

**HEALTH, SOCIAL CARE AND INCLUSION
SCRUTINY AND PERFORMANCE PANEL**

**Agenda
Item No.**

DATE: 22 NOVEMBER 2006

6

DRAFT BUDGET 2007/8 PROPOSALS

Ward(s) All

Portfolios Cllr A Paul - Social Care, Health and Housing

Summary of report

This report presents service specific saving and investment options in respect of the revenue budget 2007/8 to enable consideration and recommendations to cabinet.

Recommendations

- 1. To consider the options and make recommendations to cabinet as appropriate.

Background papers

Various financial working papers.

Reason for scrutiny

To enable scrutiny of options for investment and savings in the context of setting the 2007/8 corporate revenue budget.



Signed

Executive Director: Carole Evans

Date: 14 November 2006

Resource and legal considerations

Services were requested to identify efficiency savings and investment for consideration in the setting of the 2007/8 corporate revenue budget.

Citizen impact

The budget is aligned with service activity within service plans across the council. Investment has been targeted at service improvement, stability and user demand.

Environmental impact

None directly associated with this report.

Performance management

Investment and savings options are considered in the context of service targets and outcomes.

Equality Implications

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations.

Consultation

Scrutiny panels will receive service specific budget options for consultation and consideration in November 2006. A further meeting is scheduled for January 2007 to consider the overall draft corporate revenue budget 2007/8.

Contact Officer:

Vicky Crowshaw - Head of Corporate and Strategic Finance
Tel. 01922 652966
crowshawv@walsall.gov.uk

1. INVESTMENT AND SAVINGS OPTIONS 2007/8

1.1 Investment

As part of the budget process investments are identified by services in line with service plans across the council and are targeted at service improvement, stability and user demand. **Appendix 1** shows details of service specific investments currently put forward for consideration.

1.2 Savings

In order to fund new investment and ensure a balanced budget services have submitted savings options for consideration. These options were worked up by managers and have also been considered by EMT. A risk assessment for each option has been undertaken to assess the affects on service delivery. **Appendix 2** details service specific savings which have been categorised into the following themes:

- Fees and charges
- Efficiencies
- Reduction in service

1.3 Full year effect of savings and investment options approved for 2006/7

Appendix 3 is for information only. It details the full year effect of the service specific savings and investments approved as part of the budget setting process for 2006/7. These items have all been reviewed by services to ensure that the investment required is still needed at the same level and that the increased savings will still be realised.

2. SUMMARY

- 2.1 This report details all service specific investment and savings options for consideration in the 2007/8 budget setting process to enable scrutiny to make recommendations to cabinet.

NEW INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST			DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
			2007/08	2008/09	2009/10			
1	Increased meals on wheels take up and specialist provision - older peoples services Projections show additional investment will be required for increased meals on wheels provision based on an increased take up for the service and the provision of specialist services and more choice. The growth in the provision of affordable, nutritious food for older people is central to promoting good health and thereby maintain independence.	Adults	0	280,239	415,585	The enhanced meals service will offer greater numbers of older people adequate nutrition. Extensive consultation with older people has shaped this service enhancement.	Reduction in independence for people in their own homes, inability to meet prevention strategy, client dissatisfaction, contract unaffordable.	Positive effect on PAF 32 and C72
2	Understanding and meeting black and minority ethnic (BME) needs - older peoples services. The recent commission for social care inspection of services for older people has formed a judgement that the council must improve its response to black elders. This will be new activity requiring additional funding.	Adults	40,000	120,000	160,000	The council has a clear vision and strategy on equality of opportunity and addressing disadvantage. This activity will produce enhanced outcomes for elders from BME communities in Walsall.	If no financial allocation is received then the action plan from the inspection could not be implemented or would represent unbudgeted activity and will lead to a deficit in steps to excellence model.	Positive effect on PAF 32, E47 and E48
3	Staffing structures - younger adults disability services Following the restructuring of adults in 2005, it has become apparent that there is a significant gap between the actual cost of the staffing structure and the budget available, in spite of there being no additional posts created and some staffing changes made during 05/6 which have resulted in savings. The shortfall is £671,977 which is currently being largely offset by the use of capital funding from adaptation monies which will end in 08/9.	Adults	0	142,977	142,977	Ensure service users are maintained in their own homes as much as possible. Sufficient trained staff to discharge their duties to a standard required by CSCI and to Government targets	The occupational therapy service and assessment and care management teams will have to be substantially reduced with a subsequent increase in waiting lists and a detrimental effect on a range of PIs.	If the teams are staffed to their compliment levels, this should help to ensure that assessments and reviews are being completed in a timely manner and services are being delivered in the most appropriate way according to the needs of the individual.
4	Increased resources for community mental health team (CHMT) for older people To provide additional 3 approved social worker posts and 6 support, time and recovery workers.	Adults	50,000	180,000	300,000	Statutory responsibility to implement Mental Health Act.	Failure to meet the CSCI action plan requirements. Failure to increase Social Care element of CHMS would negatively affect progress on action plan for CSCI. Would also fail to enhance help to live at home performance, carers support performance, all performance indicators associated with assessment/ethnicity/service delivery.	Helping people to live at home and supporting their carers.

