

# FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 22 December 2008

<u>Present:</u>	Councillor	P Gilchrist (Chair)	
	Councillors	D Elderton	J Hale
<u>Deputies</u>	Councillors	C Povall (In place of S Moseley) C Teggin (In place of R Wilkins)	
<u>Cabinet Member</u>	Councillor	M McLaughlin	
<u>In Attendance</u>	Councillors	PL Davies G Watt	

## 41 DECLARATIONS OF INTEREST/PARTY WHIP

Members were asked to consider whether they had personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they were.

Members were reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

No such declarations were made.

## 42 TRANSFORMING ADULT SOCIAL SERVICES - ACHIEVING A STABILISED AND SUSTAINABLE BUDGET

Further to minute 17 (22 September 2008) and minute 34 (26 November 2008), the Director of Adult Social Services reported that on 22 September 2008 it had been confirmed that the gross projected budget shortfall for 2008/2009 was £9.1m, which was 10.5% above the budget. This figure included the efficiency savings required of the department in 2008/2009 and the Department had identified actions that would reduce the projected overspend in 2008/2009 and 2009/2010. However it was noted that a significant increase in activity across the Wirral health and social care economy, particularly in the acute trust with increased hospital admissions, including those for elective surgery, were placing additional demands on resources. The Cabinet member for Social Care and Inclusion commented that demands on the service, levels of contribution and attrition rates were very difficult to predict and she commented that when a service was required it had to be delivered in full.

As a consequence it was agreed that senior managers from DASS with the Cabinet member for Health and Inclusion attend the Finance and Best Value Overview and

Scrutiny Committee to address concerns expressed by the Committee in relation to the budget shortfall.

The Chair had subsequently clarified the framework in which he wanted a report to the Committee and the Director considered each of the following elements –

- To give continuing consideration to the procedures necessary to ensure that the Department of Adult Social Services remain on target for, or within the projected overspend of £3.5m reported to this Committee.
- To satisfy members that the currently available accounting resources are able to give a clear picture of commitments facing the service and that the profile and pattern of expenditure over a financial year is such to enable the department to budget accordingly.
- To consider further the circumstances in which the original over commitment arose to the extent of £9.1m and to establish whether commissioning and procurement procedures were properly followed, and to seek and receive detailed explanations.

He reported that whilst the projected expenditure for the department was broadly in line with previous calculations, previous savings proposals were taking longer than anticipated to implement. He commented that without further action, and the need to progress key decisions in the coming weeks, there remained a projected budget shortfall at 31 March 2009 of £5.5m. He set out a number of actions that had the potential to impact on the final outturn and whilst it had not been possible to offer certainty, it was anticipated that these should result in further savings of £1m. NHS Wirral (PCT) was working with DASS to jointly develop and fund new services and existing packages of care requiring joint investment, including financial commitments in the current year and all levels of management in DASS were taking actions to ameliorate the projected overspend.

He reported that the department had adequate resources that were dedicated and focused on the monitoring of the budget. However, it was proposed to consider the role of the performance team to ensure data input was up to date and thus robust for budget monitoring purposes. A number of other initiatives including a strengthening of the departmental senior management team and closer involvement with corporate finance including procurement, audit and financial services would help further. He reported also that the final outcome of the Community Care budget would be dependent on the continued reducing commitment by reducing expenditure, the release of staff in year under severance/EVR and successful negotiations with Health partners' on economy wide response to demand pressures in health and social care including reviewing packages of care such as those people on section 117 of the Mental Health Act, whereby contribution to their support costs could not be assessed.

With regard to the £9.1m reported in September 2008, the Director commented that it was not simply an 'over commitment', but was a 'position statement' for the department in terms of the overall action plan of areas to be addressed in 2008/2009. The Director commented upon the determination to create a stabilised and sustainable budget. However, the lead time required to implement budget measures, a number of which required complex negotiations and consultation, was reducing the impact this year. The scale of the budget actions required within a twelve month

period set a very challenging agenda and this, in the context of changing demographics alongside a changing health economy was adding to demand pressures. An analysis of the commitment indicated that the total package required the department to deal with the realignment of approximately £12.5m in 2008/2009 and he commented that progress to date, which resulted in the current projected position, had been significant.

Members commented on the need for an accurate budget to be set and indicated that although there was an element of expenditure that was unpredictable, experience from previous years should have enabled managers to better anticipate seasonal factors. There was a need also to ensure that measures were put in place to address the budget shortfall that were realistic and achievable. Members also expressed particular concern in relation to levels of historic PCT debt and to the time spent by managers focusing upon it.

The Director provided an update with regard to the level of PCT debt and assured members that managers were not distracted from current and future issues and he referred specifically to work being undertaken at a national level in relation to Dementia. Joint Commissioning Strategies had been developed and implemented that provided analysis of the social and health needs of people in Wirral and areas for service redesign and Wirral's Joint Strategic Needs Analysis also provided additional information to support commissioning and procurement decisions across the Wirral economy. He reported also that to strengthen the commissioning approach integrated commissioning arrangements had been introduced under the management of the Director of Strategic Partnerships located in NHS Wirral. The introduction of the integrated arrangements would ensure commissioning would be across the health and social care economy, focussed around a locality model and commissioning in Wirral would meet World Class Commissioning standards.

The Cabinet member for Social Care and Inclusion referred to the difficulty that members of the Labour Group had in attending the Committee, and commented that concerns had been expressed before the meeting date was finalised with regard to the inconvenience it would cause. The Chair apologised for difficulty caused by the date of the meeting and commented that it had not been possible to find a date that was acceptable to all members. However, he believed the matter to be too serious for it to have been left to the next scheduled meeting.

It was moved by Councillor Hale and seconded by Councillor Elderton –

“(1) That the report be noted.

(2) That further managerial action be taken to deliver budget efficiencies in 2008/2009.

(3) That this Committee recommends the use of a more reliable estimate of budgetary requirements based on a more realistic appraisal of those areas subject to fluctuation.

(4) That a further update report be presented to the next meeting of this Committee.”

The following addendum to the motion by Councillor Hale was proposed by Councillor Gilchrist and seconded by Councillor Teggin –

“(1) That this Committee welcomes closer working relationships with the PCT/NHS Wirral as a way to achieve quality services and efficiencies in delivery.

(2) That this Committee is anxious that matters in relation to historical cases should be resolved as soon as possible to release officers’ time to cope with current issues.

(3) That the thanks of the Committee be accorded to the Director of Adult Social Services and to those members of his management team in attendance.”

The motion by Councillor Hale, incorporating the addendum put forward by Councillor Gilchrist was agreed.

**Resolved –**

**(1) That the report be noted.**

**(2) That further managerial action be taken to deliver budget efficiencies in 2008/2009.**

**(3) That this Committee recommends the use of a more reliable estimate of budgetary requirements based on a more realistic appraisal of those areas subject to fluctuation.**

**(4) That a further update report be presented to the next meeting of this Committee.**

**(5) That this Committee welcomes closer working relationships with the PCT/NHS Wirral as a way to achieve quality services and efficiencies in delivery.**

**(6) That this Committee is anxious that matters in relation to historical cases should be resolved as soon as possible to release officers’ time to cope with current issues.**

**(7) That the thanks of the Committee be accorded to the Director of Adult Social Services and to those members of his management team in attendance.**

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