

Agenda No 7 (b)

AGENDA MANAGEMENT SHEET

Name of Committee **Community Protection Overview and Scrutiny Committee**

Date of Committee **6th November 2006**

Report Title **2007/08 to 2009/10 Spending Proposals of the Adult Health and Community Services Directorate**

Summary The report details the 2007/08 to 2009/10 revenue and capital spending proposals of the Adult, Health and Community Services and seeks the Committees views on both the spending proposals and the funding options proposed.

For further information please contact Philip Lumley-Holmes
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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background Papers

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees

Local Member(s)
(With brief comments, if appropriate)

Other Elected Members Councillor R Chattaway, Councillor J Wells,
Councillor M Doody, Councillor D Shilton,
Councillor B Kirton

Cabinet Member
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member) Councillor R Hobbs

Chief Executive

- Legal Jane Pollard, Alison Hallworth, Ian Marriot
- Finance David Clarke, Director of Resources
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION NO

SUGGESTED NEXT STEPS :

- Further consideration by this Committee
- To Council Council will approve the 2007/08 budget at its meeting in February 2007.
- To Cabinet The views of this Overview and Scrutiny Committee on the budget proposals will be reported to Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

**Community Protection Overview and Scrutiny Committee –
6th November 2006**

**2007/08 to 2009/10 Spending Proposals of the Adult, Health
and Community Services Directorate**

**Report of the Strategic Director of Adult, Health and
Community Services**

Recommendation

The Committee comments on the 2007/08 to 2009/10 spending and consequential funding proposals identified by the Adult, Health and Community Services Directorate.

1 Introduction and Background

- 1.1 Over recent years the medium term financial planning and annual budget process has developed to encourage wider consultation on, and consideration of, spending proposals being made by Directorates. Overview and Scrutiny Committees are key players in this consultation and this report provides the Committee with information about the spending proposals for the Adult, Health and Community Services Directorate.
- 1.2 The Directorate is presenting information on its additional spending proposals for 2007/08 to 2009/10 for scrutiny and validation. Like last year revenue budget proposals and capital programme bids are presented together in one report in order to promote a coordinated, whole-Directorate approach.
- 1.3 However, there is one significant additional aspect to the information before the Committee this year. A new medium term financial planning strategy was agreed by Council in July 2006. This stated, amongst other things, that the County Council will plan on the basis that:
 - Inflation and the corporate costs of capital (through to the end of the current approved programme) will be funded from government grant and council tax income.
 - Any other spending pressures Members wish to meet will be funded from the balance of council tax income and reducing investment in low priority services.

- New developments will be funded from efficiency savings (with a minimum of 2.5% savings generated each year) and any further reduced investment in low priority services.

The reality of this, given the forecast level of resources available, is that Directorates have been asked to identify how they would fund any spending pressures (excluding inflation) if they did not receive additional resources. Therefore the Committee is also asked to comment on the actions the Directorate would need to take to meet its spending pressures.

1.4 Having considered the spending proposals and any actions the Directorate would need to take, the Overview and Scrutiny Committee may wish to:

- Probe base budgets.
- Consider the reasonableness and validity of proposals put forward in light of the likely level of resources available, the corporate priorities as outlined in the corporate business plan, and the vision and Directorate strategy.
- Consider the actions being proposed by the Directorate to meet the spending pressures and explore whether all possible funding strategies have been investigated.
- Comment on the prioritisation of proposals by Strategic Directors.

1.5 For Adult, Health and Community Services the Directorate reports to more than one Overview and Scrutiny Committee. However, in this report the commentary has been limited, in the main, to areas of specific relevance to this Overview and Scrutiny Committee.

2 Directorate Vision and Delivery Strategy

2.1 Within the Directorate Service Plans the key focus is on improving the quality of life for adults and improving well-being through:

- Promoting individual independence through giving greater choice to those requiring care;
- Enriching peoples lives through learning and culture;
- Improving health and equality for adults across Warwickshire

The Directorate intends to deliver these key aims through working in partnership with other agencies involved with similar related services i.e. health, district councils, other statutory agencies, the voluntary and private sector.