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			2007/08	2008/09	2009/10			
5	High cost packages - learning disabilities Additional growth required for existing clients as demand higher than expected.	Adults	350,000	175,000	80,000	Six high cost packages which were unplanned occurred in the first quarter of 2006/7 financial year which have had a major impact on budgets, these related to sudden illness, terminal illness and relationship breakdown.	Would need to terminate services already provided. Major impact on PIs, A client waiting list would have to be created until funding is available. Consequences could include judicial reviews, ombudsman enquiries, government intervention and possible litigation by families.	PAFB11,C28, BV53 intensive home care, PAF C30 helped to live at home, PAF C51, BV201 direct payments, PAFE50 assessment leading to provision of service, DIS2147 No in non residential care to prevent hospital admission.
6	Reprovision of learning disabilities local authority homes Estimated net cost of individual packages for remaining people at Narrow Lane to allow closure and assuming that Fallings Heath becomes a specialist 8 bed home with the other unit becoming a specialist 4 bed unit for adults returning from out of area.	Adults	0	130,000	130,000	Helping people to live in their own home and providing more choice about where they live. Providing high quality local services.	The reprovision strategy will be suspended and Narrow Lane will be retained, there could be complaints from CSCI and carers of those at Narrow Lane if not perceived to be given the same choices as those who had moved on from the other homes. CSCI could impose environmental improvements on Narrow Lane if retained which would create capital budgetary pressures.	PAFB11,C28, BV53 intensive home care, PAF C30 helped to live at home.
7	Demographic growth - older peoples services Relates to the additional resources required in relation to a growing older persons population. The first year of this bid (07/8) relates to a catch up year and includes demographic growth not previously funded. Growth is based on the following population projections in Walsall based on the need to provide services to clients in the 75-84 yr age group.	Adults	637,087	1,078,635	1,350,558	These resources ensure the social care needs of growing numbers of very old, frail people will be met. Older People's services resourced to match demographic demand can offer an excellent service.	Without this investment there will be older people meeting eligibility criteria for a service with no budget available which will lay the authority open to legal challenge.	Positive effect on PAF B11, PAF C28, PAF C51, PAF E50, PAF C32, PAF C72 and PAF E48
	TOTAL NEW INVESTMENT		1,077,087	2,106,851	2,579,120			

