

**DATE: 29 NOVEMBER 2010**

**Draft Revenue Budget Proposals 2011/12 for Consultation**

**Ward(s)** All

**Portfolio:**

Councillor McCracken – Social Care and Health

**Summary of report**

This report presents Cabinet's first draft revenue budget proposals for 2011/12 for consultation with the panel and to provide an opportunity for the panel to make recommendations to Cabinet.

**Recommendation**

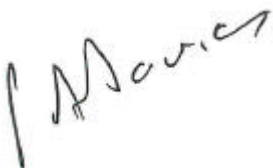
The panel are recommended to consider the first draft proposals in this report and make recommendations to Cabinet as appropriate.

**Background papers**

Various financial working papers.  
Equality Impact Assessment  
Budget Consultation

**Reason for scrutiny**

To enable consultation and scrutiny of the draft budget proposals for 2010/11.



**Paul Davies  
Executive Director – Social Care and Inclusion**

**18 November 2010**

## **Background**

This section summarises the councils financial forecast and key timeline, and the organisational context of the Social Care and Inclusion directorate.

### Financial forecast and key timeline

The budget is constructed in accordance with the medium term financial strategy and all relevant corporate financial protocols, to ensure a balanced draft budget for 2011/12 can be set and approved by Council on 24 February 2011.

The Comprehensive Spending Review (CSR) issued on 20 October 2010 announced changes to the Formula Grant settlement by 28.4% over the 4 year period, announced significant unringfencing of specific grants, and movements of 80 (out of 90) grants into Formula Grant, with some further reductions to remaining specific grants. The full analysis of this is still ongoing, as specific allocations have not yet been publicised. The expected draft settlement date is late November/early December. The draft budget and proposals may need amending as allocations are published.

In support of the Governments action plan to reduce the national deficit but more importantly to help the people of Walsall, total resources assume a council tax freeze.

### Organisational context of Social Care and Inclusion

The Adult Social Care & Inclusion budget management proposals for 2011/12 to 2014/15 period fall into two parts. Firstly, savings proposals identified from the "Working Smarter" programme and associated efficiencies, coupled with efficiencies generated through the "Transforming Social Care" initiative through application of the programme principles across the service. These deliver gross savings of £7m+ per year in the period ending 31 March 2014.

In addition, however, further savings and efficiencies will be generated through the full roll out of the Joint Commissioning Unit Business Plan. The intention and expectation of the latter has already been reported both to Cabinet and to both of the Scrutiny Panels with responsibility for Adult Social Care & Inclusion.

These savings are part of a wider agenda about improving the overall delivery of Health and Social Care services in Walsall, putting in place better quality services that keep people healthy, safe and well in their own homes and communities.

## **Resource and legal considerations**

Cabinet on 17 November 2010 presented the first draft revenue budget proposals 2011/12 for consultation. These proposals include savings and investment proposals for the services within the remit of this panel. The proposals are presented to this panel for consultation and scrutiny.

**Table 1** sets out the draft budget 2011/12 for the Social Care and Health portfolio and proposed changes in resources, compared to the approved budget for 2010/11.

**Table 1 : DRAFT 2011/12 NET BUDGET – SOCIAL CARE AND HEALTH PORTFOLIO**

DETAILS	£m
Budget brought forward from previous year	78.255
Inflation pressures	1.076
Other changes	0.037
Budget pressures : demographics, cost pressures, fall out of grant, etc	1.433
Full year effect of 2010/11 growth	0.448
New savings - operational (where officers have delegated authority to implement) – Appendix 1	(3.533)
New savings - requiring Cabinet decision to implement – Appendix 2	(3.600)
Full year effect of 2010/11 savings	(1.700)
<b>Draft net budget</b>	<b>72.416</b>

Pressures

The draft 2011/12 revenue budget for Social Care and Health portfolio includes £0.448m of growth which relates to investment decisions made by Council in February 2010 where a part year cost effect only was included in 2010/11. In addition further growth totalling £1.433m has been identified as a very high priority by Cabinet and as being essential to meeting cost pressures. A summary of growth is shown in **Table 2**.

**Table 2 : COST PRESSURES 2011/12**

DETAILS	£m
Learning Disability – Demographic growth	0.659
Older People – Demographic growth	0.383
Mental Health – Demographic growth	0.391
<b>Total</b>	<b>1.433</b>

Efficiencies, Service Redesign and Fees and Charges Increases

The draft 2011/12 revenue budget for Social Care and Health portfolio includes £1.7m of savings which relate to decisions made by Council in February 2010 where a part year effect only was included in 2010/11.

Proposals for savings have been considered by Cabinet and total new budget reduction options (including efficiencies, service redesign savings and income generation) of £7.133m are included in the draft budget proposals for Social Care and Health portfolio within this report for consultation.

Operational savings - those not requiring an Executive (Cabinet) decision - totalling £3.533m have been included. Where feasible, these will be introduced as soon as practicably possible to generate early savings. Full analysis is shown at **Appendix 1**.

Additionally, executive proposals (those requiring a Cabinet decision to proceed) of £3.6m are included for consultation. These appear at **Appendix 2**.

