

## Finance Monitoring Report – March 2022/23

To: Adults and Health Committee

Meeting Date: 9 March 2023

From: Executive Director of People Services  
Director of Public Health  
Chief Finance Officer

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Outcome: The committee should have considered the financial position of services within its remit as at the end of January 2023.

Recommendation: Adults and Health Committee is recommended to review and comment on the relevant sections of the People Services and Public Health Finance Monitoring Report as at the end of January 2023.

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## 1. Background

- 1.1 Finance Monitoring Reports (FMR) are produced monthly, except for April, by all services. They report on a range of financial information to enable a view of each service's financial position to be taken.
- 1.2 Budgets for services are agreed by Full Council in the business plan in February of each year and can be amended by budget virements. In particular, the FMR provides a revenue budget forecast showing the current projection of whether services will be over- or under-spent for the year against those budgets.
- 1.3 The presentation of the FMR enables members to review and comment on the financial position of services within the committee's remit.
- 1.4 Generally, the FMR forecasts explain the overall financial position of each service and the key drivers of any budget variance, rather than explaining changes in forecast month-by-month.
- 1.5 The contents page of the FMR shows the key sections of the report. In reviewing the financial position of services, members of this committee may wish to focus on these sections:
  - Section 1 – providing a summary table for services that are the responsibility of this committee and setting out the significant financial issues (replicated below).
  - Section 5 – the key activity data for Adult Services provides information about service-user numbers and unit costs, which are principal drivers of the financial position
  - Appendices 1-3 – these set out the detailed financial position by service and provide a detailed commentary for services projecting a significant variance from budget.
  - Appendix 5 – this sets out the savings for Adults and Public Health in the 2022/23 business plan, and savings not achieved in 2021/22 that are still thought to be deliverable.
  - Appendix 6 – this sets out the position on reserve balances for Adults and Public Health as at the end of October 2022 and the forecast position at year end.
- 1.6 The FMR presented to this Committee and included at Appendix 1 covers People Services and Public Health. The budget headings in the FMR that are within the remit of this committee are set out in Appendix 2, but broadly are those within Adults & Safeguarding, Adults Commissioning, and Public Health.

## 2. Main Issues

- 2.1 The FMR provides summaries and detailed explanations of the financial position of Adults and Public Health services. At the end of January, Adults and Safeguarding (including Adults Commissioning) are forecasting an underspend of £664k, and Public Health is forecasting an underspend of £353k:

Table 1: Budget and forecast position summary at end of January 2023

Directorate	Budget 2021/22 £000	Actual January 23 £000	Forecast Outturn Variance £000
Adults & Safeguarding	189,170	160,671	88
Adults Commissioning (including Local Assistance Scheme)	19,013	15,279	-752
Public Health (excl. Children's Health)	30,860	5,523	-353
<b>Total Expenditure</b>	<b>239,043</b>	<b>181,473</b>	<b>-1,016</b>
Grant Funding (including Improved Better Care Fund, Public Health Grant etc.)	-48,149	-40,239	-1
<b>Total</b>	<b>190,894</b>	<b>141,235</b>	<b>-1,017</b>