No.	FEES AND CHARGES - GREEN	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY	RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, VIPS)
			2007/08	2008/09	2009/10			
1	Increased income through benefits maximisation	Adults	(65,400)	(65,400)	(65,400)	Regular reviews of financial assessments yield additional income.	Need to minimise risk of targeting vulnerable adults and requires more benefit assessments.	N/A
2	Standard charges income - older peoples services	Older people	(20,000)	0	0	Increase in standard charges to existing clients within the system who pay for their residential services. One year only due to reprovision.	Affects small population of vulnerable adults.	N/A
3	Meals on wheels income generation - older peoples services	Older people	(30,000)	(30,000)	(30,000)	Increasing the current charge of £2.20 to £2.42 (10%). The existing charge is only based on the meal cost and is subsidised for the cost of transportation and delivery to the clients.	May mean that adults refuse service. Price increase will mean charge is higher than all but one of our West Midlands group.	N/A
4	Fairer charging movements	Adults	(97,631)	(97,631)	(97,631)	The discount factor is presently set at 42% which reduces the home care charge to the client from £9.60 (which is based on the lowest charge paid to the providers) – to a charge of £5.57. The removal of the discount will mean the charge to the client increases to £9.60 per hour an increase of £4.03. This brings us in line with Sandwell and Coventry and assumes we charge cost.	Change in policy will require consultation. May result in some negative press, client dissatisfaction, affects vulnerable adults disproportional but clients will have assessment on ability to pay. However this brings us in line with Sandwell and Coventry.	N/A
5	Charging for transport within adult services	Adults	(468,000)	(468,000)	(468,000)	Change in policy for charging for transport within adult services. Council does not currently charge for transport which is a discretionary service for clients attending day centres and other support services.	Charge would effect performance indicators which involve help to live at home. May discourage service users from taking up services which could lead to more high cost services being required in future. Will be unpopular with service users as is currently free even though some users receive a mobility allowance. Would effect approx 700 clients. Other authorities charge for transport in line with their charging policies in the region of £1 - £2 per day.	PAF C29, C31, C30, C32 – BV54 Helped to live at home - all service areas (although transport is no longer counted as part of the 'helped to live at home figures' so would not directly impact on this, it could indirectly impact on it; for example if service users have to pay for transport they may be discouraged from taking up services in the community e.g. day care – which would directly impact on these PI's).
	TOTAL FEES AND CHARGES		(681,031)	(661,031)	(661,031)			

2007/8 EFFICIENCY SAVINGS

No.	EFFICIENCIES	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY	RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, VIPS)
			2007/08	2008/09	2009/10			
1	Computer database - housing standards and improvements	Housing	(44,634)	(44,634)	(44,634)	Removal of unplanned /upgrading of system budget for database which manages performance framework for the service and monitors capital budget.	No budget to support any unplanned maintenance or upgrading of database.	N/A
2	Out of hours team - mental health	Mental health	(240,000)	(240,000)	(240,000)	Generated by contracting the out of hour's service (evenings, weekends, and bank holidays) to Wolverhampton with the deletion of 6 high cost posts.	Loss of 6 posts. Shouldn't negatively affect performance / ratings/ etc.	C31 and C37
3	Senior management restructure - learning disabilities and young adults	Learning disabilities and YADS	(155,000)	(155,000)	(155,000)	Deletion of a head of service, service manager and 1.5FTE of personal assistant salary costs. The saving assumes no redundancy costs due to at least one of the posts being vacant, and the cost of protection of salaries can be met from existing budgets.	Development of special YADS service was praised by CSCI. The changes may attract criticism from CSCI, staff and unions who may see it as a lack of commitment to improving services further.	N/A
4	Removal of gratuities budget no longer required.	Support services - social care and inclusion	(15,232)	(15,232)	(15,232)	Budget no longer required.	No impact	N/A
5	Reduction in accommodation budget	Support services - social care and inclusion	(70,000)	(70,000)	(70,000)	Reduce accommodation budget.	No contingency for buildings/ accommodation issues which occur throughout the year. Would now have to be found from within existing budgets.	N/A
	TOTAL EFFICIENCIES		(524,866)	(524,866)	(524,866)			

