

## Finance Monitoring Report – July 2021/22

To: Adults and Health Committee

Meeting Date: 22 September 2021

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 July 2021/22

Recommendation: The Adults and Health Committee is asked to review and comment on the report

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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 No decision is required by committee, but 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 try to 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 budget headings in the FMR that are within the remit of this committee are set out below in section 2.5, 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 July, Adults are forecasting an underspend of 0.5% of budget (£1,051k), and Public Health are reporting an underspend of 2% of budget (£1,027k):

Directorate	Budget 2021/22 £000	Actual July 21 £000	Forecast Outturn Variance £000
Adults & Safeguarding	174,603	42,533	-1,095
Adults Commissioning (including Local Assistance Scheme)	18,512	5,041	44
Public Health (excl. Children's Health)	39,039	4,801	-1,027
<b>Total Expenditure</b>	<b>232,153</b>	<b>52,376</b>	<b>-2,078</b>
Grant Funding (including Improved Better Care Fund, Public Health Grant etc.)	-54,415	-40,558	0
<b>Total</b>	<b>177,738</b>	<b>11,818</b>	<b>-2,078</b>

- 2.2 This forecast position remains very uncertain at this point in the year. It is particularly unclear if, and at what point, demand-led budgets will return to expected levels of growth in spend. We will need to keep activity and spend levels under review throughout the year to determine if demand growth is returning to pre-pandemic levels or increasing faster.
- 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 July FMR:
- 2.4.1 Adults
- 2.4.2 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.
- 2.4.3 At the end of July, Adults are forecasting an underspend of £1,051k (0.5%), with pressures in some disability and mental health services more than offset by an underspend forecast in Older People's services.
- 2.4.4 The financial and human impact of Covid-19 has been substantial for Adult Services, overspending in 2020/21 because of the need to provide additional support to care providers, disrupted savings delivery, and rising needs of people receiving care. 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 refocusing 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 services or early help services. We are expecting the longer-term financial impact of this to be very large.
- 2.4.5 Despite this, some services over 2020/21, and continuing into 2021/22, have seen expenditure at less than budgeted levels. This is particularly the case with spend on residential and nursing care for older people where the pandemic has resulted in deaths occurring before they would normally be expected. As a result, spend today is below the

level budgeted for and therefore budget is available for rising demand or costs. This is causing the forecasted underspend on the Older People's budget, but the financial position of this service is considerably uncertain. There is likely to be an increase in need for care services as Covid restrictions ease, and as NHS discharge funding ends in the middle of the year, as well as evidence of a rising complexity of need which will increase costs. Care provider support may also be required if government funding is not aligned to how long infection control requirements last. The forecast underspend assumes a lot of growth in cost from this month to the end of the year.

- 2.4.6 We will review in detail on a quarterly basis the activity information and other cost drivers to validate this forecast position, and so this remains subject to variation as circumstances change. In particular, a budget rebaselining exercise will be undertaken at the mid year point to assess the full impact of Covid on the numbers of older people being supported.
- 2.4.7 Learning Disabilities (LD) and Mental Health services have got cost pressures that are driving a forecast overspend for the year. Levels of need have risen greatly over the last year, and this is exacerbated by several new service users with LD care packages with very complex health needs, requiring large amounts of care that cost much more than we budget for an average new care service. LD services in Cambridgeshire work in a pooled budget with the NHS, so any increase in cost in-year is shared.
- 2.4.8 Public Health
- 2.4.9 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.
- 2.4.10 In 2020/21, the pandemic 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, and the NHS' re-focussing on pandemic response and vaccination reduced activity-driven costs to the PH budget. This is continuing into the first part of 2021/22 with indications that spend is currently below budgeted levels, and a risk of remaining so through the current financial year. In addition, with the unprecedented demand for public health staff across the country, recruitment is proving difficult resulting in underspends on staffing budgets. Service demand is difficult to predict and will be kept under review.

2.5 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.

2.5.1 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	

2.5.2 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.

2.5.3 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.

#### 2.5.4 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.

### 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

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? N/A

Name of Officer:

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? N/A

Name of Legal Officer:

Have the equality and diversity implications been cleared by your Service Contact? N/A

Name of Officer:

Have any engagement and communication implications been cleared by Communications?

N/A

Name of Officer:

Have any localism and Local Member involvement issues been cleared by your Service Contact? N/A

Name of Officer:

Have any Public Health implications been cleared by Public Health?

Name of Officer: Kate Parker

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

N/A

## 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](#)