

WIRRAL COUNCIL

SOCIAL CARE, HEALTH AND INCLUSION OVERVIEW AND SCRUTINY COMMITTEE: 23rd October 2007

REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

BUDGET 2008-09

1. EXECUTIVE SUMMARY

- 1.1 *At its meeting of 4th October 2007, Cabinet agreed a motion outlining budget proposals for 2008-09 and requested further examination of the implications by Scrutiny Committees. To date £3.249 million budget efficiencies have been agreed in addition to the Service Re-engineering target of £0.75 million and £0.4 million bridging finance.*

2. BUDGET EFFICIENCIES

- 2.1 The following budget efficiencies have been agreed by Cabinet at its meeting of 6th September 2007.

(a)	Re-organisation of fieldwork teams	£250,000
(b)	E-Monitoring and Care Procurement	£100,000
(c)	Individual Care and Direct Payments	£200,000
(d)	Continuing Health Care	£200,000

- 2.2 The additional items agreed by Cabinet on the 4th October 2007 are:-

(a)	Reduction in management and Support costs	£425,000
(b)	Reduction in staffing within Human Resources	£250,000
(c)	Reduction in admin due to SWIFT	£150,000
(d)	Joint Working with Wirral PCT	£100,000
(e)	Developing Extra Care facilities	£250,000
(f)	Increased income from Fairer Charging	£1,324,000

3 Reduction in Management and Support costs (£425,000)

- 3.1 This target is equivalent to the loss of 25% of posts at Service Manager level or 15% of all posts at Principal Officer level. No admin posts are included in this target as £337,000 was achieved this year as a contribution the Service Re-engineering Target. Essentially it requires 2-3 posts to be disestablished within each Division depending on the mix of grade. Proposals are currently being drawn up on how this can be achieved with least impact. There will however be an impact and members are advised of the risk to sustaining current levels of service delivery and quality, particularly in respect of the major transformational change agenda underway and the savings targets associated with it.

- 3.2 In order for the savings to be realised in 2008-09 notification to staff needs to be given in accordance with the revised policy agreed by Cabinet on 4th October 2007. At this stage it is hoped reductions can be made without resorting to compulsory measures but members are advised this option cannot be ruled out. The achievement of the savings will depend on employees being successfully redeployed or any notices of redundancy running concurrently with the end date of an employee's six months on the redeployment list. Further discussion is also needed about how the potential cost of severance can be met.

4 Reduction in staffing within Human Resources (£250,000)

- 4.1 This reduction represents an 18% reduction in staffing within Human Resources. A review of business processes and productivity is underway and it is hoped these reductions will be achieved by disestablishing 5 posts and funding 3 from Specific Training Grant and marketing staff development (eg NVQ Assessment) activity across the independent care sector. The proposal does not entail a reduction in staff training and development as this activity is considered essential to maintain registration standards and continue to develop the workforce. However, linked to other strategies in the Budget, there is likely to be fewer staff employed directly by the Department and this has to be reflected in the investment in central support services. Discussions are also being held with HR functions delivered corporately and across the Council to ensure they are delivered as consistently and efficiently as possible.
- 4.2 It is hoped that 2 of the 5 posts will be achieved by retirement, and 3 have transferable skills that will be offered for redeployment by 31st March 2007.

5 Reduction in admin due to SWIFT (£150,000)

- 5.1 Implementation of SWIFT Financials has already reduced the number of admin posts significantly. 18 posts were lost in the restructure of Finance and Support Services agreed by Employment and Appointments Committee on 19th March 2007. These were achieved without redundancy or severance costs. The new system has worked well for the management of residential and nursing home finances and as this is rolled out to Direct Payments and Supported Living Services in November 2007 and Domiciliary Care from April 2008 further reductions will be possible. However the risk is that relying on automated systems to generate payments to providers and invoices to people who use services requires the highest level of data timeliness and accuracy. A degree of error is inevitable and with reductions in quality control and audit there is an increased risk of that error having an adverse impact of the Council's finances and reputation.
- 5.2 There is generally a higher turnover of staff at this grade so it is hoped the reductions will be achieved by natural wastage. Recruitment on a permanent basis has therefore suspended with immediate effect.

