

Finance Monitoring Report – January 2021/22

To: Adults and Health Committee

Meeting Date: 17 March 2022

From: Executive Director of People & Communities
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 2022

Recommendation: Adults and Health Committee is recommended to:

- i) review and comment on the relevant sections of the People and Communities and Public Health Finance Monitoring Report as at the end of January 2022; and
- ii) endorse for approval by Strategy and Resources Committee, the use of £407,375 from Public Health reserves to support additional work on Health Checks in 2022/23.

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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 principle 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 2021/22 business plan, and savings not achieved in 2020/21 that are still thought to be deliverable.
- 1.6 The FMR presented to this Committee and included at Appendix 1 covers People and Communities 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, including Adults Commissioning, are forecasting an underspend of 4.2% of budget (£8,054k), and Public Health are reporting an underspend of 6.6% of budget (£3,185k):

Directorate	Budget 2021/22 £000	Actual Jan 22 £000	Forecast Outturn Variance £000
Adults & Safeguarding	174,535	137,517	-7,937
Adults Commissioning (including Local Assistance Scheme)	18,503	9,964	-117
Public Health (excl. Children's Health)	39,039	-278	-3,185
Total Expenditure	232,077	147,203	-11,240
Grant Funding (including Improved Better Care Fund, Public Health Grant etc.)	-54,425	-39,270	0
Total	177,652	107,933	-11,240

2.2 As the impact of the pandemic continues, there remains uncertainty around the forecast position as we continue through the winter period. It is particularly unclear if, and at what point, demand-led budgets will return to expected levels of growth in spend. We will continue to keep activity and spend levels under review to determine if demand growth is returning to pre-pandemic levels or increasing faster or more slowly.

2.3 For ease, the main summary section of the FMR is replicated here in section 2.4.

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

Adults

2.4.1 Like councils nationally, Adult Services in Cambridgeshire has faced cost pressures for several years. This has been due to the rising cost of care home and home care provision due to both the requirement to be compliant with the national living wage and the increasing complexity of needs of people receiving care (both older people and working age adults). Budgets have been set broadly based on this trend continuing, with some mitigations.

2.4.2 At the end of January, Adults are forecasting an underspend of £7,937k (4.5%), with pressures in learning disability services more than offset by underspends forecast in strategic management, older people's services and physical disability services. This is an increased underspend from December reflecting the fact that we are continuing to see fewer service users than budgeted for across many Adults Services, particularly Older People services, and in addition are now seeing underspends arising from the level of vacant posts across Adult Social Care services.

2.4.3 The financial and human impact of Covid-19 has been substantial for Adult Services, resulting in an overspend in 2020/21 because of the need to provide additional support to care providers and increased support needs of vulnerable adults. Some adults who were previously supported at home by friends, family and local community services have not been able to secure this support during Covid due to visiting restrictions during lockdown. This has increased reliance on professional services; the ability to focus on conversations about the use of technology, community support or other preventative services have been restricted due to the reprioritisation of staffing resources towards discharge from hospital work and supporting care providers. Many vulnerable adults have developed more complex needs during lockdown as they have not accessed the usual community-based or early help services. We are expecting the longer-term financial impact of this to be

significant. We are also experiencing a high volume of referrals from hospitals and the level of need and complexity of patients needing care or Reablement support is increasing.

