

# Bolton Council

**Report to:** EXECUTIVE MEMBER FOR ADULT SERVICES

**Date:** 20 JANUARY 2010

**Report of:** DIRECTOR OF ADULT AND COMMUNITY SERVICES

**Report No:**

**Contact Officer:** John Rutherford

**Tele No:** 7201

**Report Title:** Adult and Community Services Resource Allocation and Budget Report 2010/11

**Non Confidential**

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

**Recommendations:**

The Executive Member is recommended to consider and approve the Adult and Community Services 2010/11 Revenue Budget and Capital Programme for recommendation to the Executive.

**Decision:**

**Signed:**

\_\_\_\_\_  
Leader / Executive Member

\_\_\_\_\_  
Monitoring Officer

**Date:**

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## **SUMMARY OF REPORT:**

The report identifies to the Executive Member the proposed 2010/11 Adult and Community Services Revenue Budget and Capital Programme for consideration and recommendation to the Executive.

## **BACKGROUND INFORMATION:**

## **1.0 INTRODUCTION**

- 1.1 The purpose of the report is to set out to the Executive Member the Adult and Community Services resource allocation and budget for 2010/11.

## **2.0 FINANCIAL CONTEXT**

- 2.1 For the 2010/11 Corporate Business Planning process (CBPP) the Executive, at its meeting on 29 June 2009, resolved that Council Services be asked to plan for efficiencies / savings of 30% over the next 4 years with a specific target of 5% in 2010/11 and that any growth would be very limited and would need to be offset by further savings. The Executive met further on 11<sup>th</sup> January 2010 to confirm the Budget Guidance for individual services. The updated position will be reported verbally at the Executive Member meeting.
- 2.2 In terms of the Capital Programme the Executive, at its June 2009 meeting, agreed that Services should draw up proposals based on the likelihood that capital resources over the next 4 years will be limited and therefore allocations are likely to be less than they have been in the last few years. A report was taken to the 11<sup>th</sup> January 2010 Executive meeting, which informed the Executive of Capital Proposals and Resources for 2010/11 and asked Executive Members to consider their detailed capital proposals in the light of resources identified.

## **3.0 RESOURCE OPTIONS**

- 3.1 Adult and Community Services has a 2010/11 net budget (spend less income) of around £65m, comprising £56m on adult social care services and commissioning and support activities, together with £9m on cultural and leisure services. The 5% savings target to meet the corporate requirement equates to £3.1m in Adult and Community Services.
- 3.2 The options to meet the 5% requirement are detailed in Appendix 1. The options were considered and discussed at the Adult and Community Services Policy Development Group on 4 November 2009.

## **4.0 BUDGET SITUATION**

### **4.1 Demand-Led Pressures**

In addition to the 5% corporate savings requirement, Adult and Community Services, in particular Adult Social Care, are also faced with meeting the additional costs arising from demand-led and other budgetary pressures in 2010/11.

The main pressures for 2010/11 have been identified as follows:

	<b>£000</b>
Childrens Transition	800
Grants falling out (mainly Telecare)	150
Extra Care Housing costs	150
Additional capital financing costs	270
<b>TOTAL</b>	<b>1,370</b>

#### **4.1.2 Childrens Transition**

The cost of the care packages for the children moving into Adult Social Care is based on identified individuals who will be receiving care in 2010/11.

#### **4.1.3 Grants falling out**

This is mainly the Telecare grant which ends in 2009/10 and has been used to fund staffing and equipment.

#### **4.1.4 Extra Care Housing Costs**

These are the full-year costs of the Manor Gardens Extra Care development, which opened during 2009/10

#### **4.1.5 Capital Financing Costs**

As a result of changes to the prudential Borrowing regulations the full-year effect of capital financing charges now have to be budgeted in the first year of borrowing and, also, the cost of the borrowing has to be spread over the estimated life of the asset. These changes result in an extra £225k capital financing costs in 2010/11. In addition, there are a further £45k capital charges resulting from the proposed 2010/11 capital programme.

- 4.2 The financial impact of demand-led changes for 2010/11, together with the underlying over commitment against the existing budget, will be managed through further efficiency savings resulting from value-for-money reviews, together with robust financial management of budgets and additional savings to be identified during the course of the financial year.

#### **4.3 Free Personal Care At Home Initiative**

As part of the grant settlement announcement in November 2009 the Government issued a consultation paper on the provision of free personal care for people with the highest needs living in their home. The details are still being evaluated but the Government has indicated that Bolton is likely to receive around £1.2m grant in 2010/11, but will be required to find approximately £700k through efficiency savings to fund the balance of the initiative. The grant and the Council's contribution have been built into the 2010/11 budget. Implementation will be from October 2010, therefore these figures are for a part-year only and there will be an increase in the grant to £2.4m in 2011/12, but the Council will need to increase its contribution to £1.4m in that year.

### **5.0 2010/11 REVENUE BUDGET**

- 5.1 For the purpose of the Authority's CBPP each Department / Portfolio is allocated a strategic budget which represents those expenditure and income budgets over which it has direct control and responsibility. The strategic budget is the Department's / Portfolio's total budget, adjusted for any inter- Departmental / Portfolio recharges and also any capital accounting costs (depreciation), which are accounted for corporately.
- 5.2 An analysis of the changes from the Adult and Community Services (including Community Safety) 2009/10 Strategic Budget to the 2010/11 Strategic Budget is as follows:

