeze. The employee forecast contains costs relating to the pay award which will be met by the use of corporate reserves.
- 3.7 **Older People Services:** An adverse variance of £1.837m is reported at quarter 3. The variance reflects the pressure within community care of discharging clients from hospital into short term residential settings. Announcement of the winter discharge fund should support further adverse movement for the remainder of the financial year. A favourable position against client charges is currently reported against older people services, this should continue to improve as short term hospital discharge provisions are reviewed. 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 £0.460m is reported at quarter 3. Savings made in 2021-22 are having a cumulative impact on the forecast for 2022-23 and backdated joint funding agreements relating to last financial year are also having a positive impact. The forecast assumes full achievement of the £1.945m savings target attributed to complex care services for the current financial year.
- 3.9 **Other Care Commissions:** A favourable variance of £0.624m is reported at quarter 3. This area contains services accessed across all client groups, for example the Early Intervention and Prevention services. The favourable position includes the transfer

from reserves of the Better Care Fund balance supporting hospital discharge costs in the first quarter of the financial year. These costs are incurred and reflected across community care.

- 3.10 **Delivery Services:** An adverse variance of £0.460m is reported at quarter 3. This is a new service area set up since quarter 2 to report the delivery of in-house provisions, currently the recently transferred day services from Wirral Evolutions. The adverse position is mainly due to the full year impact of the revised pay award, the cost of which would be incurred irrespective of the transfer back in-house.
- 3.11 **Public Health:** A balanced position (following contribution to reserves) is reported at quarter 2. The Public Health Grant for 2022-2023 is £30.99m an increase of £0.857m from the 2021-22 allocation of £30.142m.
- 3.12 **Wirral Intelligence Team:** A small favourable variance of £0.071m is reported at quarter 3 against part year vacancy within the team.

### Progress on Delivery of the 2022/23 Savings Programme

- 3.13 In terms of savings, £3.171m of the £3.890m savings target is delivered. Representing 81% of the total savings target with a further 19% or £0.719m anticipated to be delivered.

**TABLE 2: 2022/23 Adult Care and Health – Budget Savings**

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

- 3.14 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 £3.171m achieved to date.

### Earmarked Reserves

- 3.15 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 3 below sets out the reserves within Adult Care and Health and the movement in year.

**TABLE 3: 2022/23 Adult Care and Health – Earmarked Reserves**

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Forecast Use of Reserve £000</b>	<b>Forecast Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Adult Social Care – Safeguarding	106	106	0	0
Public Health Ringfenced Grant	6,594	542	0	6,052
Champs Innovation Fund	352	352	0	0
Champs Covid-19 Contact Tracing Hub	433	433	0	0
Better Care Fund	236	236	0	0
<b>Total</b>	<b>7,721</b>	<b>1,669</b>	<b>0</b>	<b>6,052</b>

- 3.16 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.
- 3.17 The Public Health Ringfenced grant reserve has an opening balance of £6.594m. The 2022/23 outturn anticipates use of £0.542m reserve alongside this year's grant allocation. This leaves a closing balance of £6.052m to meet future year contractual commitments.
- 3.18 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**

- 3.19 Table 4 below sets out the planned spend against the capital programme for Adult Social care during 2022/23

**Table 4 – Capital Programme 2022-23**

Capital Programme	2022-23	2022-23 Spend Profile					
	Total	Q1	Q2	Q3	Q4	2023-24	2024-25
	£0						
Disabled Facilities Grant (DFG)	433	0	0	0	433		
Citizen and Provider Portal/Integrated I.T.	76	6	4	4	63		
Extra Care Housing	0	0	0	0	0	1,585	691
Liquid Logic – Early Intervention & Prevention	219	5	0	0	245		
Telecare & Telehealth Ecosystem	520	2		0	550	1,640	324
<b>Total</b>	<b>1248</b>	<b>13</b>	<b>4</b>	<b>4</b>	<b>1,291</b>	<b>3,225</b>	<b>1,015</b>

3.20 **Telecare & Telehealth Ecosystem:** This scheme is replacing out of date analogue equipment with new digital equipment, such as falls detectors, panic buttons and activity tracking which will help with early diagnosis of health issues, thus assisting with independence and reduce pressure on hospitals and health providers.

3.20.1 1,111 units have been installed to November 2022 and have been recharged to the scheme in Q4. The remaining forecast is an average of the actuals identified, plus eligible on-costs costs.

3.21 **Extra Care:** There are currently two schemes in development which are due to complete in 2023. Adult Social Care Commissioning Leads are working closely with strategic housing colleagues on new site opportunities which are either at planning or pre-planning stage.