- 2.4.4 Despite this, some services over 2020/21, and continuing through 2021/22, have seen service user numbers and expenditure at less than budgeted levels. This is particularly the case with spend on residential and nursing care for older people as a result of the devastating impact of Covid-19 on the older people's population and a notable reduction in the number of people having their care and support needs met in care homes. Spend and service user numbers today are below the level budgeted for and therefore budget is available for rising demand or costs. However, the financial position of this service is considerably uncertain. There is a growing number of people who have survived Covid, being left with significant needs, and many vulnerable adults have developed more complex needs as they have not accessed the usual community-based or early help services due to lockdown. The impact of delayed health care treatments such as operations will also impact individual needs and health inequalities negatively. It is anticipated that demand will increase as we complete more annual reviews, many of which are outstanding due to the pandemic.
- 2.4.5 Care providers are currently reporting substantial difficulties including workforce issues and price inflation. Workforce pressures have been recognised by the government, and additional grant funding has been given to support areas such as recruitment and retention. The Adults and Health committee has approved additional funding for uplifts paid to providers this year, as well as support for recruitment and retention activity, which will be partly funded through this new grant funding. The budgetary impact of market pressures has been included within the forecasts in this report and is largely offset by increasing underspends at the current time compared to budget.
- 2.4.6 Hospital Discharge systems continue to be pressured and we expect some substantial cost increases as both NHS funding is unwound fully at the end of March 2022, and the medium-term recovery of clients assessed as having primary health needs upon hospital discharge return to social care funding streams.
- 2.4.7 Learning Disabilities (LD) is the one area of Adult Services which has cost pressures that are driving a forecast overspend for the year. Levels of need have risen greatly over the last year, and this is accompanied by several new service users with LD care packages with very complex health and care needs, requiring significant levels of care that cost much more than we budget for an average new care service. We are reliant on a small number of providers for very specialist types of support. LD services in Cambridgeshire work in a pooled budget with the NHS, so any increase in cost in-year is shared. We do have some examples of care providers wishing to return packages of care or placements due to workforce difficulties.

Public Health

- 2.4.8 The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate has been severely impacted by the pandemic, as capacity has been re-directed to outbreak management, testing, and infection control work. The Directorate's expenditure has increased by nearly 50% with the addition of new grants to fund outbreak management, mainly the Contain Outbreak Management Fund.

- 2.4.9 At the end of January, the Public Health Directorate is forecasting an underspend of £3,185k (6.6%).
- 2.4.10 The pandemic has caused an underspend on many of PH's business as usual services. 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 has reduced activity-driven costs to the PH budget. Activity was starting to pick back up, but with the emergence of the new Omicron variant, and the increased pressures on primary care, activity levels are likely to be suppressed for some time to come. As part of addressing the backlog in these services a request is being made for the use of Public Health reserves to contribute towards 2021/22 missed health checks as well as ensuring targets are met for 2022/23. This is in addition to £2.9m of PH reserves approved by the Adults and Health Committee in December 2021 to be spent on a wide range of non Covid related PH services across the next 3 years. This leaves current PH reserves fully committed, but further work is also being developed on options for the use of the current year underspend when it is transferred to reserves at year end.
- 2.4.11 A significant proportion of staff time throughout 2020/21 and 2021/22 has been spent on outbreak management in relation to the Covid-19 pandemic and this is funded by the Contain Outbreak Management Fund rather than the Public Health grant. In addition, with the unprecedented demand for Public Health staff across the country, recruitment is proving difficult resulting in further underspends on staffing budgets.
- 2.5 Request for use of Public Health reserves to fund additional work on Health Checks in 2022/23
- 2.5.1 The commissioning approach for NHS Health Checks is the subject of a separate paper to this committee. The paper proposes delivery costs for GP health checks in 2022/23 of £1,032,297, of which £624,922 is already budgeted for in 2022/23. The remaining £407,375 is requested to be funded from Public Health reserves.
- 2.5.2 There was previously an earmarked reserve for Health Checks but this was given up when reserves were reviewed in the latter part of 2021. At that stage it was felt that in year Health Check numbers were picking up and the reserve would not be needed. However, the impact of the Omicron variant of Covid over the winter months has led to the number of Health Checks being undertaken continuing to be suppressed. As a result the in year forecast is for an underspend of £411k against the Health Checks budgets. This underspend will be transferred to Public Health reserves at year end and the request is that £407,375 of this funding is approved for use in 2022/23 to increase the number of checks that can be undertaken.
- 2.5.3 The Adults and Health Committee is asked to endorse this proposal for consideration by Strategy and Resources Committee.
- 2.5.4 The current position on Public Health reserves is set out in the table below.

