

METROPOLITAN BOROUGH OF WIRRAL

SOCIAL CARE, HEALTH AND INCLUSION OVERVIEW AND SCRUTINY COMMITTEE

8 NOVEMBER 2006

REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

FINANCIAL MONITORING

1. Executive Summary

- 1.1 *This report reviews the current financial position of the Adult Social Services Departmental budgets and Members are asked to note the contents of the report.*

2. Budget For The Financial Year 2006/07

- 2.1 The approved budget for the Adult Social Services Department is £77,414,400. The changes from the draft Budget Estimate reported to the Social Care and Health Select Committee in January 2006 as approved by Council on 1st March 2006 are detailed as follows:

	£
Budget presented to Select Committee	77,317,900
Changes arising after January select	
Reduction in Corporate Archive recharge	-104,600
Reallocation of Procurement recharge	66,100
Reduction of Westminster House income	135,000
Budget approved by Council 1 March 2006	<hr/> 77,414,400

4. Financial Monitoring 2006/07

4.2 Transfers between Committees

Budgets of £539,100 for the residual courier, mail and school transport service and £487,600 for support services have been transferred from the Children & Young People and Regeneration Departments to Adult Social Services Department.

4.3 Bridging Finance

4.3.1 External Funding in Day Care £350,000

This temporary budget allocation in 2006-07 covers the failed ESF bid in 2004-05. This will need to be covered in 2007-08 onwards through the re-engineering of day services and supported employment initiatives. Progress will be monitored by this Committee and reported to Cabinet as necessary.

4.3.2 Savings achieved through prudential borrowing £500,000

The savings approved by Council which are linked to the Invest-to-Save Capital Strategy have been deferred to 2007-08 through the use of bridging finance in 2006-07. This is to allow time for the Commissioning Strategies reported to Cabinet in October 2006 to be refined and implemented, recognising there will be changes to where people live and what support they receive. Proposals for the reconfiguration of Girtrell Court and additional local capacity for specialist residential care are included in the forward plan for Cabinet in November 2006.

4.4 Progress on Savings

- 4.4.1** The 2006-07 budget includes a savings target of £250,000 from the Capital Strategy. This is being achieved through a number of schemes to purchase or adapt properties to prevent people being placed in specialist residential care elsewhere in the region. To date one scheme is up and running, involving the shared purchase of a house in Moreton, saving a potential placement costing over £2,000 per week. Further discussions are underway with a local housing provider to offer other supported housing units to allow people to return to Wirral at lower unit costs.

4.5 Service re-engineering savings

The Department's target for Service Re-engineering savings in 2006/07 is £460,600. The areas identified to achieve the savings are:

Scheme	£	Progress
Rationalisation of admin buildings	105,000	5 admin buildings have been vacated with staff relocated into Westminster House.
Business efficiencies, process re-engineering	100,000	Change Plan agreed and being implemented. Slippage is being managed within staffing budget.
Direct Payments	50,000	On target to be achieved by the transfer of 'provided services' to Direct Payments.
Procurement Efficiencies	75,000	Achieved through the co-ordinated procurement processes and care brokerage.
IT Strategy	25,000	Achieved through the IT procurement strategy.
Savings to be identified	105,600	Not yet confirmed.
Total Re-engineering target 2006-07	460,600	

4.6 Variations to date

- 4.6.1** Current projections based on the accounts to the end of September highlights those areas where there is a potential overspend. These are being investigated by Budget Managers with recovery and risk mitigation plans discussed within Performance Surgeries. The following have previously been reported to Members as:-

- (a) utility costs are expected to exceed the budget by £163,000. This does not take account of any further increase in energy costs in the second half of the year. It is not possible to reduce energy costs in the short term and this will need to be addressed within the medium term financial plan. In the meantime every effort is being taken to avoid, defer or minimise spending in other areas to offset the financial impact in 2006-07.
 - (b) £25,000 of the £130,600 service re-engineering savings slippage reported at the last meeting of this Committee has now been achieved, leaving £105,600 still to be identified. It is becoming increasingly difficult to achieve these savings in the short term but the work of the Care Services Efficiency Delivery Programme will ensure they are delivered in the new financial year. In order to minimise the impact this year, managers are exploring alternative short term measures that present acceptable levels of risk to the organisation and people who use services.
- 4.6.2 The budgets for community care services and client income are currently projecting an overspend, however, actions are in place to address this in the second half of the year. Members are reminded of the volatility of the placement and attrition rate of people who use services. The potential for statistical error on projected activity reduces as the year progresses but the impact of the winter months remains the most difficult to forecast.
- 4.6.3 Managers will continue to rigorously apply the Fair Access the Care criteria for new assessments and reviews of existing activity and will only commit resources where there is a statutory duty to meet someone's assessed needs.

4.7 Cabinet decisions

- 4.7.1 The decisions taken by Cabinet that impact the budget have been referred to in the report above.

5. Financial and Staffing Implications

- 5.1 The financial implications are as detailed above. There are no additional staffing implications arising from this report.

6. Equal Opportunities Implications

- 6.1 There are none arising directly from this report.

7. Human Rights Implications

- 7.1 There are none arising directly from this report.

8. Community Safety Implications

- 8.1 There are no specific implications arising from this report.

9. Local Members Support Implications

- 9.1 There are no specific implications for any Member or Ward.

10. Local Agenda 21 Implications

10.1 There are none arising directly from this report.

11. Planning Implications

11.1 There are none arising from this report.

12. Background Papers

12.1 None used in the preparation of this report.

13. Recommendations

13.1 Members are asked to note the content of the report and are advised that further financial monitoring reports will be provided for all future Select Committee meetings.

KEVIN MILLER
DIRECTOR OF ADULT SOCIAL SERVICES

Mike Fowler
Head of Service
666 3662