2.2 For ease, the main summary sections of the FMR are replicated below in section 2.3.

2.3 Taken from sections 1.4 and 1.5 of the January FMR:

## Adults

- 2.3.1 The overall position for Adults and Safeguarding and Adults Commissioning is a forecast underspend of £664k at the end of January. However, this masks considerable variances across the different service user groups. We are seeing financial pressures across Learning Disability, Physical Disability and Mental Health, but these are being offset by forecast underspends elsewhere, and particularly in the costs of services for Older People. Following on from the pandemic we are continuing to see demand for residential care for Older People at below pre pandemic levels and it is anticipated that this trend will continue for some time to come.
- 2.3.2 Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living rises. These are putting pressure on uplift budgets across all care types. The position of the care market, particularly related to workforce issues, is making some placements more difficult to source, particularly at the more complex end of provision.
- 2.3.3 In line with the social care reform agenda the Council has undertaken “cost of care” exercises with both homecare and care home providers. Whilst the implementation of the reforms has now been delayed until October 2025, the outcomes of the cost of care exercises are a gap for many providers between what is currently paid, and the “cost of care” derived from provider data. Whilst we have some funding from government for 2022/23 and beyond to start to close this gap, this will be far from enough to fund the cost increases indicated by the “cost of care” exercises which are estimated at £23.4m per annum for homecare for all Adults and care homes for Older People. Increased rates in these areas would also likely increase the costs of other care packages not currently included in the remit of the “cost of care” work such as care homes for people aged under 65 and supported living placements.
- 2.3.4 As part of its 2022/23 Business Plan, the Council committed to providing additional funding to care providers towards all paying the real living wage within three years. Dedicated capacity was resourced to initiate a review of providers in Cambridgeshire to consider if they were paying the real living wage or above to their caring staff. This review has been undertaken alongside the “cost of care” work required under the government’s Adult Social Care reform agenda. Of 220 providers surveyed, 38 providers (17.3%) evidenced payment of below the 2021/22 real living wage rate of £9.50 per hour. Work is now underway to plan implementation of the real living wage with these providers.

- 2.3.5 Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively.
- 2.3.6 Work is ongoing to assess future demand, cost pressures and the financial implications of the government's social care reforms which have now been postponed to October 2025. This work will feed into business planning for 2024/25 and beyond. If demand increases above current expectations within the current financial year, we have provision to offset the costs of this in the Adult's risk reserve which currently stands at £4.7m.

## Public Health

- 2.3.7 The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate was severely impacted by the pandemic, as capacity was re-directed to outbreak management, testing, and infection control work. The Directorate is now focussed on returning business as usual public health activity to full capacity as soon as possible and addressing issues arising from the pandemic which have impacted on the health of the County's population.
- 2.5.8 At the end of January, the Public Health Directorate is forecasting a small underspend of £353k (0.9%). However, there are continuing risks to this position:
- i) much of the Directorate's spend is contracts with, or payments to, the NHS for specific work. The NHS re-focus on the pandemic response and vaccination reduced activity-driven costs to the PH budget throughout 2020/21 and 2021/22. The NHS continues to be under pressure, and it may take some time for activity levels to return to pre pandemic levels;
  - ii) the unprecedented demand for Public Health staff across the country has meant recruitment has been very difficult through the pandemic resulting in underspends on staffing budgets. This position may continue through 2022/23, although appointments are now starting to be made; and
  - iii) recruitment challenges are reflected in our provider services which has affected their ability to deliver consistently.

## 3. Alignment with corporate priorities

### 3.1 Communities at the heart of everything we do

The overall financial position of the People Services and Public Health directorates underpins this objective.

### 3.2 A good quality of life for everyone

The overall financial position of the People Services and Public Health directorates underpins this objective.

### 3.3 Helping our children learn, develop and live life to the full

The overall financial position of the People Services and Public Health directorates underpins this objective.

### 3.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no implications for this priority.

- 3.5 Protecting and caring for those who need us  
The overall financial position of the People Services and Public Health directorates underpins this objective.

## 4. Significant Implications

- 4.1 Resource Implications  
The attached Finance Monitoring Report sets out the details of the overall financial position for People Services and Public Health.
- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications  
There are no significant implications within this category.
- 4.3 Statutory, Legal and Risk Implications  
There are no significant implications within this category.
- 4.4 Equality and Diversity Implications  
There are no significant implications within this category.
- 4.5 Engagement and Communications Implications  
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement  
There are no significant implications within this category.
- 4.7 Public Health Implications  
The report sets out the financial position of the Public Health Directorate
- 4.8 Environment and Climate Change Implications on Priority Areas
- 4.8.1 Implication 1: Energy efficient, low carbon buildings.  
Neutral
- 4.8.2 Implication 2: Low carbon transport.  
Neutral
- 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.  
Neutral
- 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.  
Neutral
- 4.8.5 Implication 5: Water use, availability and management:  
Neutral
- 4.8.6 Implication 6: Air Pollution.  
Neutral
- 4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.  
Neutral

## 5. Source documents guidance

### 5.1 Source documents

Finance Monitoring Reports are produced monthly, except for April, for all of the Council's services. These are uploaded regularly to the website below.