3.21.1 There are several sites under current consideration across the Wirral but are not yet confirmed for progression. Some areas have multiple site options and Officers are mindful to develop where there is an evidenced need or gap in provision, and not over-develop.

3.21.2 The Housing 21 scheme at Moreton Road, Moreton did not progress and thus the previously identified Quarter 4 allocation is no longer required.

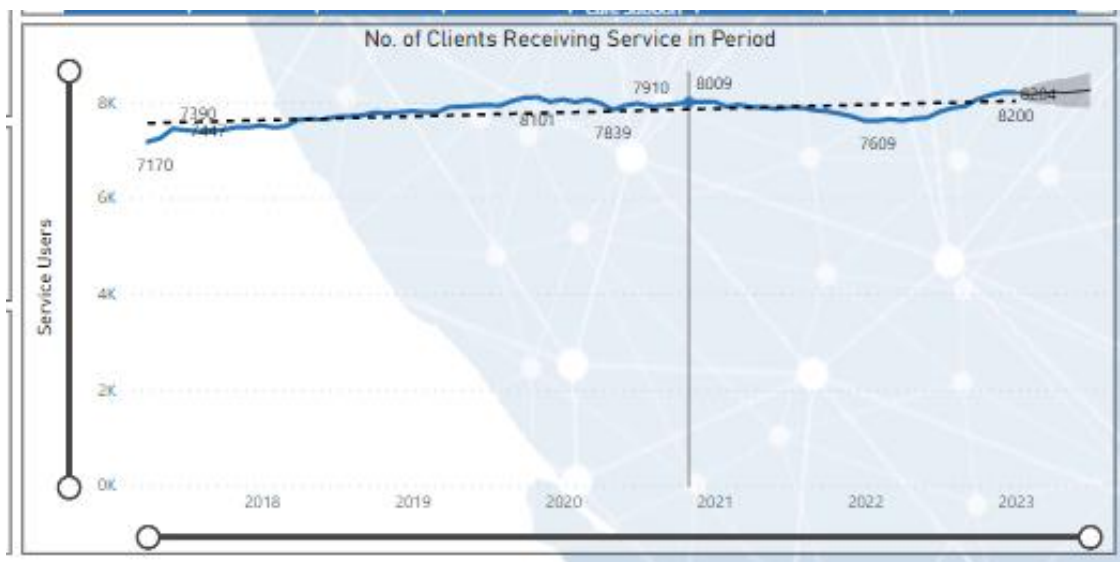
3.22 **Citizen and Provider Portal/Integrated I.T.:** The enhanced functionality for portal developments and integrated system elements are currently being tested with the aim of a planned roll out by the end of this financial year. This will be dependent on the necessary testing being successfully completed 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.

3.23 **Liquid Logic and Early Intervention:** The project covers the development of an Early Intervention & Prevention Module within the Adult Social Care system – Liquid Logic, to provide the ability to import identified data sets for risk factors and stratification to enable early intervention and prevention. Initial development of the new Liquid Logic module is underway with the supplier, with plans to install and commence testing and initial piloting from Jan/Feb 2023.