- 2.2. The Directorate has reported significant forecast overspendings for the 2006/07 revenue budgets for both adult social care (£3.0m) and libraries and learning and culture (£0.5m). These forecasts are net of management actions taken within the year to contain the levels of spending. The underlying over-commitment on budgets in a full year is therefore higher at £6.0m and £0.5m respectively. There is also the need within the former to modernise services along the lines of the recent White Paper and implement improvement action plans for adult social care generally and supporting people following critical inspection reports. The strategy must of necessity involve actions to address both the financial and performance issues described here.
- 2.3 The Directorate proposes to adopt measures aimed at achieving an increasing level of savings throughout the medium term strategy period to 2009/10, which will be lower at the outset due to the need to “invest to save”. These measures will consist of the following:
- Applying improvements in technology, such as electronic home care systems, mobile pilots, telecare and electronic delivery of library services
 - Improvements in procurement particularly in relation to areas of contracting with the private and voluntary sector
 - Greater collaboration with health partners, in particular looking to progress single assessment processes to benefit the service user
 - Reviews of management structures and the adoption of business process engineering systems within management and support services
- 2.4 These general actions are intended to prioritise savings within management and support services ahead of front-line functions and therefore minimise the impact on the service user. At the same time the performance improvements are being sought through action plans drawn up to address areas highlighted in inspection reports. Temporary management resources are being employed during the current financial year to progress the agendas in these areas. This investment is considered essential to support the new Management Team structures.
- 2.5 Cabinet is being asked to approve a significant change to the charging policies for domiciliary care at its meeting on 2nd November. Further work is being undertaken corporately to compare Warwickshire's charges to those of other similar authorities with a view to maximising the income available. There is potential to increase charges further across the Directorate and this will feature as part of the Strategy.
- 2.6 At the same time, the management culture within the Directorate needs to change and organisational development strategies are currently being considered which will aim to empower staff and support their managers through enhancing a range of skills including leadership and project management capabilities. Such measures are viewed as essential ingredients in achieving substantial improvements in performance and changing processes to achieve cost reduction.

- 2.7. The Trading Standards service is not forecasting overspending problems for the 2006/07 financial year. It's proposals for dealing with future spending pressures follow the lines of the general Directorate proposals outlined in paragraph 2.3 above. The additional elements relating to service delivery are as follows:
- 2.7.1. The introduction of more flexible services through the use of new technology to develop a "talking shop" which will target more consumers for the same ongoing resource.
- 2.7.2. Also important in this area will be the opportunity for revenue generation through development of a petrol meter calibration service for which a capital bid is included later in this report.

3 Revenue Budget - Spending Proposals

3.1 2007/08 Base Budget

A Directorate analysis of the 2007/08 revenue base budget is shown at **Appendix A**. This information is to help Members place the subsequent discussion in context. The base budget for the Directorate is the approved cash allocation in 2006/07, adjusted for any one-off funding.

3.2 2007/08 to 2009/10 Spending Pressures and Funding Strategy

In August 2006 the Strategic Director, Resources issued initial guidance on the preparation of the 2007/08 to 2009/10 budget. This required Directorates to analyse their spending proposals between pressures, and those that were investment proposals. Spending pressures, in this instance, are defined as those spending pressures, resulting from factors external to the Directorate, that the Directorate cannot meet without a change in policy or a change in the way the service is delivered.

- 3.3 As part of the guidance notes Directorates have also been asked to identify what actions they would take to meet all their spending pressures if additional resources were not available. Some of the actions would be within the specific service area, some elsewhere in the Directorate. Table 1 shows the Directorate has additional spending pressures for Trading Standards of £49,000 for 2007/08, £50,000 for 2008/09, and £51,000 for 2009/10 relating to inflation.