### 5.2 Location

[Finance and performance reports - Cambridgeshire County Council](#)

## Appendix 1: People Services and Public Health Finance Monitoring Report January 2023

See separate document

## Appendix 2 : Budget Headings within the remit of the Adults and Health Committee

- 1 The budget headings that are the responsibility of this committee are set out below along with a brief description of the services these headings contain. The financial information set out in appendices 1 and 2 of the main FMR use these budget headings.
- 2 Adults & Safeguarding Directorate (FMR appendix 1):

Budget Heading	Description
Strategic Management - Adults	Cross-cutting services including transport and senior management. This line also includes expenditure relating to the Better Care Fund and social care grants.
Transfers of Care	Hospital based social work teams
Prevention & Early Intervention	Preventative services, particularly Reablement, Adult Early Help and Technology Enabled Care teams
Principal Social Worker, Practice and Safeguarding	Social work practice functions, mental capacity act, deprivation of liberty safeguards, and the Multi-Agency Safeguarding Hub
Autism and Adult Support	Services for people with Autism
Adults Finance Operations	Central support service managing social care payments and client contributions assessments
<b>Learning Disabilities</b>	Services for people with learning disabilities (LD). This is a pooled budget with the NHS – the NHS contribution appears on the last budget line, so spend on other lines is for both health and social care.
Head of Service	
LD - City, South and East Localities	
LD - Hunts and Fenland Localities	
LD - Young Adults Team	
In House Provider Services	
NHS Contribution to Pooled Budget	
<b>Older People and Physical Disability Services</b>	Services for people requiring physical support, both working age adults and older people (OP).
Management and Staffing	
Older People's Services - North	
Older People's Services - South	
Physical Disabilities - North	
Physical Disabilities - South	Services relating to people with mental health needs. Most of this service is delivered by Cambridgeshire and Peterborough NHS Foundation Trust.
<b>Mental Health</b>	
Mental Health Central	
Adult Mental Health Localities	
Older People Mental Health	



3 Commissioning Directorate (FMR appendix 1):

Budget Heading	Description
Strategic Management - Commissioning	Costs relating to the Commissioning Director, shared with CYP Committee.
Local Assistance Scheme	Scheme providing information, advice and one-off practical support and assistance
Central Commissioning - Adults	Discrete contracts and grants that support adult social care, such as carer advice, advocacy, housing related support and grants to day centres, as well as block domiciliary care contracts.
Integrated Community Equipment Service	Community equipment contract expenditure. Most of this budget is pooled with the NHS.
Mental Health Commissioning	Contracts relating to housing and community support for people with mental health needs.

4 The Executive Director budget heading in FMR appendix 1 contains costs relating to the executive director of People Services and is shared with other People Services committees.

5 Public Health Directorate (FMR appendix 2):

Budget Heading	Description
Drug & Alcohol Misuse	A large contract to provide drug/alcohol treatment and support, along with smaller contracts.
SH STI testing & treatment - Prescribed	Sexual health and HIV services, including prescription costs, advice services and screening.
SH Contraception - Prescribed	
SH Services Advice Prevention/Promotion - Non-Prescribed	
Integrated Lifestyle Services	Preventative and behavioural change services. Much of the spend on these lines is either part of the large Integrated Lifestyles contract or is made to GP surgeries.
Other Health Improvement	
Smoking Cessation GP & Pharmacy	
NHS Health Checks Programme - Prescribed	
Falls Prevention	Services working alongside adult social care to reduce the number of falls suffered.
General Prevention, Traveller Health	Health and preventative services relating to the Traveller community, including internal income from Cambs Skills for adult learning work.
Adult Mental Health & Community Safety	A mix of preventative and training services relating to mental health.
Public Health Strategic Management	Mostly a holding account for increases in the ringfenced Public Health Grant pending its allocation to specific budget lines.
Public Health Directorate Staffing and Running Costs	Staffing and office costs to run Public Health services
Health in All Policies	Staffing costs for embedding health considerations in the Council's policies
Enduring Transmission Grant	Expenditure under a pilot scheme to tackle Covid-19 transmission where rates are persistently higher than average. The pilot covers Fenland, Peterborough and South Holland but is administered by Cambridgeshire County Council.
Contain Outbreak Management Fund	Expenditure relating to the COMF grant, a large grant given over 2020/21-22 to deliver outbreak management work under the Health Protection Board.