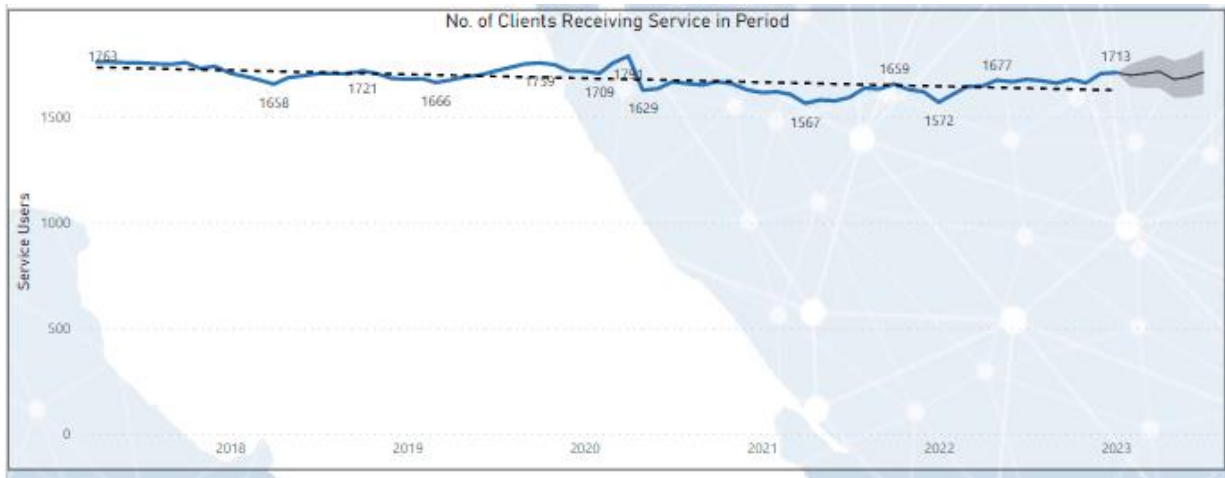
### Activity Data

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

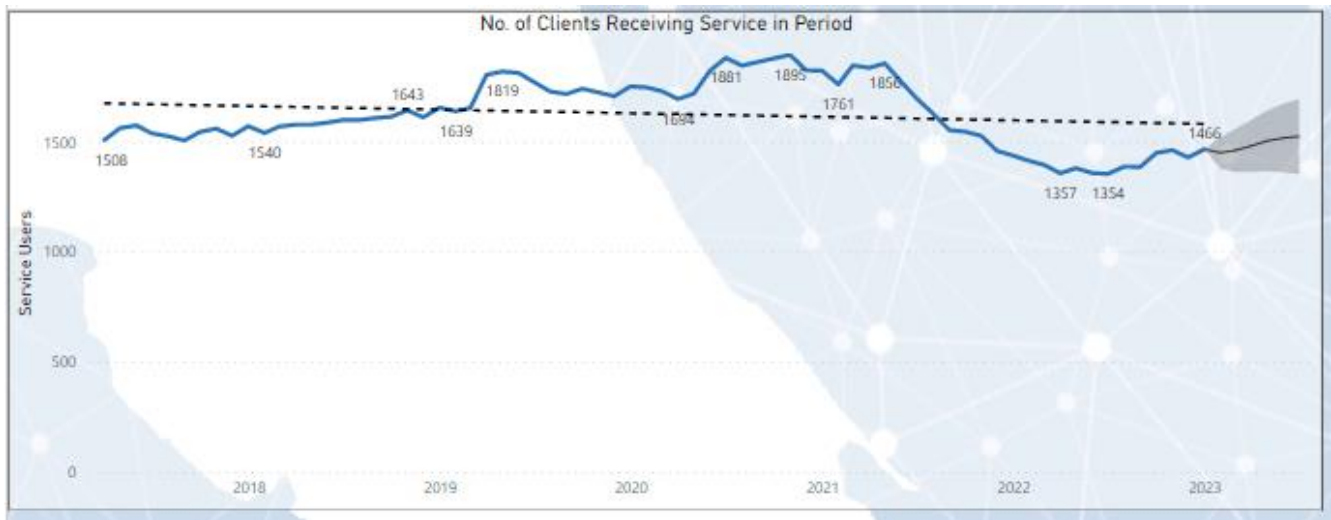
3.25 **All Current Services:** The table below identifies the overall number of clients accessing services between 2017 and December 2022. Overall client numbers have increased by 14% to the current December level of 8,204, with 7.75% increase in-year.



**3.26 Residential/ Nursing Services:** The table below identifies the number of clients accessing residential and nursing services between 2017 and 2022. The data shows client numbers reducing over this period by nearly 200 placements to mid 2021. However numbers have been increasing again to 1,708 in December 2022 – this increased activity is reflected within the current forecast pressure.

