

ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE**Tuesday, 19 September 2023**

REPORT TITLE:	BUDGET REPORT
REPORT OF:	DIRECTOR OF CARE AND HEALTH

REPORT SUMMARY

The purpose of this report is to provide an update on the budgets within the remit of the Committee in respect of the in-year position and the anticipated pressures for future years that are being considered within the Medium Term Financial Plan.

The Council is required to set a balanced budget each year and sets a Medium Term Financial Plan which considers the future pressures and savings options that will be taken forward to result in a balanced budget position.

The Council faces a challenging financial outlook due to inflationary and demand pressures alongside the previous significant reductions in Government funding and uncertainty around the future financial settlements.

This report provides an update for the Committee on those budget areas within its remit, including any forecast overspends reported in the first quarter and potential pressures in both the current and future years.

The Committee is asked to note the report and endorse any proposed actions to mitigate the in-year position.

This is a key decision and affects all wards.

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

RECOMMENDATIONS

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

1. Note the report.
2. Endorse any proposed actions to mitigate the in-year position.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Regular monitoring and reporting of the revenue budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Policy & Resources Committee has previously determined the budget monitoring process 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 At the meeting on 27 February 2023, the Council agreed a net revenue budget for 2023/2024 of £366.6m to be met by government grants, council tax, and business rates. This report sets out an updated revenue financial position for the Adult Social Care and Public Health Committee.

Quarter 1 Forecast Revenue Outturn Position

- 3.2 Table 1 presents the forecast outturn as a net position, i.e. expenditure minus income. Favourable variances (underspends) are shown as negative values and adverse variances (overspends) are shown as a positive value.
- 3.3 At the end of Quarter 1, there was a forecast adverse variance of £2.228m against the Committee's revised net revenue budget of £130.579m, which is equivalent to a variance of 2% from the annual budget.

TABLE 1: 2023/24 REVENUE BUDGET & FORECAST OUTTURN

	Budget	Forecast	Variance (- Fav, + Adv)		Adv/ Fav
	£000	£000	£000	%	
Adult Social Care Central Functions	7,097	7,589	492	7%	Adverse
Older People Services	62,841	64,984	2,142	3%	Adverse
Mental Health & Disability Services	54,874	54,566	(308)	-1%	Favourable
Other Care Commissions	109	97	(12)	-11%	Favourable
Delivery Services	5,411	5,325	(86)	-2%	Favourable
Public Health	(262)	(262)	0	0%	
Wirral Intelligence Service	509	509	0	0%	
Net Committee Budget	130,579	132,807	2,228	2%	Adverse

Updates in revenue position since Quarter 1

- 3.4 Since reporting the Quarter 1 position to Adult Care and Health Committee on Tuesday, 18 July 2023, there has been no movement in the forecast position.

Progress on delivery of the 2023/24 savings programme.

- 3.5 Table 2 presents the progress on the delivery of the 2023/24 approved savings as at quarter 1. For savings rated as Amber, an equal amount of temporary in-year mitigation has been identified to cover any shortfalls which may occur. For saving rated as red, a bid will need to be made from the contingency fund set up for non-achieved savings at the end of the year.
- 3.6 In terms of savings, £5.935m of the £5.935m savings targets are either delivered or on track to be delivered, representing 100% of the total savings target. The table below summarises the progress by Directorate:

TABLE 2: SUMMARY OF PROGRESS ON DELIVERY OF 2023/24 SAVINGS

Directorate	Approved Saving £m	Green £m	Amber £m	Red £m	Mitigation £m
Demand Mitigations	-5.935	-5.935			
TOTAL	-5.935	-5.935	0.000	0.000	0.000

Updates in savings delivery since Quarter 1.

- 3.7 Since Quarter 1 savings of £0.253m have been validated against the savings target for Adult Social Care and Public Health. Processes have been put in place with the recently transferred staff to ensure a more efficient system is in place to track savings going forward.

Mitigating Measures

- 3.8 It is imperative that the Council report a balanced position at the end of the financial year.
- 3.9 As per the '2023/24 Budget and Budget Monitoring Processes Report', which was presented to P&R and all Service Committees in June, the Committees will be responsible for containing net expenditure within their overall budget envelope and not overspending. Where an adverse variance is forecast, each committee will be required to take remedial action, with detailed plans and timeframes, to bring the budget back in line and ensure that overspends are mitigated.
- 3.10 Where a committee has taken all possible steps for remedial action and is unable to fully mitigate an overspend, this must be reported to the Policy and Resources Committee who will then take an organisational-wide view of how this adverse variance will be managed. There must be immediate action agreed to ensure a deliverable, balanced forecast position can be reported, and this will be monitored on a monthly basis by the Policy and Resources Committee Finance Sub-group.
- 3.11 The Policy and Resources Committee has ultimate responsibility for taking any necessary steps required to ensure a balanced budget position is delivered. The Section 151 Officer will be responsible for ensuring that any budget actions, proposals and mitigations are achievable and legal.

3.12 The quarter 1 position highlights £2.228m of forecast adverse variances for which mitigation has been identified and outlined below.

Home First:

3.13 The Home First service is funded by the ICB through the Better Care Fund and Discharge Grant with the support of social care staff co-located within the service, and since 1 July 2023, are now employed and managed by the Council.

