

Finance Monitoring Report – March 2024

To:	Adults and Health Committee
Meeting Date:	27 June 2024
From:	Executive Director: Adults, Health & Commissioning Executive Director: Finance and Resources
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	N/A
Executive Summary:	The report provides an update on the financial position of the Adults, Health and Commissioning Directorate and the Public Health Directorate as at the end of the 2023/24 financial year.
Recommendation:	Adults and Health Committee is recommended to note the Adults, Health and Commissioning and Public Health Finance Monitoring Report as at the end of March 2024.
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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 This regular financial monitoring report provides the consolidated management accounts of the Adults, Health and Commissioning Directorate and the Public Health Directorate, enabling members to be aware of, and to scrutinise, the delivery of the business plan for 2023-24 and the corporate vision and ambitions within it.

2. Background

- 2.1 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.
- 2.2 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.
- 2.3 The presentation of the FMR enables Members to review and comment on the financial position of services within the committee's remit.
- 2.4 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.
- 2.5 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 4 – this sets out the savings for Adults, Health and Commissioning and Public Health in the 2023/24 business plan, and savings not achieved and brought forward from previous years that are still thought to be deliverable.
 - Appendix 5 – contains information on earmarked reserves, grant income and budget virements.

3. Main Issues

3.1 Adults, Health and Commissioning

3.1.1 The overall position for Adults, Health and Commissioning at the end of the 2023-24 financial year was an underspend of £3,871k (1.8% of budget). This masked significant underlying pressures on care and support costs, but in year this was more than offset by grant funding, increased client contributions and underspends elsewhere.

Forecast Outturn Variance (Previous) £000	Directorate	Gross Budget £000	Income Budget £000	Net Budget £000	Actual £000	Outturn Variance £000	Outturn Variance %
-1,272	Adults, Health and Commissioning	345,480	-130,217	215,263	213,708	-1,554	-0.7%
-1,272	Total Expenditure	345,480	-130,217	215,263	213,708	-1,554	-0.7%
-2,534	Mitigations	0	0	0	-2,317	-2,317	0.0%
-3,806	Total	345,480	-130,217	215,263	211,391	-3,871	-1.8%

3.1.2 Going forward into 2024-25 the Adults, Health and Commissioning Directorate has a challenging set of savings targets to deliver against whilst still managing growing demand and pressures with the provider market, particularly related to increasing staffing costs along with higher acuity of those people who use services. As a result, close attention will continue to be paid to changes in demand and costs and income as the 2024-25 financial year progresses and forecasts will be adjusted accordingly.

3.1.3 The legacy of Covid is still being felt. Adult Social Care continues to feel the consequences of paused work and backlog on teams, and of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population and staff recruitment and retention a factor.

3.1.4 Whilst there has been significant investment into the care sector, primarily through Adult Social Care Market Sustainability and Improvement Fund, the whole adult social care market remains fragile to other factors that may impact on it. Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living crisis. The position of the care market, particularly around specific types of provision and location, is making some placements more difficult to source, particularly at the more complex end of provision.

3.1.5 Hospital Discharge systems continue to be pressured to manage flows and demand on their services, with a subsequent focus on timely, safe and effective discharges into the correct pathways; although additional funding has been provided to both the Council and wider partners to help address these issues. The long-term legacy of the impact of the pandemic remains unclear and the implications this has on future demand for services,

greater need for community support due to backlogs in elective surgery, and the availability of a skilled and experienced workforce and the wider health inequalities on our communities.

3.1.6 The budget for 2022-23 assumed an increased contribution from the NHS towards Learning Disability packages reflecting a shift in the percentage of packages that should be funded from Health budgets. For the current financial year this planned increased contribution has been offset by underspends elsewhere. but the joint project between the ICB and CCC to review those packages required to agree a revised split of costs going forwards for the pool did not proceed as expected. The Council has now served notice to end the cost sharing arrangements of the pooled budget, during 2024/25. There is a risk of short term financial pressures from this decoupling as we move to separate budgets for health and social care.

3.1.7 Adult social care debt (excluding debt with Health partners) stood at £19.3m at the end of March, down from £20.0m at the end of February. Actions continue following a recent deep dive into some of the factors resulting in the levels of debt, along with additional resources to work on backlogs of financial assessments. Debt over 90 days old was £16.0m at the end of March also down from £16.1m at the end of February. The level of aged debt has a knock-on impact on the bad debt provision and likelihood of write offs and the in year position for the AHC Directorate reflects a contribution to the bad debt provision of £1,161k.

3.2 Significant Issues – Public Health

3.2.1 At the end of 2023-24, the Public Health Directorate had a year end underspend of £126k (0.3%).

Table 2: Public Health position

Forecast Outturn Variance (Previous) £000	Directorate	Gross Budget £000	Income Budget £000	Net Budget £000	Actual £000	Outturn Variance £000	Outturn Variance %
-20	Public Health - Children	15,292	-4,150	11,141	11,056	-86	-0.6%
-235	Public Health	27,864	-35,937	-8,072	-8,114	-40	-0.1%
-255	Total Expenditure	43,156	-40,087	3,069	2,942	-126	-0.3%
0	Drawdown from reserves	-3,068	0	-3,068	-3,068	0	0.0%
-255	Total	40,088	-40,087	0	-126	-126	-0.3%

3.2.2 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 has now returned to business as usual following the pandemic but there are ongoing issues that continue to impact on activity and spend:

- i) much of the Directorate's spend is contracts with, or payments to Primary Care (GP practices and community pharmacies) for specific work. Primary Care was under pressure following the COVID-19 pandemic and has recovered in some areas. However, spend against areas especially smoking has been re-purposed to ensure that those within groups that still have high smoking rates can access services.
- ii) the Covid-19 pandemic created ongoing recruitment challenges in our provider services which has affected their ability to deliver consistently.

4. Significant Implications

4.1 Finance Implications

This report provides the latest financial information for the Adults, Health and Commissioning and Public Health Directorates and so has a direct impact on scrutiny and on wider decision making.

4.2 Legal Implications

There are no significant implications within this category.

4.3 Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

5. Source Documents

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

5.2 Location

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