

Adult Social Care and Public Health CommitteeThursday, 15th June 2023

REPORT TITLE:	2022/23 REVENUE AND CAPITAL BUDGET MONITORING FOR QUARTER 4 (1 APR – 31 MAR)
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 4 (1 Apr – 31 Mar) 2022/23. The report provides Members with an overview of budget performance for this area of activity, including 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 4, there is a reported favourable position of £0.345m on the Committees net revenue budget of £114.962m.

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 favourable revenue outturn at Quarter 4.
2. Note the delivery of the 2022/23 savings programme at Quarter 4.
3. Note the reserves allocated to the Committee for future one-off commitments.
4. Note the level of reserves at Quarter 4.

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 4 outturn 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 year end revenue position as at the end of Quarter 4, month 12 (March 2023) of the 2022/23 financial year.
- 3.2 The financial outturn for 2022/23 is a favourable position of £0.345m against a total net budget of £114.962m.
- 3.3 The outturn reflects full achievement of the £3.89m 2022/23 savings target.
- 3.4 The outturn reflects the use of additional funding to support winter discharge during the period 1 October 2022 to 31 March 2023. Total funding received by Wirral of £1.5m was spent on assisting speedy discharge from hospital and care package costs during the first 4 weeks of discharge, increasing capacity in the domiciliary care market over the Christmas period and supporting recruitment to the domiciliary workforce.

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	8,211	6,983	1,229	15%	Favourable
Older People Services - WCFT	52,443	55,053	-2,609	-5%	Adverse
Mental Health & Disability Services - CWP	52,010	50,313	1,697	3%	Favourable
Other Care Commissions	93	-563	656	708%	Favourable
Delivery Services	1947	2662	-715	-37%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	519	432	87	17%	Favourable
Directorate Surplus / (Deficit)	114,962	114,616	345	0%	Favourable

- 3.5 **Central Functions:** A favourable variance of £1.229m is reported at quarter 4. The staffing budgets are reported here with slippage against a small number of vacancies and delays in recruitment. This is an improved position from quarter 3 following the recruitment freeze. Movement from the Better Care Fund reserve and the underspend against the 2022-23 BCF schemes is also reflected here.
- 3.6 **Older People Services:** An adverse variance of £2.609m is reported at quarter 4. The variance reflects the pressure within community care of discharging clients from hospital into short term residential settings.
- 3.7 At the start of the financial year activity data shows Older People client numbers of 5,566 receiving some form of support. This figure has grown throughout the financial year to the current level of 6,211 – this is an increase of 11.6% over the last 12 months. While some of this increase is within lower cost care packages, for example Assistive Technology, the figure includes an increase of 5% against residential and nursing placements. Demographic growth of 2% was built into the budget at the start of the financial year.
- 3.8 The cost of these placements has also increased with providers requiring additional top up payments to support inflationary pressures and commissioning of additional hours to support high need from clients discharged from hospital. Top ups funded by DASS have increased by 10% since the start of the financial year and the cost of additional hours supporting residential and nursing placements has increased by 55% during the financial year. This has added a pressure of £1.2m to the forecast.
- 3.9 Funding for winter discharge has supported some of these costs alongside funding new schemes to support growth in the domiciliary care market. The longer term impact of these projects is not yet known, but shortage of capacity within the domiciliary care market continues to create a budgetary pressure within the service.

- 3.10 Overall the costs against residential and nursing care has increased by 13% from the forecast at the start of the financial year. This has been partly offset by a favourable movement in the expected cost of domiciliary care.
- 3.11 Total savings of £1.981m have been validated against the target of £1.945m which is £0.036m over target.
- 3.12 **Mental Health & Disability Services:** A favourable variance of £1.697m is reported at quarter 4. Savings made in 2021-22 have had a cumulative impact on the forecast for 2022-23 and the forecast has benefited from a review of the recording of joint funding arrangements within the system. The outturn for joint funding contributions against complex care cases has improved by 22% from the forecast at the start of the financial year. While there has been a negative impact within Older People services there is still an overall improvement of 8%. The budget will be realigned accordingly for the new financial year.
- 3.13 The forecast reflects full achievement of the £1.945m savings target attributed to complex care services for the current financial year.
- 3.14 **Other Care Commissions:** A favourable variance of £0.656m is reported at quarter 4. This area contains services accessed across all client groups, for example the Early Intervention and Prevention services.
- 3.15 **Delivery Services:** An adverse variance of £0.715m is reported at quarter 4. 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 reflects the full year impact of the revised pay award, the cost of which would be incurred irrespective of the transfer back in-house.
- 3.16 **Public Health:** A balanced position (following contribution to reserves) is reported at quarter 4. The Public Health Grant for 2022-2023 is £30.99m an increase of £0.857m from the 2021-22 allocation of £30.142m.
- 3.17 The table below reflects the five year plan for Public Health based on expected grant allocations shows the use of the current reserves with a reducing balance to 2026-27

