



Social and Health Overview & Scrutiny Committee 28 January 2013

Council Fund Revenue Budget Proposals

TO BE COVERED TODAY

- National and Local Context
- Council Fund Budget Strategy
- Budget Process
- Ongoing Work
- Social and Health Budget
 - Budget Proposals - summary
 - Key service issues
- Next Steps



COUNCIL FUND BUDGET STRATEGY & FINANCIAL OVERVIEW

National Context

- Funding for UK public sector contracting in real terms and this will continue in the medium term
- For Wales this position reinforced by:
 - Welsh Government Budget & Policy
 - Wales Audit Office reports
 - Institute of Fiscal Studies report (commissioned by WLGA)
- 2013/14 – final year of three year indicative WG budgets for local authorities
- 2014/15 settlement could see a decrease in proportion of WG budget for local government

Local Context

- Successful track record of setting balanced budgets within this national context while also:
 - Investing in key priorities
 - Meeting growths in service demands
 - Absorbing cost in implications of inflation
- Approach
 - Developing internal programmes of change and reform
 - Collaboration and cost sharing with partners
 - Service review and change
- Scope for efficiency 'quick wins' reduces each year – the challenge becomes greater

2013/14 Budget Strategy

- Draft proposals aim to:
 - Protect front line public services
 - Invest in and Protect Schools and Social Care budgets – exceeding national expectations
 - Protect core services where national grant is reducing
 - Prepare communities for Welfare Reform
 - Invest in change to achieve future efficiencies
 - Prepare for implementation of Single Status in-year
 - Absorb inflationary costs without reducing service standards
 - Set Council Tax at affordable level

THE BUDGET PROCESS – How have we got here...

Budget gap of £11m in July – strategy followed...

1. Challenge and compress identified pressures
2. Review previous years pressures and efficiencies
3. Manage Inflation – targeted approach
4. Review in year financial position
5. Review Reserves and Balances
6. Progress Flintshire Futures workstreams
 - Increase income from Fees and Charges
 - Progress Organisation Design
 - Implement Service Change
 - Identify opportunities for Procurement Savings

FINANCIAL OVERVIEW – Position at December

- Budget gap at 18th December was £1.480m (based on draft settlement)
 - One off or time limited items £0.417m
 - Ongoing base budget £1.063m
- Final Local Government Finance Settlement announced on 11th December – briefing note distributed to all Members
- Final Settlement for Flintshire is an increase of 1.2% (after transfers excluding Council Tax Support) in revenue grant funding

FINANCIAL OVERVIEW – Assumptions and Principles (MTFS) (1 of 2)

- Transfers into settlement passported to service area (if required)
- New responsibilities in settlement passported to service area
- Base Level of Reserves maintained at 2% of turnover
- Distinction between resources for ongoing expenditure and expenditure that is one-off or time limited
- Fair and affordable Council Tax – proposed annual Band D increase of 3% - in line with previous Council Tax Strategy commitments

FINANCIAL OVERVIEW – Assumptions and Principles (MTFS) (2 of 2)

- Inflation assumptions:
 - Pay
 - 1% for Non-Teachers (from April) and Teachers (from September)
 - Price
 - Targeted 2% inflation - e.g. Schools, elements of Social Care and Fleet Maintenance
 - Non-Standard Inflation - Energy, Fuel, Food and NDR
 - Income
 - Assumption of 3% unless included under specific Fees and Charges Proposals

Work Ongoing to Balance the Budget

Four Point Plan:

1. Review of Flintshire Futures Workstream Targets - especially Procurement
2. Review of pressures/investments to ensure that all one-off items are identified
3. Re-examination of previous years' items
4. Directorates and Corporate Services to:
 - Identify further efficiencies achievable in 2013/14
 - Reduce costs / curtail expenditure for remainder of 2012/13



Social and Health

BUDGET PROPOSALS & KEY SERVICE ISSUES

BUDGET PROPOSALS – Pressures / Investments

	2013/14 £m	2014/15 £m	2015/16 £m
Pressures and Investments - Welsh Government Policy/Legislative			
Mental Health - Additional Social Work support	0.032	0.042	0.042
Learning Disability resettlement grant - impact of transfer into RSG	0.046	0.046	0.046
	<u>0.078</u>	<u>0.088</u>	<u>0.088</u>
Other Pressures and Investments			
Transition to Adulthood	0.138	0.267	1.506
Family Placement team (Children's Services)	0.110	0.110	0.110
Disabled Facility Grants / Aids and Adaptations	0.046	0.062	0.062
Independent Sector residential fees	0.115	0.115	0.115
	<u>0.409</u>	<u>0.554</u>	<u>1.793</u>