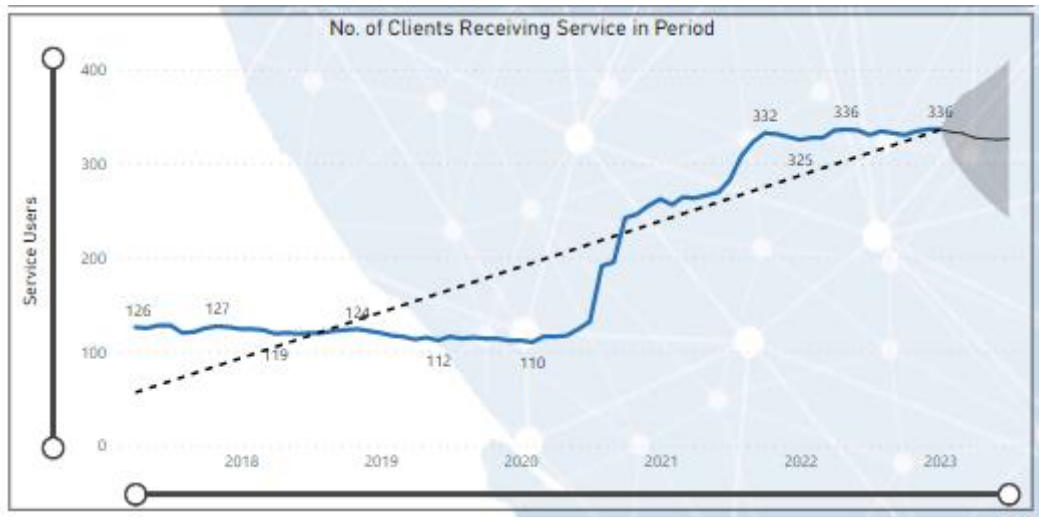


**3.27 Domiciliary Care:** The table below identifies the number of clients accessing domiciliary care between 2017 and 2022. Although the data shows client numbers reducing over this period (1,508 in Apr-17 to 1,429 in Dec-22), numbers do appear to be increasing in line with market sustainability measures put in place market with a 5% increase in activity since April 2022.

