

WIRRAL COUNCIL

SOCIAL CARE, HEALTH AND INCLUSION OVERVIEW AND SCRUTINY
COMMITTEE
8 NOVEMBER 2007

REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

ADULT SOCIAL SERVICES PROJECTED BUDGET 2008-2011

1. EXECUTIVE SUMMARY

- 1.1 *This report informs Members of the Projected Budget for 2008-2011. It outlines the key financial changes to the department's budget anticipated for this period. It is the departmental version of a report that Cabinet considers on the overall Council budget.*
- 1.2 *Members are asked to endorse the proposals for 2008-2011 and refer them to the Budget Cabinet meeting on the 21st February 2008.*

2. INTRODUCTION

- 2.1. The Council agreed its Medium Term Financial Strategy on 6th September 2007. This sets a financial strategic overview for the period 2008-11 requiring that services need to be financed within the funds that are available. It details the major financial challenge facing this Council and the need to bridge the gap between spending and the resources that are available. The budget setting process is the means by which these longer term financial plans are turned into the annual base budget.
- 2.2 Projected budgets for a three year period are detailed. This is to coincide with the period of the Comprehensive Spending Review 2007 (CSR). The Department for Communities and Local Government (DCLG) has stated that following the CSR the Local Government Finance Settlement will cover the period from 2008 to 2011 and that Local Authorities will be expected to budget for a 3 year period. As a move towards this requirement this report details indicative budgets for the years 2009 to 2011. The Council will in March 2008 set the budget for the first year of this period, 2008-09 and publish plans for departmental budgets for the following two years.
- 2.3 Due to the budget challenge facing the Council the report presents to this committee the projected budget earlier than in previous years. This is to allow Members sufficient time in the budget setting process to consider the base estimate for 2008-09. The format focuses on the key financial changes that will impact on this department's budget. Further details of these are contained in section 3.

3. PROJECTED BUDGET 2008/09-2010/11

3.1 The Council's Medium Term Financial Strategy was agreed by Cabinet on the 6th September 2007. This strategy covered:

- Resource issues and principles that shape the Council's Budget
- Allocation of Resources to priorities
- Current issues and potential developments that provided the basis for the revenue and capital budgets for 2008/09-2010/11

3.2 The Projected Budget 2008/09-2010/11 is detailed at appendix 1 and includes the items that are detailed in the following paragraphs.

3.3 Inflation

3.3.1 Provision is included for pay inflation at 2% and income inflation at 3% for 2008-2011. Provision has also been included for price inflation at 2% in line with the Cabinet decision of 24th May 2007.

3.4 Inter Departmental Budget transfers

3.4.1 At this stage of the budgetary process, there has been an interdepartmental budget transfer to Children and Young Peoples Department at a total of £58,600. This reflects the transfer of responsibilities relating to Swift Support Services.

3.5 Specific Grants and time limited funding

3.5.1 A number of specific grants have been included where it can be reasonably assumed they will continue. These are detailed in the table below. A number of these are subject to confirmation by the various grant awarding bodies. This is not expected until early December 2007.

3.5.2 Cabinet on 18th October 2007 agreed that all grant decreases are to be matched by a decrease in expenditure. Any increases will be reported to Cabinet for approval before inclusion in a department's budget.

Service Area	Specific Grant	Amount 2007/08	Estimated amount 2008/09
Community Care and Infrastructure	Preserved Rights	2,883,000	2,883,000
Community Care Services	Carers	1,380,000	1,380,000
Mental Health Services	Mental Health	995,000	995,000
Workforce	National Training Strategy	751,000	751,000

Older Peoples Services	Preventative Technology	368,000	0
Workforce	HR Development Strategy	348,000	348,000
Community Care Services	Emergency Respite Carers (New Deal)	186,000	186,000
All Adults services	Mental Capacity	115,000	115,000
Community Care Services	AIDS Support	35,000	35,000

3.5.3 There is a time limited funding issue facing the department. The Preventative Technology grant of £368,000 is ending in 2007/08 so is not included in the 2008/09 budget. It is planned to use the efficiencies created by the use of assistive technology and an investment from Wirral PCT to maintain the strategy.

3.5.4 The Access & Systems Capacity grant of £3,997,000 and Delayed Discharge grant of £732,000 will in future be distributed within the overall Formula Grant. A budgetary adjustment has been made to reflect this.

3.6 Savings

3.6.1 Cabinet on 24th January 2007 agreed to the development of a series of Council wide efficiencies for 2008-2011 totalling £30m. This projected budget shortfall was updated at Cabinet on 7th June 2007 for price inflation and the projected shortfall is now £45.4m. This has been notionally apportioned between departments. For 2008/09 the efficiency target is £7.02m for the Department. Of Adult Social Services. In 2009/10 and 2010/11 further savings of £4.81m and £4.95m respectively are apportioned to the Department.

3.6.2 Information on how savings will be achieved was considered by Cabinet on the 6th September and 4th October 2007. Details of these are listed in appendix 1. Reports on how further savings will be achieved are due to be considered by Cabinet in the near future.