6 Joint Working with Wirral PCT (£100,000)

- 6.1 This is an additional target to the £100,000 agreed in 2007-08. Discussions are being held with Wirral PCT about the range of joint funded posts that can be established to enable both organisations to realise efficiency gains and maximise the benefit of closer working and integration. No specific proposals are ready to be presented to Cabinet, but these will emerge over the coming months.

7 Developing Extra Care Facilities (£250,000)

- 7.1 The Joint Commissioning Strategy for Older People and the Supporting People Strategy identify the development of extra care facilities as a priority. Two bids are currently being developed for submission for Housing Corporation Funding in November 2007. The net cost to the Council of Extra Care is approximately £2,000 per person per year less than the alternative cost of residential care. Therefore there would need to be 125 re-provided beds to generate this level of saving. The success of this proposal relies on the continued support and commitment of Regeneration and Registered Social Landlords.
- 7.2 Achieving this saving in 2008-09 will require fast tracking of the proposed developments and there is significant risk of slippage into 2009-10. However the potential over the medium term is to decommission up to 700 residential care beds and replace them with Extra Care facilities offering over £1m savings as well as better outcomes for people.

8 Increased Income from Fairer Charges (£1,324,000)

- 8.1 On 4th October 2007 Cabinet agreed a phased implementation of increased charges for non-residential care. The full report is provided as an appendix to this report. It was agreed to:-
- (a) increase the unit price for full cost payers on 1st January 2008 from £9.50 to £10.50, and to £11.50 on 1st April 2008, and £12.70 on 1st April 2009.
 - (b) increase the % Charge against disposable income for assessed charge payers on 1st January 2008 from 40% to 50%, and to 60% on 1st April 2008 and 75% on 1st April 2009.
- 8.2 These changes will bring income from charges for non-residential care up to the average in the North West by April 2009, and will impact on the following groups of people:-
- (a) 620 people who currently receive a free services will continue to do so
 - (b) 1,730 people who pay an assessed charge according to their ability to pay will see a rise on what they are currently assessed to pay of 25% in January 2008, 50% in April 2008 and 87.5% in April 2009.

- (c) 650 people who are asked to pay the full price will see rises of 10.5% in January 2008, 21.1% in April 2008 and 33.7% in April 2009.

8.3 In order to achieve the initial stepped increase in January 2008, approximately 3,000 financial reassessments will need to be undertaken in November and communicated to people in December 2007. Consultation on charges has been ongoing in 2007 and will now include communication about these new rates and how and when they will be applied. Members are advised this will likely cause media interest and lobbies from people who use services and their representative groups.

9. FINANCIAL AND STAFFING IMPLICATIONS

9.1 The financial and staffing implications are set out in the report.

9.2 Members are advised the total value of savings agreed to date is £3.2 million, with a further £0.75 million target for Service Re-engineering and £0.4 million deferred savings from the Capital Strategy agreed in 2007-08. The total budget reduction is therefore £4.75 million representing 6.12% of the Department's net budget.

9.3 Implementing these changes will demand an extension of the discipline of project management being developed within the Department. Effective communication with all staff will be essential to maintain morale as far as possible during this challenging time.

10. EQUAL OPPORTUNITIES IMPLICATIONS

10.1 The proposed changes will be achieved as far as possible without recourse to compulsory redundancy and will be implemented in accordance with the Council's change procedures, being based around the key principles of objectivity, fairness and equality of opportunity for all.

11. COMMUNITY SAFETY IMPLICATIONS

11.1 There are no specific implications arising from this report.

12. LOCAL AGENDA 21 IMPLICATIONS

12.1 There are none arising directly from this report.

13. PLANNING IMPLICATIONS

13.1 There are none arising from this report.

14. ANTI POVERTY IMPLICATIONS

14.1 Many of the changes, but particularly the Fairer Charging proposal are likely to will impact most on the poorer members of Wirral's community

15 SOCIAL INCLUSION IMPLICATIONS

15.1 There are none arising from this report.

16. LOCAL MEMBERS SUPPORT IMPLICATIONS

16.1 There are no specific implications for any Member or Ward.

17. BACKGROUND PAPERS

17.1 None used in the preparation of this report.

18. RECOMMENDATIONS

18.1 Members are asked to note and comment on the content of the report.

Kevin Miller
Director of Adult Social Services