## Staffing implications

The savings proposals identified in this report are predicted to impact on 149 posts, of which 55 are currently occupied. These are noted alongside each savings proposal on Appendix 1 and 2 attached to this report.

Managers will have already advised staff whose posts have been identified in the budget proposals, with formal consultation now being undertaken with staff and trade unions.

Managers will endeavour to reduce the impact of staff wherever possible, by reviewing vacant posts, and seeking expressions of interest for targeted voluntary redundancy. Staff placed at risk will be fully supported by managers and human resources through the redeployment process.

## **Citizen impact**

The budget is aligned with service activity in service plans, and prepared using the principles of the Working Smarter programme. The savings and efficiencies reduce net cost and dampen the need for council tax increases. A stable financial position ensures activity is targeted on service delivery and driving improvement.

## **Environmental impact**

The draft budget provides funding for community safety initiatives.

## **Risk Management issues**

Service managers undertake comprehensive risk assessments of their budgets by identifying risk factors associated with potential changes to service delivery and funding streams to ensure that adequate corporate budgetary provision is available to cover unforeseen future events. This risk management approach has been in place for several years and is used to inform the level of earmarked reserves and working balance. A detailed statement on the adequacy of general and earmarked reserves and provisions will be included within the final budget report in February, along with a comprehensive financial assessment of the key risks to the 2011/12 budget.

## **Equality Implications**

Service managers have regard to equalities in setting budgets and delivering services. Equality impact assessments are undertaken on options and the overall budget which are independently assessed by the Councils Equality and Diversity team. These will be refined as feedback is received on the budget as part of the consultation process.

## **Consultation**

This is the first of two meetings for scrutiny to consider Cabinet's draft budget proposals. Recommendation from this panel will be reported to Cabinet at its meeting on 15 December 2010 for their consideration. The second meeting on 17 January 2011 will include the impact of the final settlement and any other funding changes and any changes to the draft figures arising from budget consultation.

The council is statutorily obliged to consult with representatives of non-domestic ratepayers before setting the budget for the following financial year. Public consultation started in September and includes:

- Budget consultation packs sent to key community and voluntary sector organisations, and also published on the council's website
- Interviews of older people at Age Concern road shows
- Discussions held with service users and young people, met people with learning disabilities, and gathered feedback at the Centre for Independent Living
- Business consultation with representatives from the business community on 28 September 2010
- On line budget simulator tool launched on 8 October 2010 until 5 November 2010 for residents to review budget prioritisation
- A Workforce Management JNCC has been established to consult with employee representatives and discussion on budget options started formally on 22 November

The results of this consultation will be reported to Cabinet on 15 December, and then included in the next budget report to this panel meeting on 17 January 2011.

**Contact Officer:**

Lloyd Haynes,  
Finance Service Manager  
☎ 01922 652849,  
[lloydhaynes@walsall.gov.uk](mailto:lloydhaynes@walsall.gov.uk)

## APPENDIX 1

**BUDGET 2011/12 +**  
**OPERATIONAL SAVINGS - FOR INFORMATION**

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING			REDUCTION IN POSTS (No)
			2011/12	2012/13	2013/14	
			£	£	£	
<b>SOCIAL CARE AND HEALTH</b>						
<b>Restructuring</b>						
55	Realignment of the assessment and care management service and redesign of provider services to promote independence amongst service users and ensure stronger partnership working between these two areas to reduce duplication of support roles/work.	Access, Assessment & Care Mgt	3,000,000	3,000,000	3,000,000	149
<b>Review of operational budgets</b>						
56	Development of the external / voluntary sector community meals market within Walsall, and decommissioning of current Sedexo contract from July 2011 as approved by Cabinet on 13.10.10.	Joint Commissioning	278,000	378,000	378,000	0
57	Review of Housing 21 (H21) homes to develop multi disciplinary units. Targeting of expensive learning disability/physical disability clients, suitable for support via an extra care Housing 21 placement, to move to the mulit disciplinary units to achieve an overall cost reduction/saving. Gross saving will be offset by costs for rehousing elderly clients who would have potentially moved to H21 placements.	Joint Commissioning	255,000	255,000	255,000	0
<b>TOTAL</b>			<b>3,533,000</b>	<b>3,633,000</b>	<b>3,633,000</b>	<b>149</b>

Note : The reference number relates to the savings option in the report to Cabinet on 17 November 2010

**APPENDIX 2**

**BUDGET 2011/12 +**

**EXECUTIVE SAVINGS OPTIONS - FOR CONSULTATION**

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING			REDUCTION IN POSTS (No)
			2011/12	2012/13	2013/14	
			£	£	£	
<b>SOCIAL CARE AND HEALTH</b>						
13	Development of the external / voluntary sector transport market within Walsall, and decommissioning of current transport contracts.	Joint Commissioning	100,000	100,000	100,000	0
14	Review of charging areas across the directorate, introduction of a benefits based charging system, and review / maximisation / introduction of other charging areas to bring Walsall in to line with other authorities both nationally and within the West Midlands.	Joint Commissioning	3,500,000	3,500,000	3,500,000	0
<b>TOTAL</b>			<b>3,600,000</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>0</b>

**Note : The reference number relates to the savings option in the report to Cabinet on 17 November 2010**