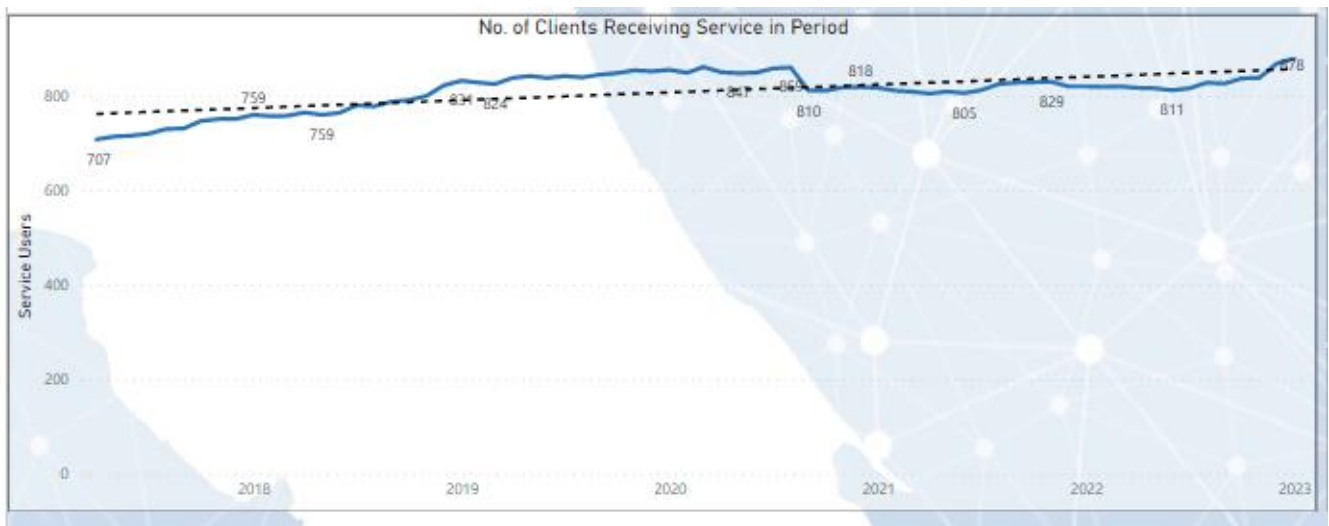




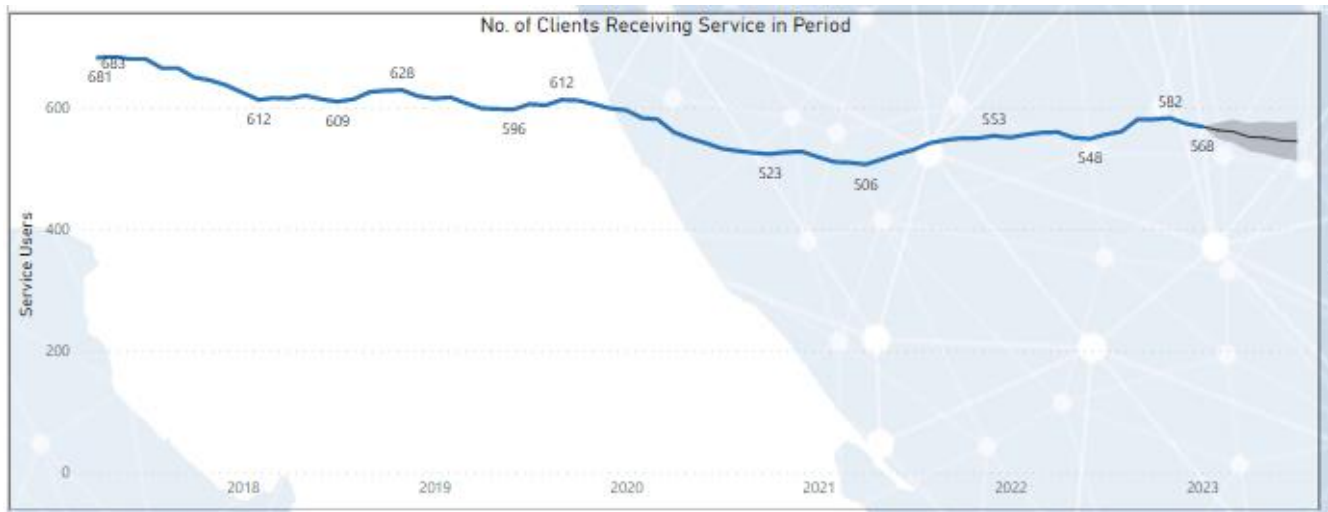
**3.33 Extra Care Services:** The table below identifies the number of clients accessing extra care between 2017 and 2022. Investment in extra care services is reflected in the data with numbers increasing by 66% over this period – 126 in April 2017 compared to 336 in December 2022.



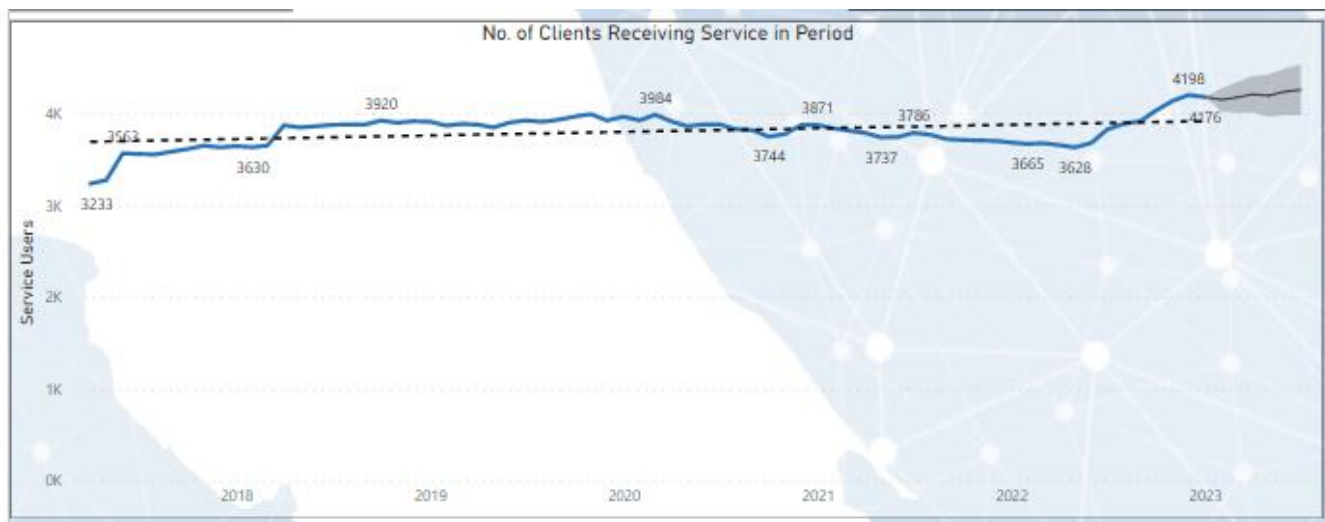
**3.34 Supported Living Services:** The table below identifies the number of clients accessing supported living services between 2017 and 2022. The data shows client numbers increasing over this period from 707 to 867. A 6% increase in numbers this financial year from 816 to 867 is mostly due to the review of Supporting People provisions with a number transferring to supported living.



3.35 **Direct Payments:** The table below identifies the number of clients receiving a Direct Payment between 2017 and 2022. The data shows client numbers reducing over this period by 16%. However, numbers have remained more consistent this financial year with a small increase of 2.5% from the start of the financial year.



3.36 **Assistive Technology:** The table below identifies the number of clients accessing support from assistive technology between 2017 and 2022. Number of clients in receipt of assistive technology continue to increase this financial year, with a total of 545 new provisions reflected by December 2022. This is an increase of 15% from the start of the financial year.



## 4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 3 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 (section 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 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 Medium Term Financial Plan 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
Adult Social Care and Public Health	11 October 2022
Adult Social Care and Public Health	29 November 2022