

**HEALTH, SOCIAL CARE & INCLUSION
SCRUTINY AND PERFORMANCE PANEL**

**Agenda
Item No.**

DATE: 19 NOVEMBER 2007

DRAFT BUDGET 2008/9 PROPOSALS

Ward(s) All

Portfolio: Cllr McCracken

Summary of report

This report presents service specific saving and investment options in respect of the revenue budget 2008/9 to enable consideration and recommendations to cabinet.

Recommendations

1. To consider the options and make recommendations to cabinet as appropriate.

Background papers

Various financial working papers.

Reason for scrutiny

To enable scrutiny of the budget and options for investment and savings in the context of setting the 2008/9 corporate revenue budget.



Signed

Chief Finance Officer – James T Walsh

Date: 9 November 2007

Resource and legal considerations

Services were requested to identify efficiency savings and investment for consideration in the setting of the 2008/9 corporate revenue budget. These savings and investment proposals have been prepared by officers and presented to cabinet who are considering them as part of preparing their draft budget proposals.

Citizen impact

The budget is aligned with service activity within service plans across the council. Investment has been targeted at service improvement, stability and user demand.

Environmental impact

None directly associated with this report.

Performance management

Investment and savings options are considered in the context of service targets and outcomes.

Equality Implications

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations.

Consultation

Scrutiny panels are all receiving service specific budget options for consultation and consideration in November 2007. A further meeting is scheduled for 21 January 2008 to consider the overall draft corporate revenue budget 2008/9.

Contact Officer:

Stephanie Simcox

Tel. 01922 652703

Simcoxs@walsall.gov.uk

1. INVESTMENT AND SAVINGS OPTIONS 2008/9

1.1 Investment

As part of the budget process investments have been identified by services in line with service plans across the council and are targeted at user demand, changes in legislation, capacity to support efficiencies, income shortfalls and grant fall out which is shown in **Table 1**.

Appendix 1 shows in more detail the service specific investments currently put forward for consideration for Social Care and Inclusion.

Table 1 – Summary of Investment Options – 2008/09

Type of Investment	£m
Demand Related	1.447
Income Shortfall	0.450
Grant Fall Out	0.249
Capacity to support efficiencies	0.139
Legislative	0.060
TOTAL	2.345

1.2 Savings

In order to ensure a balanced budget services have submitted savings options for consideration. These options were worked up by managers and have also been considered by SLT. A risk assessment for each option has been undertaken to assess the affects on service delivery. **Appendix 2** details service specific savings which have been categorised into the themes shown in **Table 2**.

Table 2 - Summary of Savings Options – 2008/09

Type of Investment	£m
Invest to Save	0.300
Procurement	1.002
Staffing	0.159
General Efficiencies	0.217
Total Savings Options	1.678

1.3 Full year effect of savings and investment options approved for 2007/8

Appendix 3 is for information only. It details the full year effect of the service specific savings and investments approved as part of the budget setting process for 2007/8. These items have all been reviewed by services to ensure that the investment required is still needed at the same level and that the increased savings will still be realised.

2. NET CHANGE TO BUDGET 2007/8 TO 2008/9

Table 3 shows the impact of inflation and savings plus investment proposals, and should they all be approved the net resulting change to the 2008/9 budget.

Table 3 - Calculation of Net Increase in SCI Budget from 2007/8 to 2008/9

Description	£m
Base Budget 2007/8	62.740
Budget refresh: allocation of pay inflation	0.899
Budget refresh: allocation of contractual and other inflation	1.526
Full year effect investment	1.365
Full year effect efficiencies (procurement)	(0.450)
Sub-total prior to new investment and new efficiencies	66.080
New Investment	2.345
New Efficiencies	(1.678)
Base Budget 2008/9	66.747
Net Increase in Budget	0.667
Net % Increase in Budget (adjusted for inflation and fye)	1.01%
Net overall increase in Budget incl. inflation and fye	6.39%

3. SUMMARY

- 3.1 This report details all service specific investment and savings options for consideration in the 2008/9 budget setting process to enable scrutiny to make recommendations to cabinet.