BUDGET PROPOSALS – Efficiencies (1 of 2)

	2013/14 £m	2014/15 £m	2015/16 £m
Efficiencies - Fees & Charges			
<u>Existing charges</u>			
Residential Charging - increased income from demand	0.100	0.100	0.100
	<hr/> 0.100	<hr/> 0.100	<hr/> 0.100
<u>New charges</u>			
Mental Health Service users	0.018	0.018	0.018 ★
	<hr/> 0.018	<hr/> 0.018	<hr/> 0.018
Efficiencies - Service Change			
Reablement in the level of extra care	0.100	0.100	0.100
Preserved Rights - reduced activity levels	0.053	0.053	0.053
External funding for existing post - Children's Services	0.043	0.043	0.043
Family Placement team - revision of existing practices	0.040	0.040	0.040 ★
Early retirement - non replacement of staff - CSA	0.015	0.015	0.015
General Office Administration review	0.021	0.021	0.021
Youth Justice - appropriate adult service	0.010	0.010	0.010
Legal Fees - use of solicitors / barristers	0.010	0.010	0.010
Children's Services - Transport costs efficiency	0.015	0.015	0.015
Children's Services - FAST team budget reduction	0.010	0.010	0.010
Preventative foster care service - day care	0.005	0.005	0.005
Children's Services - out of county placements - improved procurement practice	0.050	0.050	0.050
	<hr/> 0.372	<hr/> 0.372	<hr/> 0.372

★ Equalities Impact Assessment will be completed

BUDGET PROPOSALS – Efficiencies (2 of 2)

	2013/14 £m	2014/15 £m	2015/16 £m
Efficiencies - Procurement			
PARIS - post implementation expenditure review	0.030	0.030	0.030
Social Care - Supplies and Services	0.075	0.075	0.075
Procurement Hub - regional procurement of high cost low volume placements	0.020	0.020	0.020
Transport Review - revised contracts	0.025	0.025	0.025
	<u>0.150</u>	<u>0.150</u>	<u>0.150</u>
Efficiencies - Organisational Design			
Review of Supported Living Service	0.350	0.350	0.350 ★
Children's Services - Removal of one team manager post	0.040	0.053	0.053
Development and Resources - Rationalisation of Management Team	0.050	0.100	0.100
	<u>0.440</u>	<u>0.503</u>	<u>0.503</u>

★ Equalities Impact Assessment will be completed



Live Issues for this Committee

- Out of County Placements

For Social and Health this budget invests in...

- Protecting key frontline Social Care services (investment of £1.9million)
- Prioritising effective First Response to people e.g.Reablement
- Responding to demographic pressures e.g. DFG's, increase in dementia amongst the population
- Community and Residential pressures
- Ensuring young people are supported in transition
- Safeguarding Children and vulnerable adults
- Fostering and Family Placement services

Key Service Issues for Social and Health in Medium Term ...

- Providing first rate Social Care services
- Community Service with Health and models of specialist supported housing
- Delivery of the Social Services Bill
- Responding to increasing age, frailty and the increase in numbers of carers
- Progressing reablement and recovery
- Preventative Children's Services responding to need
- Effective commissioning of services for children and adults
- Developing new service models e.g. extra care, Citizen Directed Support, increased focus on telecare and telehealth



NEXT STEPS

Next Steps – Medium Term Outlook

- MTFP in December indicated an annual budget shortfall of £30m by 2017/18
- This does not fully account for:
 - Single Status Agreement
 - Equal Pay Agreement
 - Any possible future reductions in funding from Welsh Government
- Need to develop and accelerate FCC corporate change programme if we are to...
 - meet the financial challenges ahead
 - achieve council priorities
 - finance capital investment

Next Steps – 2013/14 Budget

- Ongoing work to continue to refine details
- Corporate Resources Scrutiny
 - 31 January
 - All members
 - Capital Programme (cross-service)
 - Round up meeting following service scrutiny meetings
- Cabinet 19 February
 - Final budget proposals
- Council 1 March
 - Budget & Council Tax Setting