	£000	£000	% Change
<b>2009/10 Strategic Budget</b>		<b>67,041</b>	
<b>Virements</b>			
Pay and Grading	1,988		
Transfer of pay inflation to contingency	-661		
Transfer of Sports, Health & Inclusion to Children's	-555		
Transfer of Env Health Services to Regulatory	-1,278		
Transfer of HR to Central Services	-186		
Transfer of devolved Finance budgets	-445	-1,137	-1.7
<b>Inflation</b>			
Pay (1%)	713		
Prices (1.5%)	826		
Income (3%)	<u>-694</u>	845	+1.3
<b>Corporate Changes</b>			
Superannuation (additional 1%)	391		
Free Personal Care	700	1,091	+1.6
<b>Budget Increases</b>			
Prudential Borrowing	270		
Increments	<u>73</u>	343	+0.5
<b>Budget Redirection</b>			
Savings / Efficiency Proposals (5%)	-3,102		
Funding of Budget Increases	<u>-343</u>	-3,445	-5.1
<b>2010/11 Strategic Budget</b>		<b>64,738</b>	<b>-3.4</b>

- 5.3 Appendices 2 and 3 set out an analysis of the 2009/10 and 2010/11 Adult and Community Services budget subjectively (by types of spend / income) and objectively (by service area)

## **6.0 CAPITAL PROGRAMME**

- 6.1 The proposed Capital Programme is set out in Appendix 4.

## **7.0 EQUALITY IMPACT ASSESSMENT**

- 7.1 An initial equality impact assessment has been undertaken on the proposals set out in the report.

## **8.0 HUMAN RESOURCE AND BUSINESS IMPLICATIONS**

- 8.1 Some of the options have staffing implications, both for Council and contracted services. Consultation with staff and unions has already commenced and will continue in line with the Council's employment procedures. This has involved regular meetings formally and informally, including with staff who may be affected, and the provision of written information detailing the impact of proposals.
- 8.2 There has been substantial consultation with independent and voluntary sector providers on the proposals to understand how they will affect different organizations, and to discuss alternatives or amendments to the proposals. These have led to changes to the original options included in the earlier report to the Executive Member, and the overall package of resource options has been amended to accommodate this. The information provided verbally and in writing by providers is being summarized into a feedback report which will be available as a background paper for the meeting.

## **9.0 COMMUNITY STRATEGY PRIORITIES / ADULT AND COMMUNITY SERVICES OUTCOMES**

- 9.1 The options have been assessed for their impact on Community Strategy and Adult and Community Services priorities and outcomes.

## **10.0 RISKS**

- 10.1 Adult and Community Services has in place risk management processes, including a risk management action plan within which risks are identified, together with action plans to mitigate their likelihood and impact. The budget options identified in Appendix 1 have been risk-assessed for any impact on service delivery and service users. In addition, delivery against the individual options will be monitored and reported upon in the 2010/11 quarterly budget and performance monitoring reports to the Executive Member.

## **11.0 LONG TERM COSTS AND BENEFITS AND SUSTAINABILITY**

- 11.1 The aims of the budget options / value for money programme are to achieve:-
- More efficient, effective and sustainable service delivery through redesign and review.
  - Minimize the impact on service users and staff
  - Prepare for and deliver more "personalised" services, offering more choice and control.
- 11.2 The Capital Programme schemes have been assessed individually for costs and benefits and for any longer-term social and environmental impacts.

## **12.0 ROBUSTNESS OF ESTIMATES**

- 12.1 The Director of Adult and Community Services considers that the budget as set out in this report is robust

## **13.0 RECOMMENDATION**

- 13.1 The Executive Member is recommended to consider and approve the Adult and Community Services 2010/11 Revenue Budget and Capital Programme for recommendation to the Executive.

# SUBJECTIVE ANALYSIS

# APPENDIX 2

Expenditure	2009/10 Original Budget		2010/11 Original Budget	
	£000	%	£000	%
Employees				
- Salaries	43,374	41.2	42,246	40.3
- Wages	5,377	5.1	5,768	5.5
- Other	1,063	1.0	1,006	1.0
Premises				
- Repairs & Maintenance	652	0.6	648	0.6
- Energy	625	0.6	626	0.6
- Rent & Rates	1,131	1.1	1,076	1.0
- Other	532	0.5	521	0.5
Transport	2,712	2.6	2,597	2.5
Supplies & Services	4,944	4.7	5,595	5.3
Agency & Contracted Services	43,715	41.6	44,205	42.2
Devolved Budgets	1,083	1.0	511	0.5
<b>Total Expenditure</b>	<b>105,208</b>	<b>100.0</b>	<b>104,799</b>	<b>100.0</b>
<b>Income</b>				
Government Grants	(7,282)	21.1	(9,266)	25.3
Health Service Contributions	(10,625)	30.7	(11,134)	30.4
Sales	(1,385)	4.0	(1,416)	3.9
Fees & Charges	(13,858)	40.1	(13,504)	36.9
Devolved Charges	(927)	2.7	(804)	2.2
Other	(476)	1.4	(492)	1.3
<b>Total Income</b>	<b>(34,553)</b>	<b>100.0</b>	<b>(36,616)</b>	<b>100.0</b>
<b>Redirections to meet Service Issues</b>	<b>(363)</b>		<b>(343)</b>	
<b>Savings Proposals</b>	<b>(3,251)</b>		<b>(3,102)</b>	
<b>STRATEGIC BUDGET</b>	<b>Page 8 of 97,041</b>		<b>64,738</b>	



**OBJECTIVE ANALYSIS****APPENDIX 3**

<b>Service Area</b>	<b>2009/2010</b>		<b>2010/2011</b>	
	<b>Original Budget £000</b>	<b>%</b>	<b>Original Budget £000</b>	<b>%</b>
Adult Social Care	55,544	82.9	55,538	85.8
Culture and Community Services	10,562	15.7	8,923	13.8
Community Safety	935	1.4	277	0.4
<b>STRATEGIC BUDGET</b>	<b>67,041</b>	<b>100.0</b>	<b>64,738</b>	<b>100.0</b>