No.	REDUCTION IN SERVICE	SERVICE AREA	ANNUAL NET COST			DETAILS OF REDUCTION	CONSEQUENCES / RISKS OF REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, VIPS)
			2007/08	2008/09	2009/10			
1	Housing strategy and partnerships	Housing	(26,670)	(26,670)	(26,670)	Reduction in publicity and dissemination of strategy.	Unable to fund housing events such as Walsall Housing Partnership Forum or to circulate copies of strategy.	N/A
2	Repair and maintenance - supported housing	Housing	(107,000)	(107,000)	(107,000)	Reduction in repair and maintenance of properties budget (46%).	Reduction in quality and standard of properties within the housing support projects.	N/A
3	Walsall Society for the blind contract termination	YADs	(48,000)	(48,000)	(48,000)	Deleting contracts with Walsall Society for the blind and talking newspaper.	Would prove unpopular with service users, partners and members. Cutting domiciliary care which includes home based care for older People with Dementia, Black Elders in Extra Care Housing, people with Sight Impairments and joint PCT enterprises. There are on average 24 service users attending the day service provision, and in respect of the talking newspaper, in the region of 1200 cassettes are distributed per week.	a. C28-BV53 Intensive homecare – may mean that the capacity to deliver this is reduced b. Non-care managed services – although not a PAF indicator we are required to return a figure for this in Nov 2006 and will be required to return this on an annual basis from now on. This will only be affected where services are delivered outside of a care plan (i.e. no formal referral fro service provision) c. PAF C29, C31, C30, C32 – BV54 Helped to live at home - all service areas .Again may also reduce 'helped to live at home figures'
4	Deletion of hospital social work team - older peoples services	Older people	(954,811)	(954,811)	(954,811)	It is assumed that there will be no redundancy costs as the existing staff will be re-deployed into vacant posts and/or replace agency staff who cost on average 30% more than substantive posts. The savings are based on the deletion of a whole team and would have a dramatic effect on waiting lists, assessments and hospital discharges.	Will affect timing of assessments - negative effect on PI's for assessment, will put additional pressure on locality teams, will affect hospital discharges. Deletion of the Assessment and Care Management capacity represented by the staffing group in the hospital team is a crucial issue. Not having a hospital team would mean that there is a serious deterioration in our performance on delayed transfers of care. If the work moves into the locality teams, we would be attempting to do similar levels of work with less staff.	Leads to delays in hospital discharges, increase within locality teams therefore delays in assessment. Will effect indicators PAF D40 clients receiving a review, PAF C32 help to live at home, C72 admissions to residential nursing care, PAF B12 unit cost of care.

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			2007/08	2008/09	2009/10			
5	Reduction in staffing	Mental Health	(35,102)	(35,102)	(35,102)	Reduction in approved social workers (ASW) staffing involving one post from adult community mental health team reducing social work teams to extremely low levels to make savings.	A reduction of another ASW post would reduce the councils contribution to the multidisciplinary model of working .Increased waiting times for hospital discharges. A reduction will result in reprioritisation of work, with statutory responsibilities taking preference. The metal health provider budget is so small that any reduction has a disproportionately high impact and there will be a point at which it becomes unviable. If all the proposed reductions are made the PCT would have to consider whether or not the social care lead role is sustainable.	PAF C31 – MH helped to live at home (capacity maybe reduced to assess for services to help to remain living at home – prevention) PAF D40 - Clients receiving a review (capacity maybe reduced to carry out reviews)
6	Reduce value of service level agreement for day care	Mental Health	(50,000)	(50,000)	(50,000)	Reduce value of service level agreements for day care . Mental health have service level agreements with 2 providers for 3 day care services - 2 per adults and 1 for older people.	This may de-stabilise the remainder of the contract. It would also damage our relationship with the Voluntary Sector.	PAF C31 'Non-care managed services' although not a PAF indicator we are required to return a figure for this in Nov 2006 and will be required to return this on an annual basis from now on. This will only be affected where day care services are delivered outside of a care plan (i.e. no formal referral fro service provision) – so does not impact on 'traditional day care' provision as with PAF 31.
7	Reduction of in house home care services	Older people	(100,000)	(100,000)	(100,000)	Budget reduction for in house home care services by reducing enhancements and overtime payments for existing staff.	Reduction would reduce the level of services available to vulnerable adults and render specialist areas unviable. CSCI indicated we should be developing these services so would therefore impact on our inspections.	PAF C32 – BV54 OP helped to live at home will increase due to lack of home care capacity. C28-BV53 intensive homecare – more expensive/specialist packages can't be delivered LAA target (local) Admins of res aged 65 and over to res/nursing care – may occur due to a lack of capacity to deliver services in community. C72 Admins of supported residents aged 65+ to res/nursing care - lack of capacity to deliver services in community.