3.14 The service is predicated on discharging people, with no criteria to reside in the hospital, to their own homes, to be assessed. The assessment considers any rehabilitation or reablement support needs in tandem with eligibility for social care. The assessments provide a more accurate picture of an individual's needs. There is evidence, nationally and locally that functionality improves within the home environment leading to a reduced reliance on intermediate care beds, domiciliary care and equipment. Feedback would suggest that people feel more in control of their care and have a better experience of hospital discharge.

3.15 The expectation that the service will reduce cost as it relates to social care is difficult to quantify as it is predicated on package/cost avoidance and if any surplus domiciliary care is created as a result it is diverted to people in the community waiting for support. It is anticipated, as the model is fully mobilised, that further surplus hours will be generated leading to less reliance on off framework domiciliary care providers.

Reablement:

3.16 The AbleMe will be a Council, Care Quality Commission registered service funded through the Better Care Fund (BCF) and Discharge Grant. The service will be an additional resource based within already established multi-disciplinary teams in Community Social Care locations to support the Preventative agenda.

3.17 AbleMe will be a community reablement service that focuses on preventative support to people living in the community who have been identified as at risk of losing their independence through ill health, social isolation or a change to their circumstances. Supporting these people in the community to be as independent as possible for as long as possible. This is achieved through a period of reablement intervention facilitating a range of self-management strategies and identifying the most appropriate support from family, friends, the community around the person in the first instance, harnessing further by the support that is available from the voluntary sector, private funded services, equipment adaptations, supported housing organisations as well as commissioned services as appropriate.

3.18 The service will enable greater alignment and joining up of services to improve outcomes for people in need of reablement to live well in their communities, and aspire to more active, fulfilling and independent lives. Through slowing or eliminating decline in a person's health and wellbeing there will be a reduction on the reliance on statutory services such as domiciliary care, residential care, nursing care and a reduction in hospital admissions. Keeping people living well independently for longer supported by the community around them will provide cost avoidance in the long-term and a more sustainable form of support for the person at the centre of the service.

Market Sustainability and Improvement Fund – additional grant allocation:

- 3.19 There has been a recent announcement from the Department of Health of additional funding to the current market sustainability fund for 2023-24 and 2024-25. This has provided a further £2.7m this year to support adult social care. The funds are to be used in line with current guidance which specifies that improvements to at least one of the three target areas below must be evidenced:
- i. Increasing fee rates in the local area
 - ii. Increasing workforce capacity and retention
 - iii. Reducing adult social care waiting times

Medium Term Financial Plan

3.20 Table 3 below identifies the areas of consideration for the medium-term financial plan with estimated costs for 2024-25:

Pressure	24-25 Estimated Pressure	Narrative
Care Fees	£11.06m	Wirral has made significant progress in paying the care market fees to support providers in paying care staff at the Real Living Wage. While this provides great benefit to market sustainability and community wealth it has come at a financial pressure to the authority. If this progress is to continue the care budget needs to increase in line with the announced real living wage rate alongside inflation, currently estimated at 7.5%. The announcement of the RLW (usually November) will confirm this. Appendix 1 provides detail of these costs over the last 3 years.
Demographic Growth	£1.47m Adults (2.4%) £2.89m Older People (3.6%)	While national data sets suggest minimal movement in numbers of Adults supported in Wirral, we are aware of local significant demand in transition from Children to adults. Further analysis to review data from Children's services where it is reported that people requiring statutory support via EHCP's has doubled in the last 12 months. National statistics for the older people population in Wirral suggests growth of 8% between 2020 and 2025. Numbers of clients supported with a care package has increased over the past 12 months by 15.5%, however this takes into account all services including such support as Assistive Technology. When reviewing the financial forecast across care types the growth in activity suggests 3.6% to be a more accurate estimate. Appendix 1 provides detail of increasing client numbers over the last 3 years.
Contract Inflation	TBC	All assessment services for complex care clients within Adult Social Care sits with Cheshire and Wirral Community Foundation Trust. Each year the value of the partnership contract is reviewed and negotiated to account for employee salary uplifts.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This budget report that provides information on the forecast outturn for the Adult Social Care and Health directorate for 2023/24 and future years. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to 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 and for future years.

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 2023/24 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 2023/24 budget monitoring process and 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 27 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**

REPORT AUTHOR: Sara Morris
(Senior Finance Business Partner)
email: saramorris@wirral.gov.uk

APPENDICES

Appendix 1 – Analysis of growth since 2021

The PDF file may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact saramorris@wirral.gov.uk if you would like this document in an accessible format.

TERMS OF REFERENCE

This matter is being considered by the Adult Care and Health Committee in accordance with section 1.2(b) provide a co-ordinating role across all other service committees and retain a ‘whole council’ view of [budget monitoring].

BACKGROUND PAPERS

Adult Care and Health Committee Report 13 Jun 23: 2023/24 Budget and Budget Monitoring Processes Report.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Adult Care and Health Committee	18 July 2023
Adult Care and Health Committee	13 June 2023
Adult Care and Health Committee	6 March 2023
Adult Care and Health Committee	29 November 2022