APPENDIX 1 - NEW INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST			IMPACT ON STAFF No's	DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
			2008/09	2009/10	2010/11				
	SOCIAL CARE & INCLUSION								
1	<p>Older persons - Demographic Growth. Relates to care and support required for primary age group 75-84 which will grow in the following proportions - 20200 in 07/08, 20500 in 08/09, 20800 in 09/10, 21300 in 10/11 and 21500 in 11/12. The investment also includes the associated assessment and care management capacity required and it would purchase approx 80 average home care packages. The bid has been reduced to take account of additional continuing health care income planned to be claimed. There will be a 1% increase in the key cohort of older people requiring care (75+) costs £205,140. In 09/10 the % increases to 2.4% meaning the element</p> <p>of the older persons demographic growth bid relating to basic demand for core services is £493k. This explains the rise between 08/09 and 09/10. Includes Investment in Social work capacity required to address the increase in demand for social care assessment due to the reduction in acute bed numbers, reduction in length of stay and changing demographics, which indicates that 4 additional social work posts would be required to deliver the 'Discharge from Day 1' project outcomes</p>	Adults SCI (Older Persons)	219,026	758,151	830,284	3 in 08/9 increasing to 7 in 12/13	Making Walsall a Healthy and Caring Place	Unable to meet assessed need. Inability to meet statutory duties. Potential judicial reviews. This funding would enable the current csci ratings to be maintained. Without this funding csci ratings would fall. The LA would be unable to meet its FACS (Fairer Access to Care) criteria and clients who required a service under FACS wouldn't get the appropriate service.	Reduced residential and nursing admissions (PAFC72), timeliness of packages post assessment (PAFD55 and PAF D56), increased intensive home support (PAFB11) and positive impact on older people helped to live at home (PAFC32) Positive effect on PAF B11, PAF C28, PAF C51, PAF E50, PAF C32, PAF C72 and PAF E48
2	<p>Walsall's Independent living centre continuation. The future of this project would be threatened if the Council could not support the salary costs of the employees. The service is also part funded by the tPCT and enables development of partnership working with the third sector. This service provides approx 5,000 hours to support clients in their own homes and if it closed would put further pressure on the councils home care budget and would adversely affect the helped to live at home performance targets</p>	Adults SCI (Younger Adults)	85,000	85,000	85,000	2	Making Walsall a Healthy and Caring Place. Strengthen the local economy as provides training for disabled people to access employment opportunities.	Support to service users would end and the council would need to provide care packages to service users who meet FACS criteria. The Local Authority would need to provide alternative employment for 2 employees and if there was no suitable job match - potential redundancy. The valued training and information resource would be lost	All indicators relevant to providing employment opportunities for disabled people, helped to live at home indicators for younger adults - C29

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST			IMPACT ON STAFF No's	DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
			2008/09	2009/10	2010/11				
	SOCIAL CARE & INCLUSION								
3	<p>Client Demand Growth Future Years</p> <p>YADS provides services for clients with multiple disabilities who require expensive specialist services. More people are now getting services via changes in services and issue of direct payments since the YADS restructure. People with profound disabilities are living longer and the Authority funds some very expensive placements in xs of £2000 per week for individual clients. Walsall's profile of people with disabilities is higher than the national average (6.4% of people receive Disability Living Allowance compared to an average of 5.1% nationally and 16% of people have a Limiting Long Term</p> <p>illness compared to an average of 13% nationally but has a lower spend on this client group compared to median levels in comparator authorities. The projection of people to be helped to live at home is planned to increase from 580 in 078 to 700 people in 3 years. The bid has been reduced to take account of additional continuing health care income planned to be claimed. Includes £24K for implementing the safeguarding vulnerable adults review - 0.5 fte - £9K Admin Assistant to support the implementation and maintenance of the database, £5K for ongoing maintenance of the database and £10K for regrading the deputy managers.</p>	Adults SCI (Younger Adults)	764,000	764,000	764,000	1	Make Walsall a healthy and caring place. Maintenance of people in their own homes for as long as possible in line with government priorities.	Unable to meet assessed needs. Development of waiting lists for service provision. Likely increase in complaints from service users, members. Increase in demands placed on carers. Detrimental effect on range of Pl's Judicial Review	PAF C29 Younger adults helped to live at home. PAF C51 direct payments