No.	REDUCTION IN SERVICE	SERVICE AREA	ANNUAL NET COST			DETAILS OF REDUCTION	CONSEQUENCES / RISKS OF REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, VIPS)
			2007/08	2008/09	2009/10			
8A	Reduction in growth required due to fairer access to care criteria (FAC)	Adults	(240,000)	(400,058)	(500,912)	A reduction of growth due to introduction of new criteria. This saving cannot be realised unless investment item number 17s approved.	Dramatic negative effect on caring community due to removal of services and implementation of waiting lists. Negative effect of Pies and CPA rating so will reduce chance to achieve excellence status.	C27, C26, C28, C29, C31, C62, C72, C73, D39, D40, BV54, BV56, BV195, BV196, BV201, PAF B12. PAF B17
8B	Change in fairer access to care criteria banding - non residential care	Adults	(1,575,000)	(3,874,000)	(3,874,000)	The threshold for care will rise from substantial to critical. Those service users who meet substantial threshold following risk assessment will have their services terminated.	Place significant risks on vulnerable adults as would be direct reduction in provisions of services. Consequences would include judicial reviews, ombudsman enquires, government intervention and possible litigation by families. Very high risk strategy . 60% (864 people) will have their care package terminated and causing closure of LD day centre.	
8C	Prevention services - older people services assuming change in fairer access to care criteria (FACS) criteria approved. Required to invest in voluntary organisations and independent sector prevention and lower level strategies to compensate for the reduction in the FAC criteria to critical only. If savings for FACS not approved this growth not required.	Adults	40,000	450,000	650,000	Preventative services promote well being and prolong independence. Produce the range of services needed for excellence in older peoples services.	If the FACS criteria are moved to critical only, it will be essential to have a range of preventative services to signpost older people or they will rapidly deteriorate to critical.	Positive effects on PAF C72
	TOTAL REDUCTION IN SERVICE		(3,096,583)	(5,145,641)	(5,046,495)			

FULL YEAR IMPACT OF APPROVED 2006/7 SAVING / EFFICIENCIES

No.	BUDGET EFFICIENCIES/ SAVINGS	ANNUAL NET COST			DETAILS OF EFFICIENCY /SAVING	CONSEQUENCES / RISKS OF EFFICIENCY / SAVING	RISK ASSESSMENT ON LIKELYHOOD OF ACHIEVING IN FULL	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2007/08 £000	2008/09 £000	2009/10 £000				
SOCIAL CARE AND INCLUSION								
A	Reprovisioning of older peoples services	(165,896)	(165,896)	(165,896)	Procurement savings from private sector.	Private sector may require a reduction in overall level of demand.	None	None.
B	Older peoples services - reduction in level of external day care Fall out of 1 year only saving	100,000	100,000	100,000	Reduce purchase of external day care for older people through service level agreements.	Possible resistance from voluntary sector. We would have assessed needs we could not service.	N/A	C32 would reduce the number of older people helped to live at home by the council.
TOTAL SOCIAL CARE AND INCLUSION		(65,896)	(65,896)	(65,896)				

FULL YEAR IMPACT OF APPROVED 2006/7 INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST			DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING FYE
		2007/ 08 £	2008/ 09 £	2009/ 10 £		
SOCIAL CARE AND INCLUSION						
A	Fall out of mental health grant Shortfall of Mental Health Grant based on changed national formula - leads to a cut in mainstream resources.	43,000	43,000	43,000	Improving performance and outcomes for those with mental health problems.	Insufficient ASWs to manage mental health act.
B	Supported people grant Fall out of SP grant - investment required to sustain level of staffing within SP team in to the future pending a Government review of SP admin.	34,490	26,560	26,560	Supporting people service helps hundreds of citizens remain in their own homes & enjoy more choice. The ODPM reduces the grant for support services each year even though the demand for support increases, this funding will ensure that the supporting people service continues to ensure choice.	
C	Learning disabilities (LD) - client demand growth future years To meet demographic changes incl. 1% growth of LD population, increasing dependency and survival rates. More than 9 school leavers in 06/07 will need funding for help to live at home, support to access community, day services, short breaks & 24 hour support packages. In addition, this will fund an increase in dementia support to 14 new clients per year.	633,395	1,286,790	1,976,790	Helping people to live at home with care packages tailored to meet their needs and providing more choice about where they live. This addresses important government targets and indicators.	Not offering services to vulnerable clients, not meeting legislative requirements. Will not meet statutory duty and could result in a fall in performance.
TOTAL SOCIAL CARE AND INCLUSION		710,885	1,356,350	2,046,350		