Table 1: Public Health earmarked reserves January 2022

Budget Heading	Opening Balance 2021/22 £'000	Balance End Jan 2022 £'000	Reserve Description
Children's PH	319	286	Including Better Start in Life
Stop Smoking Service	128	128	To be focused on work to reduce smoking during pregnancy
Emergency Planning	9	9	
Healthy Fenland Fund	98	98	Project extended to 2023
Falls Prevention Fund	188	188	Joint project with the NHS, £78k committed in new Healthy Lifestyle contract
Enhanced Falls Prevention	804	804	Anticipated spend over 3 years to 2024/25
NHS Healthchecks Programme	270	0	Given up as not expected to be required but now requested to be funded once more
Cambs PH Integration Strategy	140	0	No longer required as work is complete
Covid Recovery Survey	0	368	Annual survey for 3 years to assess long term covid impact
Support to families of children who self-harm	0	102	Anticipated spend over 2 years to 2023/24
Gypsy Roma and Travelers Education Liaison officer	0	48	Anticipated spend over 2 years to 2023/24
Psychosexual counselling service	0	69	Anticipated spend over 2 years to 2023/24
Primary Care LARC training programme	0	60	Long-Acting Reversible Contraception (LARC) training programme for GPs and Practice Nurses
Tier 3 Weight Management Services post covid	0	1,465	To increase capacity of weight management services over 3 years
Smoking in pregnancy	0	220	To fund work to decrease smoking in pregnancy
Public Mental Health Manager	0	105	Anticipated spend over 2 years to 2023/24
Effects of planning policy on health inequalities	0	170	Anticipated spend in 2022/23
Strategic Health Improvement Manager	0	165	Anticipated spend over 2 years to 2023/24
Public Health Manager – Learning Disability	0	105	Anticipated spend over 2 years to 2023/24
Training for Health Impact Assessments	0	45	Agreed as part of 2022/23 Business Plan
Health related spend elsewhere in the Council	0	1,000	Agreed as part of 2022/23 Business Plan to be spent over 3 years to 2024/25
Public Health – Grant carry forward	2,668	-843	Overcommitment of current reserves to be funded from the year end transfer of underspend
TOTAL EARMARKED RESERVES	4,624	4,592	

- 2.5.5 Agreement to use of these reserves will leave current Public Health reserves over committed by £1.25m. However, much of this over commitment is as a result of movements agreed as part of the Council's business plan for 2022/23 and the funding is not needed until future years. The current year forecast position for the Public Health Directorate as noted above is an underspend of £3.185m which will be transferred to Public Health reserves at year end. This will leave a forecast uncommitted reserve balance on Public Health reserves at the start of 2022/23 of £1.935m.
- 2.5.6 Further work is being undertaken on proposals to be brought forward in the new financial year for use of this expected uncommitted reserve balance.

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do

The overall financial position of the P&C and Public Health directorates underpins this objective.

3.2 A good quality of life for everyone

The overall financial position of the P&C and Public Health directorates underpins this objective.

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

There are no implications for this priority.

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 P&C 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 P&C 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 and Communities and Public Health Finance Monitoring Report January 2022

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
Head of Service	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.
LD - City, South and East Localities	
LD - Hunts and Fenland Localities	
LD - Young Adults Team	
In House Provider Services	
NHS Contribution to Pooled Budget	
Physical Disabilities	Services for people requiring physical support, both working age adults and older people (OP).
OP - City & South Locality	
OP - East Cambs Locality	
OP - Fenland Locality	
OP - Hunts Locality	
Mental Health Central	Services relating to people with mental health needs. Most of this service is delivered by Cambridgeshire and Peterborough NHS Foundation Trust.
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 P&C and is shared with other P&C 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
Test and Trace Support Grant	Expenditure relating to the test and trace service support grant. This was a 2020/21 grant but was partly carried-forward.
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.
Lateral Flow Testing Grant	Grant to deliver community testing sites.