Table 1: Spending Pressures and Funding Strategies for the Trading Standards			
	2007/08 £000	2008/09 £000	2009/10 £000
Inflation	49	50	51
Unavoidable Spending Pressures	0	0	0
Total Additional Costs	49	50	51
Funding strategies within the service areas	0	0	0
Directorate wide funding strategies	(50)	(75)	(100)
Total Funding Strategies			
Net Call on Corporate Resources	(1)	(25)	(49)

- 3.4 The Directorate has produced a detailed individual form for the funding strategy and is available on request from Philip Lumley-Holmes (ext 2443).
- 3.5 The contribution to the overall Directorate budget pressures will need to be considered further as part of a more strategic review of services which will be needed to respond to changing service needs.
- 3.6 **Revenue Investment Proposals**
There are no specific revenue investment proposals for Trading Standards, any service improvements will be met within base budget resources. However, the revenue impact of the Directorate's proposed capital investment for Trading Standards is £13,000 in 2007/08 rising to £27,000 by 2009/10 depending on income generation.

4 Capital Programme – Investment Proposals

- 4.1 In August 2006 the Strategic Director, Resources issued guidance on the preparation of capital investment bids for 2007/08 to 2009/10. This required Directorates to complete a detailed investment bid form and to place the proposals in priority order. Table 2 lists the bid for the Adult Health and Community Services Directorate relating to Trading Standards.

Table 2: 2007/08 to 2009/10 Capital Investment Proposals				
Reference	Proposal Title	2007/08 £000	2008/09 £000	2009/10 £000
C.IP.AHCS-03	Meter Proving Facility	100	0	0
Total Capital Investment Proposals		100	0	0

- 4.2 The Directorate has produced a detailed individual bid for investment proposal, which is available on request from Philip Lumley-Holmes (Ext.2443).
- 4.3 A new meter facility at Kingsbury results from requests from customers. If successful income generated may well come close to covering the costs of operations. Initially a feasibility study is to be carried out funded from Trading Standards base budget.

Graeme Betts
Strategic Director of Adult, Health and Community Services

Shire Hall
Warwick

18 October 2006

Adult Health & Community Services

2007/08 Revenue Estimates - Service Analysis

	Direct Costs A £000	Management and Support Costs B £000
<u>Adult Services</u>		
Elderly People		
Care Management	6,974	4,838
Residential Care	36,844	374
Other Care Services	23,752	299
People with Learning Disability		
Care Management	3,285	1,940
Residential Care	14,821	0
Other Care Services	6,700	608
People with Physical or Sensory Disability		
Care Management	3,699	912
Residential Care	3,411	0
Other Care Services	4,314	111
People with Mental Health Needs		
Care Management	2,623	578
Residential Care	2,208	0
Other Care Services	1,456	0
Other Adult	182	17
Supporting People	10,996	0
Service Strategy	0	903
Total Adult Services	121,265	10,580
<u>Libraries, Learning & Culture</u>		
Libraries	7,258	1,574
Cultural Services	2,301	0
Adult Learning	1,892	546
Total Libraries, Learning & Culture	11,451	2,120
<u>Trading Standards (Community Protection O&S)</u>	1,918	222
Total Trading Standards	1,918	222
NET DEPARTMENT EXPENDITURE	134,634	12,922

	2007/08 Base Budget	134,634	12,922

Appendix A

Total Costs	External Income	Internal Income	Total Income	2007/2008 Base Budget
A+B=C	D	E	D+E=F	C+F=G
£000	£000	£000	£000	£000
11,812	(791)	0	(791)	11,021
37,218	(18,943)	0	(18,943)	18,275
24,051	(8,029)	0	(8,029)	16,022
5,225	(187)	0	(187)	5,038
14,821	(4,529)	0	(4,529)	10,292
7,308	(1,149)	0	(1,149)	6,159
4,611	(308)	0	(308)	4,303
3,411	(521)	0	(521)	2,890
4,425	(219)	0	(219)	4,206
3,201	(1,313)	0	(1,313)	1,888
2,208	(612)	0	(612)	1,596
1,456	(0)	0	(0)	1,456
199	0	0	0	199
10,996	(10,996)	0	(10,996)	0
903	0	0	0	903
131,845	(47,597)	0	(47,597)	84,248
8,832	(759)	(211)	(970)	7,862
2,301	(2,301)	0	(2,301)	0
2,438	(545)	(67)	(612)	1,826
13,571	(3,605)	(278)	(3,883)	9,688
2,140	(332)	0	(332)	1,808
2,140	(332)	0	(332)	1,808
147,556	(51,534)	(278)	(51,812)	95,744

147,556	(51,534)	(278)	(51,812)	95,744