

REPORT TO: Executive Board

DATE: 23 October 2025

REPORTING OFFICER: Executive Director of Adults

SUBJECT: All Age Community Care Processes & Next Steps

PORTFOLIO: Health and Wellbeing

WARD(S): Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to present a summary of the current operational and financial process for All Age Community Care (AACC) and the associated financial risks facing the council in the current landscape. The report considers the financial impact of the changes Cheshire & Mersey Integrated Care System (C&M ICS) have brought about as part of their financial recovery agenda.

2.0 RECOMMENDATION: That

- 1) the financial pressures facing the Community Care budget outlined in the report be noted; and**
- 2) moving forward, financial processes are aligned to reflect contractual financial obligations of the council and C&M ICS.**

3.0 SUPPORTING INFORMATION

- 3.1 Community Care Services include residential and nursing care, domiciliary care and direct payments. These services are currently funded in a number of ways, from the council and from the Integrated Commissioning Board (ICB) for Funded Nursing Care (FNC), Continuing Health Care (CHC) and Joint Funding (JF) which includes s117. For context the net spend on Community Care services in 2024/25 was £43.8m, 26% of which related to health spend.
- 3.2 In order to make the payment of services seamless for the care providers, the council currently pays the total care package cost in full and subsequently invoices the ICB for their contribution retrospectively. There is usually a significant delay in ICB settling these invoices which does impact on the council's cashflow position and therefore the amount of interest that can be earned from such balances. The current level of ICB invoices outstanding relating to community care services is £4.445m. In addition, this process is quite labour intensive in terms of administration from raising invoices to debt collection.
- 3.3 In support of the National NHS mandate, C&M ICS have adopted new

processes identified in their financial recovery agenda. AACC is a key focus of this agenda and whilst they are committed to ensuring all primary health needs are met there is no expectation that this will be supported financially through Social Care. C&M ICS have stated they are no longer able to fund elements of Social Care as part of the approval process.

- 3.4 C&M ICS has centralised NHS decision making for all packages of care above £2,000 week. A weekly care package assurance panel has been established consisting of Senior Clinicians, finance representatives and the Chief System Improvement and Delivery Officer. Social care colleagues are also invited but attendance is not compulsory to enabled decision making to be made. All decision making will be based purely on health needs.
- 3.5 Following a decision at this panel communication will be sent to the relevant council advising them of the decisions and the timescale for any amendments to ICB funding. In the case of disagreement on decision making, “next step” will also be communicated.
- 3.6 At present, when a package of care is deemed to be jointly funded by the council and ICB it is automatically assumed the split is 50:50 for each partner. However as part of C&M ICS’s recovery agenda this long standing local agreement will cease and each case will be assessed individually and ICB funding will be agreed based on health care requirements.
- 3.7 To ensure a consistent approach C&M ICS are currently reviewing a clinical tool to support decision making. This review will be clinically led and although Social Care colleagues are encouraged to be part of the process C&M ICS have clarified their attendance is not essential to decision making.
- 3.8 As part of the recovery agenda C&M ICS recommends all joint funded packages should first consider universal services to deliver care requirements and a joint funded package should only be agreed where universal services cannot meet the needs of the person. A 28 day notice will be given where any joint funded package has been reviewed and there is no evidence that a person has any additional health needs beyond those that can be met by universal NHS services. Where a person is found not to be eligible for CHC the ICB will send an email immediately to the council to inform of the decision and provide 14 days’ notice from the date the decision is made.
- 3.9 C&M ICS acknowledge this is a fundamental change to local agreements but it is necessary due to changes to NHS locally, regionally and nationally as they can no longer continue to spend on NHS services at the same rate as previous. This reset is aligned with the evolving National NHS regime.
- 3.10 It is envisaged this change in process will not only shunt costs from the ICB to the council but will also increase the number of invoices disputed by the ICB increasing the level of debt to the council. In order to mitigate the latter, it is recommended the council & ICB commission and pay for their own services provided to residents.

4.0 POLICY IMPLICATIONS

- 4.1 The fundamental change to local agreements by C&M ICS as part of their financial recovery agenda, will impact upon the financial performance of the community care budget this current financial year and if not addressed, in future years the delivery of ASC services may be at risk.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The current level of debt in respect to JF, CHC and FNC invoices and the associated loss of potential interest earned are tabled below:

Funding Source	Outstanding Debt £000	Potential Annual Interest* £000
Joint Funding	2,764	117.47
CHC	1,019	43.31
FNC	662	28.14
TOTAL	4,445	188.92

*Based on the current Money Market Fund Base Rate of 4.25%

5.2 Conclusion

- 5.2.1 The new processes for AACC introduced by C&M ICS will have a significant impact on the Community Care budget this current year and into the future. The council must try to mitigate some of this risk to ensure the overspend against this budget does not run away with itself. One way to do this is to separate the current payment system to care providers so that the council only incurs those debts for which it is liable and not those of the ICB. Although this is not best practice in partnership working the action taken by C&M ICS leaves little option as invoices raised to them may not be honoured in future.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

The Adult Social Care budget supports the delivery of services which contribute towards this priority.

6.2 **Building a Strong, Sustainable Local Economy**

None identified.

6.3 **Supporting Children, Young People and Families**

None identified.

6.4 **Tackling Inequality and Helping Those Who Are Most In Need**

None.

6.5 **Working Towards a Greener Future**

None identified.

6.6 Valuing and Appreciating Halton and Our Community

None identified.

7.0 RISK ANALYSIS

- 7.1 The change of process implemented by C&M ICS (without local authority agreement) identified within this report will have a significant impact upon the delivery of Adult Social Care services within the Borough. Action should be taken to mitigate some of the financial risk to the council.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 None identified.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

- 9.1 There are none under the meaning of the Act.