

Report to: ADULT SERVICES SCRUTINY
COMMITTEE

Date: 6 February 2007

Report of: JOHN RUTHERFORD
DIRECTOR OF ADULT SERVICES

Report No:

Contact Officer: John Rutherford

Tele No:

Report Title: Adult Services Resource Allocation and Budget Report 2007/08

**Purpose of the
report:**

To inform Adult Services Scrutiny Committee of the proposals contained within the Resource Allocation Report 2007 - 08

**Background
Documents:**

SUMMARY OF REPORT:

BACKGROUND INFORMATION:

1. INTRODUCTION

- 1.1 The purpose of this report is to identify to the Executive Member for Social Care & Health and Culture & Community Services, respectively, the resource allocation and budget for 2007-08.

2. FINANCIAL CONTEXT

- 2.1 The Adult Services Department has to deliver cashable efficiencies equating to 7% of its budget; a total of £4.722m.
- 2.2 The Government allocation announced in December 2006 confirmed the grant figures, as identified in our previous financial forecasts. This includes the continued “damping loss” within younger adult’s social care of £4.38m in 2007-08.
- 2.3 The allocation of adult social care ring fenced specific grants are identified in Appendix 1. Although the grants are relatively substantial, there are only two new specific allocations and below inflation increases to the remaining, leaving little scope for realignment of resources. .
- 2.4 The Department also has a proposed capital programme for 2007-08, which is outlined in Appendix 2. At its meeting on the 8 January 2007 The Executive requested Executive Members to consider their detailed proposals in the light of available resources.
- 2.5 A range of savings proposals were identified and approved for further investigation in December 2006. The resulting time period has provided the opportunity to consider options, consult with interested parties and reach conclusions on their potential to achieve the overall efficiency target. (Appendix 3).
- 2.6 The Department has identified a range of growth and demand pressures, driven by the following factors:
- Increasing demand within social care due to improved life expectancy of older adults and young adults with complex disabilities.
 - Increasing demands for different types of services due to changing expectations
 - New legislative and regulatory changes.

The growth and demand pressures have been forecast at approximately £1.8m. The Department plans to manage this demand through ongoing services redesign and review, linked to continuing robust budget management.

- 2.7 The Council’s 3 year budget guidance asked departments to plan on the basis of average savings of 3% in each of the 2 years following 2007/08, i.e. 2008/09 and 2009/10. For Adult Services this equates to savings of around £2m for each of the 2 years.
- 2.8 The Departments ‘Our Change Programme’ will be used to review services and to identify options to meet the planned savings. Projects already identified and being worked up within the programme, which could potentially deliver future savings, include a review of key business processes within Social Care and the piloting of flexible and mobile working within specific areas of the Department (the capital bid in Appendix 2 includes 2 bids for capital funds to develop the mobile working pilots).

3. CASHABLE EFFICIENCIES

- 3.1 The proposals identified to achieve the savings target have attempted, wherever possible, to concentrate on non-statutory services, back office/support functions, improved efficiency from commissioned and contracted services, service realignment and increased income.

4. RISKS

- 4.1 The Departmental Management Team has recently (December 2006) reviewed the assessment of risks across the Department and a report will be brought to a future Executive Member meeting setting out the detail and the actions proposed to manage the risks.
- 4.2 The cashable efficiency options set out in Appendix 3 to meet the 2007/08 savings target incorporate an assessment of any risks associated with implementing the individual proposals.

5. 2007/08 REVENUE BUDGET

- 5.1 For the purpose of the Authority's Corporate Business Planning Process (CBPP) each Department/Portfolio is allocated a strategic budget which represents those expenditure and incomes budgets over which it has direct control and responsibility. The strategic budget is the Departments/Portfolio's total budget, adjusted for any charges between Departments/Portfolios and capital accounting costs (asset rental and depreciation), which are funded corporately.
- 5.2 An analysis of the changes from the Adult Services 2006/07 Strategic Budget to the 2007/08 Strategic Budget is as follows.

	£000	£000	% Change
Total 2006/07 Budget		72,877	
Adjusted for			
Asset rental	- 1,812		
Depreciation Costs	- 1,478		
Recharges to Adult Services	- 4,020		
Recharges from Adult Services	585		
		-6,725	
2006/07 Strategic Budget		66,152	
Virements			
Youth Offending team	368		
Adult Learning	14		
Children's Libraries and Museums	- 229		
Transfer of staff to/from other departments	-12		
Transfer of staff to Marcoms	-76		
Regrade Virement	-13		
HR Admin charge to central shared services	-5		
Marketing A-Z booklet	-4		
Additional Allowances/Pensions Increase (now managed corporately)	-200	-157	-0.2
Approved Changes			
Leverhulme Park Community Club		160	+0.2

	£000	£000	% Change
Inflation			
Pay (2.5%)	1250		
General Prices (3%)	421		
Electricity (57%)	118		
Gas (47%)	58		
Pay Related (3%)	1161		
External Income (3.8%)	-962	2046	+3.1
Corporately Funded			
Superannuation increased rate (0.7%)		287	+0.4
Demand led Growth			
Children with disabilities transfer to adults	1100		
Supporting People grant	750	1850	+2.8
Budget Redirection			
Demand led funding	-1850		
Savings Proposals (7%)	-4722	-6572	-9.9
2007-8 Strategic Budget		63766	-3.6

- 5.3 Appendices 4 and 5 (to be tabled at the meeting) set out an analysis of the 2006/07 and 2007/08 Adult Services budget subjectively (by types of spend/income) and objectively (by service area)

6. ROBUSTNESS OF ESTIMATES

The Director of Adult Services considers that the budget as set out in this report is robust.

7. RECOMMENDATION

The Executive Members for Social Care & Health and Culture & Community Services are recommended to consider and agree the Adult Services 2007/08 Revenue Budget and Capital Programme for recommendation to The Executive.