3.7 Growth

3.7.1 Cabinet has agreed no growth items relating to Adult Social Services.

3.7.2 The Medium Term Financial Plan for Adult Social Services presented to Members via the Virtual Committee of 1st December 2006 highlights the ongoing increase in demand and cost pressures which manifest in:-

- Annual growth in older people presenting critical and substantial need of 2% which represents additional cost pressures of £600,000 per year.
- Annual growth of demand from people with a learning disability of £425,000 in 2007-08, £325,000 in 2008-09 and £230,000 in 2009-10.

- Annual increase in residential care costs as providers achieve Quality premiums of £1.5m per year until 2009-10.
- Unavoidable contract Inflation of approximately £2.3m per year

3.7.3 With the exception of contract inflation, which is included at 2% in 2008-09, these pressures have not been included in the budget proposals and therefore have potential to add to the resource gap.

4 BUDGET TIMETABLE

4.1 The budget and council tax for 2008/09 is anticipated to be agreed at the Council on 3rd March 2008. Prior to this the department's budget presented in this report will be updated for changes to central establishment, administrative buildings and other recharges that will be revised to reflect changes arising from the budget process and further decisions made by Cabinet; for example following the announcements of the Local Government Finance Settlement.

4.2 Cabinet on the 21st February 2008 will consider the Council's overall budget for 2008-09 and service plans for all departments. The service plans will include full budget details including grant announcements, central establishment and other recharges. Further details on the budget timetable are given in appendix 2.

5. FINANCIAL IMPLICATIONS

5.1. The budget for 2008-09 is compiled from the base budget for 2007-08 approved by Council 1 March 2007, the Medium Term Financial Strategy 2008-2011 agreed by the Cabinet on 6th September 2007, and updated for the issues outlined in this report. The projected budget is shown in Appendix 1 attached.

5.2 This report has given explanations of the changes to the budget for this department. The key figures at the date of preparing this report are:

Adult Social Services Department	
Base Estimate 2007/08	£77,616,400
Base Estimate 2008/09	£80,626,400
Projected Budget 2009/10	£82,215,000
Projected Budget 2010/11	£83,803,600

6. STAFFING IMPLICATIONS

6.1. There are none arising directly from this report. However members are advised of the reduction in staffing levels associated with the efficiencies agreed by Cabinet.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1. There are none arising from this report.

8. HUMAN RIGHTS IMPLICATIONS

8.1. There are none arising from this report.

9. LOCAL AGENDA 21 IMPLICATIONS

9.1. There are none arising from this report.

10. COMMUNITY SAFETY IMPLICATIONS

10.1. There are none arising from this report.

11. PLANNING IMPLICATIONS

11.1. There are none arising from this report.

12. LOCAL MEMBER SUPPORT IMPLICATIONS

12.1. There are none arising from this report.

13. BACKGROUND PAPERS

13.1. Medium Term Financial Strategy – 2008-2011 6 September 2007
Projected Budget 2008-2011 Various Cabinet meetings
Financial Monitoring – Various Overview and Scrutiny meetings

14. RECOMMENDATION

14.1 Members are asked to note the Projected Budget 2008/2011 as it reflects this department.

14.2 That this Overview and Scrutiny Committee be informed of any Cabinet decisions that affect the projected budget.

John Webb
Director of Adult Social Services

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24th October 2007

APPENDIX 1

ADULT SOCIAL SERVICES DEPARTMENT

PROJECTED BUDGET 2008-2011

	2008-09	2009-10	2010-11
	£'000	£'000	£'000
Base Budget 2007-08	77,616.4	80,626.4	82,215.0
Pay Inflation	598.3	598.3	598.3
Price Inflation	1,490.1	1,490.1	1,490.1
Income Inflation	499.8cr	499.8cr	499.8cr
Inter Departmental Budget transfers			
<i>Swift Support Services</i>	58.6cr		
Consolidation of specific grants			
<i>Access & Systems Capacity</i>	3,997.0		
<i>Delayed Discharge</i>	732.0		
Efficiency Plan Savings			
<i>Fairer Charges</i>	1,324.0cr		
<i>Management and Support</i>	425.0cr		
<i>Re-organisation of Fieldwork Teams</i>	250.0cr		
<i>Human Resources and Staff</i>	250.0cr		
<i>Development</i>			
<i>Supported Living – Extra care housing</i>	250.0cr		
<i>Individualised Care and Direct</i>	200.0cr		
<i>Payments</i>			
<i>Continuing Measures with PCT</i>	200.0cr		
<i>Central SWIFT Team</i>	150.0cr		
<i>Joint working with PCT</i>	100.0cr		
<i>E-monitoring and Care Procurement</i>	100.0cr		
Base Budget 2008-09	80626.4		
Projected Budget 2009-2011		82,215.0	83,803.6

**BUDGET
TIMETABLE
2008-09**

APPENDIX 2

