

SUPPLEMENT TO THE AGENDA FOR

General Overview & Scrutiny Committee

Tuesday 18 June 2013

5.00 pm

The Council Chamber, Brockington, 35 Hafod Road, Hereford

8. COUNCIL BUDGET 2013/14 - UPDATE

Budget Presentation

Pages

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Overview and Scrutiny

18th June 2013

Budget Presentation



Budget Summary 2013/14

- There has been no change in the Council's net budget total of £150.296m.
- Funding unchanged as;

	£000
Revenue Support Grant	42,861
Locally retained rates	22,726
Rates 'top-up'	6,559
Council tax	78,911
Collection Fund deficit	(761)
Net Budget Requirement	150,296

KPMG Review Conclusions

- The treatment of the £3.8m grant had no impact on the overall net budget agreed by council in February
- Greater level of detail in budget papers to cabinet and council may have helped identify duplication
- High level control of 2013/14 Peoples Services budget evident
- Formal sign –off of Hoople Budget information required
- Lack of stability in senior management in Social Care may have had a historic impact on financial control
- Council took timely action to resolve issue and give assurance that budget soundly based

People's Budget Pressures Movement

	Original Mitigation	Review position	Mitigation	Reinstated schemes	Total before new schemes	New schemes	Public health	Revised shortfall in Peoples
	£000	£000	£000	£000	£000	£000	£000	£000
Savings shortfall	4,215	(704)	3,511	(1,578)	1,933	(1,621)	(97)	215
New pressures	4,268	(377)	3,891	(712)	3,179	(604)		2,575
	8,483	(1,081)	7,402	(1,578)	5,112	(2,225)	(97)	2,790

Directorate Budget Control Totals 2013/14

	Cabinet report appendix £000	Root and Branch adjustment (1) £000	EHTS transfer (2) £000	Budget before revised savings £000	Budget reallocation (From)/To £000	Revised Budget £000
Corporate	19,766	(50)		19,716	(2,082)	17,634
People's	78,712		(1,261)	77,451	2,790	80,241
Places and Communities	36,533	50	1,261	37,844	(1,442)	36,402
Cross cutting savings to be allocated				0	(517)	(517)
Centrally held budgets	15,285			15,285	932	16,217
Surplus	150,296	0	0	150,296	0	150,296
Notes						
1. Reallocation of safer and stronger targets between directorates						
2. The Environmental Health and Trading standards service has been moved from the People's Directorate to the Places and Communities Directorate						

Adult Social Care Budget Chronology (1)

- ASC budget presented in February based upon September client activity and expected growth.
- Included high level savings targets e.g. £2m to reduce high cost placements in mental health & LD.
- New interim AD's arrived January 2013, began to assess scale of change required.
- Two meetings with OSC in January to review ASC budgets prior to presentation of budget for sign off.
- The R&B report to Cabinet on 5th February summarised the unfinished R&B work and service transformation plans. The further development of these plans formed the basis of the zero based budget and detailed savings plans.
- Business Change Programme was developed through February / March shared through Chief Executive review.

Unfinished R&B Work Summary

(report to Cabinet 5th February)

Basis of Business Change Programme / Zero based budget approach to detailed savings schemes

- Bringing the Older People and Vulnerable Adults reviews together (merged to become ASC Business Change Programme) and addressing challenges of the Care and Support Bill
- Options Appraisal of alternative delivery model including mutual/social enterprise. Social Work practice, Local Authority Trading Company
- Recasting of services through new models of commissioning and joint commissioning
- Workforce Transformation utilising LEAN, Skill mix and integrated pathways
- Implementing market development strategy and maximising people centred approaches and preventable approaches

Adult Social Care Budget Chronology (2)

ZERO BASED BUDGET APPROACH (1)

- Built upon service redesign principles developed through Business Change Programme.
- Needed to reflect changes in client numbers to update accuracy of detailed client budgets. (February outturns indicated reductions in client numbers in some services)
- Used end of January actual client numbers as basis for updated budget.
- Service assumption that improvements in processes / controls would deliver zero net growth in client numbers in 13/14.
- All contracts reviewed and a number identified as due to end March 13 which could be stopped.

Adult Social Care Budget Chronology (3)

ZERO BASED BUDGET APPROACH (2)

- Detailed savings plans worked up in line with AD plans and themes for savings. These included:
 - Contract reductions / terminations
 - Service redesign (section 75 agreement with WVT)
 - Demand reductions (modelled by client group)
 - Cost of care reductions (modelled by client group)
 - Income generation (modelled by client group)
- End result that savings requirement increased in ASC by £1.144m (largely impact of full year effect of new packages from September to February)

Adult Social Care Budget Chronology (4)

- Early April began process of profiling updated budget and identified error with £3.8m LD grant.
- If identified in January then a further £3.8m of savings would have to have been identified at that point.
- Also began review of budget and flagged potential risks around delivery of some savings following the commencement of negotiations. Took a prudent view of saving achievable giving pressure flagged of £7.4m.
- Work immediately undertaken to mitigate risks identified through identification of additional savings opportunities within People's Services, and to recover savings flagged as at risk.
- Peoples Services have recovered internally all except £2.8m of £7.4m pressure.