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST			IMPACT ON STAFF No's	DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
			2008/09	2009/10	2010/11				
	SOCIAL CARE & INCLUSION								
4	Occupational Therapy staffing structures - younger adults disability services Following the restructuring of adults in 2005, there is a significant gap between the actual cost of the OT staffing structure and the budget available to ensure assessments are completed. The full year effect of the shortfall is £453K which is currently being largely offset by the use of capital funding from adaptation monies which will start to be phased out in 08/09. Phased implementation will allow the release of monies to fund additional adaptation works in 08/09. The 08/9 bid has been reduced by the cost of 2 OT posts as, due to scarce resources, continuation of funding the whole of the OT cannot be maintained	Adults SCI (Younger Adults)	163,883	390,383	390,383	5	Ensure service users are maintained in their own homes as much as possible. Sufficient trained staff to discharge their duties to a standard required by CSCI and to Government targets.	The occupational therapy service and assessment and care management teams will have to be substantially reduced with a subsequent increase in waiting lists and a detrimental effect on a range of Pls. Judicial Review	PAFC29 younger adults helped to live at home. PAFD54 - % of equipment delivered within 7 working days; D55 waiting times for assessments
5	Client based income shortfall. Shortfall for 07/08 ~£1m - action taken with removal of discount generated > £0.5m. Income forecasting takes into account ability to pay, age (over 85s have less income - Walsall's population is growing in over 85s), maximisation of benefits, the disability related expenditure which offsets charges, funding agreements with partner agencies. A significant no of clients fall below the threshold for charging and the income target remains overstated. The move from people having nursing/res care to home care reduces income as more income is generated per person from nursing care than home care	Adults SCI (ALL)	450,000	450,000	450,000	0	Making Walsall a healthy and caring place	If income is not received at the budgeted level then reductions in front line services have to be made elsewhere to fund it. Walsall has ~1350 people in res and nurs'g care who pay between the min contribution of state pension (£119) and the max std charge of £408 per week. 2200 people contribute towards Home care and Day care (ave £100/week). Income is received from partners (tPCT) from continuing health care and free nursing care. If no of people drop than income drops	All relevant PAF targets

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST			IMPACT ON STAFF No's	DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
			2008/09	2009/10	2010/11				
	SOCIAL CARE & INCLUSION								
6	Learning Disability Demographic Growth - new cases 08/09. Bid is based on known transition cases, change in need and the associated resource. There are 31 known transition cases who will require services in 08/09. Analysis has been extended using a risk assessment approach for future years demographic growth, based on increased survivability and reduced attrition, growth is between 14 & 25 clients per year, new entrants have higher dependencies that existing client groups which is recognised nationally. This is additional to the FYE included in 078. The worse case based in patterns of demand is £929K and this bid has been reduced by 50% to take account of scarce resources and to give the dept a target to meet.	Adults SCI (Learning Disabilities)	464,334	704,334	944,334	1	Making Walsall a Healthy and Caring Place	Unable to meet assessed needs; waiting lists for care packages. Risk of judicial review. Reduced performance in sas 2.1 LD038 and LD039 (short breaks and respite care)	Positive impact on pafc30. Learning Disability clients helped to live at home
7	Criminal justice and Social Inclusion (Mental Health). To provide social care input to court diversion and social inclusion service - match funded by Walsall TPCT. Estimated to directly affect 150 people in the first year, rising incrementally as the service becomes established. In addition, a further 200 people will be positively affected by this work in terms of improved support and the receipt of a targeted service.	Adults SCI (Mental Health)	60,000	60,000	60,000	2	Building safer communities, contributing to economic well being and improved quality of life	Unable to implement criminal justice regulations; negative effect on partnership working and joint funding; CSCI criticism	PAF C31 - Mental Health clients living at Home
8	Interim Management for service modernisation, commissioning and improvements. In order for SCI to continue to drive out savings via service remodelling, reprocurement and recommissioning, employment of interim managers needs to continue. This will involve project management and process improvement support	Adults SCI (Older persons)	139,000	0	0	1	Excellent council, make Walsall a Healthy and Caring Place	There will be insufficient capacity at the senior management level to drive out savings and as such modernisation and efficiencies with be put at risk.	All access and performance indicators relevant to provision of care
	TOTAL SOCIAL CARE & INCLUSION		2,345,243	3,211,868	3,524,001	12			