TABLE 2: 2022 – 2027 5 YEAR PUBLIC HEALTH PLAN

Summary	22-23 £000's	23-24 £000's	24-25 £000's	25-26 £000's	26-27 £000's
Projected income	-30,999	-31,999	-32,421	-32,421	-32,421
Projected expenditure	30,681	32,608	32,456	32,912	33,377
Balance	-318	609	35	491	956
Reserves b/f	-6,594	-6,912	-6,303	-6,268	-5,777
Yearly Over/(under) spend	-318	609	35	491	956
Reserves c/f	-6,912	-6,303	-6,268	-5,777	-4,821

3.18 **Wirral Intelligence Team:** A small favourable variance of £0.087m is reported at quarter 4 reflecting part year vacancies within the team.

Outcome on Delivery of the 2022/23 Savings Programme

3.19 The £3.890m savings target for 2022/23 has been achieved as shown in Table 3 below.

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

Saving Title	Agreed Value	Outturn Value	RAG Rating	Comments
Demand Mitigations	£3.89m	£3.93m	Green	Achieved
TOTAL	£3.89m	£3.93m		

3.13 Adult Care and Health have worked 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.

Earmarked Reserves

3.14 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	60	0	46
Public Health Ringfenced Grant	6,594	0	318	6,912
Champs Innovation Fund	352	283	0	69
Champs Covid-19 Contact Tracing Hub	433	229	0	204
Implementation of Charging Reform	0	0	97	97
Better Care Fund	236	236	0	0
Total	7,721	1,669	0	7,328

3.15 The Safeguarding reserve within Adult Social Care has an opening balance of £0.106m. The funding for the combined Board has now ceased. The closing balance of the reserve represents partner monies received as ring fenced contributions for Safeguarding Reviews. The unspent contributions are to be held in reserve for future Safeguarding activities.

- 3.16 The Public Health Ringfenced grant reserve has an opening balance of £6.594m. The 2022/23 outturn has contributed £0.318m to this reserve leaving a closing balance of £6.912m to meet future year contractual commitments.
- 3.17 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 set up at the end of financial year 2021/22 has been fully utilised to support the continued hospital discharge process during the first quarter of the 2022/23 financial year.
- 3.18 A small reserve has been set up to meet financial commitments expected in 2023/24 to support implementation of the new charging reform expected in 2025.

Capital Programme

- 3.19 Table 5 below sets out the 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	0		
Citizen and Provider Portal/Integrated I.T.	76	6	4	4	0		
Extra Care Housing	0	0	0	0	0	1,585	691
Liquid Logic – Early Intervention & Prevention	219	5	0	0	0		
Telecare & Telehealth Ecosystem	520	2		0	629	1,640	324
Total	1,248	13	4	4	629	3,225	1,015

- 3.19 **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.

- 3.19.1 1,893 homes in Wirral are now equipped with digital Telecare, ahead of the analogue switchover in 2025. In addition, we continue to seek improved technology solutions with a small trial of 10 digital units that can make use of older, analogue peripherals, avoiding the need to purchase new items and eliminating the waste of serviceable equipment just because it is old. Finally, we are working with a technology supplier that is “manufacturer agnostic,” meaning that in the future the need to purchase new peripherals will be significantly

reduced, and the opportunities to use resident's own technology, such as smartwatches and smart home controls, increased.

- 3.20 **Extra Care:** There are currently 2 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.
- 3.20.1 There are several sites under current consideration across the Wirral but are not yet confirmed for progression. Some areas have multiple sites for consideration, and Officers are mindful to develop where there is an evidenced need or gap in provision, and not over develop.
- 3.20.2 The Housing 21 Scheme at Moreton Road, Moreton did not progress reducing the need to call on capital funds this financial year. The remaining amount for future schemes is £2.3m.
- 3.21 **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.
- 3.22 **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.

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 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 stable financial position. That said, the delivery of the budget is subject to ongoing variables both positive and adverse which imply a level of challenge in achieving this outcome.
- 7.2 In any budget year, there is a risk that operation will not be constrained within relevant budget limits. Under specific circumstances the Section 151 Officer may issue a Section 114 notice but that position has not been reached at the present time.

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 This report has no direct environmental implications; however due regard is given as appropriate in respect of procurement and expenditure decision-making processes that contribute to the outturn position.

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
Adult Social Care and Public Health	6 March 2023