APPENDIX 2 - EFFICIENCIES

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2008/09	2009/10	2010/11
SOCIAL CARE AND INCLUSION					
1	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	YADS	(94,000)	(131,000)	(131,000)
2	Reduction of cost of external placements and contract efficiencies	Learning Disabilities	(168,000)	(235,000)	(235,000)
3	Restructuring and efficiencies from within the care management teams via brokerage, change in assessment processes and streamlining practices (further detail needed)	Learning Disabilities	0	(154,000)	(154,000)
4	Reduced expenditure on interim management	Older People	(139,000)	(139,000)	(139,000)
5	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	Mental Health	(100,000)	(141,000)	(141,000)
6	Mental health subject to joint organisation - efficiencies arising from economies of scale / joint working	Mental Health	0	(209,000)	(209,000)
7	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	Older People	(640,000)	(895,000)	(895,000)
8	Restructuring and generating efficiencies from within the care management teams via brokerage, changing in assessment processes, streamling practices.	Older People	0	(429,000)	(838,000)
9	Reduced expenditure on repairs and maintenance due to recent investment	Supported Housing	(217,000)	(217,000)	(217,000)
10	Externalisation of integrated community equipment store	YADS	0	(50,000)	(50,000)
11	Externalise non specialist home support elements of home support.	Older People	0	(444,000)	(444,000)
12	Savings in homecare as a result of using assistive trechnology	Older People	(300,000)	0	0
13	Deletion team manager post following amalgamation of YADS and LD. Also restructuring and generating efficiencies from within the care management teams.	YADS	(20,000)	(199,000)	(199,000)
	TOTAL SOCIAL CARE AND INCLUSION		(1,678,000)	(3,243,000)	(3,652,000)

APPENDIX 3 - FOR INFORMATION - FYE 2007/8 NEW INVESTMENT

Appendix 3 - INV	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	FINANCIAL YEAR		
			2008/09	2009/10	2010/11
	SOCIAL CARE AND INCLUSION				
A	Increased resources for community mental health team (CHMT) for older people To provide additional 3 approved social worker posts and 6 support, time and recovery workers.	Adults SCI	130,000	250,000	250,000
B	Learning disabilities (LD) - client demand growth future years To meet demographic changes incl. 1% growth of LD population, inc. dependency & survival rates. More than 9 school leavers in 06/07 will need funding for help to live at home, support to access community, day services, short breaks & 24 hour support packages. In addition, this will fund an increase in dementia support to 14 new clients per year.	Adults SCI	690,000	690,000	690,000
C	Demographic growth - older peoples services Relates to the additional resources required in relation to a growing older persons population. The first year of this bid (07/8) relates to a catch up year and includes demographic growth not previously funded. Growth is based on the following population projections in Walsall based on the need to provide services to clients in the 75-84 yr age group.	Adults - SCI	524,548	524,548	524,548
	TOTAL SOCIAL CARE AND INCLUSION		1,344,548	1,464,548	1,464,548

FOR INFORMATION - FULL YEAR IMPACT OF APPROVED 2007/8 EFFICIENCIES / CHANGE IN POLICY / FEES AND CHARGES

No.	EFFICIENCY, SAVING/CHANGE IN POLICY	BUDGET EFFICIENCIES/ CHANGE IN POLICY/ FEES & CHARGES	SERVICE AREA	FINANCIAL YEAR	
				2008/09	2009/10
		SOCIAL CARE AND INCLUSION			
A		Standard charges income - older peoples services One off saving in 2007/8	Older people	20,000	20,000
		TOTAL SOCIAL CARE AND INCLUSION		20,000	20,000