

HEALTH OVERVIEW AND SCRUTINY PANEL

Subject: Budget Savings Proposals 2011/12
Cabinet Portfolio: Adult Social Care and Health
Corporate Lead: Judith Geddes, Executive Director
Housing, Adult & Community Services
Meeting Date: 12 January 2011
Status: Public
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1.0 Summary:

- 1.1 The purpose of this report is to seek the views of Members on new proposals for savings in 2011/12 that are in the scope of this Panel.
- 1.2 A report on the Medium Term Financial Plan was considered by Cabinet on 13th October 2010. A surplus of £2m was estimated for 2011/12 with deficits each year afterwards rising to £17m in 2015/16, based on a 10% loss of government grant in 2011/12.
- 1.3 The government advised all Councils on 13th December of the amount of grant it would provide to each Council in 2011/12. The government has now confirmed that Bournemouth will face a grant reduction of 15.2%, which is over £3m more than had been forecast in the October Cabinet report and further details are shown in section 3. A revised Medium Term Financial Plan will be reported to Cabinet in January, which currently will show a deficit for 2011/12.
- 1.4 The Council has prepared for a worsening financial environment in its Efficiency Strategy. In particular, the Council has made efficiencies and savings over the past 3 years of £11.2m, with a further £7.7m so far this year and another £7.3m already identified for 2011/12. In addition, the Mouchel Partnership will assist the Council to make savings from a challenging whole Council Transformation. More details of the Efficiency Strategy are shown in Section 5.
- 1.5 The Council has been successful in managing its budget and has built up balances which are intended to cover various identified risks. They may be used in part to put back some of the funding that has been cut by government

for priority work such as Supporting People. Similarly, the Council has been successful in obtaining reward grant from the government's LAA. In total the draft proposals have been framed by assuming that £2m of balances, including LAA, will be used to support the budget. This has had the effect of reducing the number and size of savings proposals being considered by the Panels. However this one off funding, when applied, will still leave services exposed the following year if budget reductions are not made.

1.6 As an example of the Impact of the Government cuts the Supporting People grant, which provides housing advice and support for vulnerable people living within the community, has been reduced from 2010/11 allocation of £9.562m to £5.355m in 2011/12, a reduction of £4.207m or 44%. If the Council cut this service by the full amount this would be very serious for vulnerable individuals, third sector providers and wider Council housing services. The Council is proposing to not apply the full reduction of £4.2m but to apply a smaller reduction of £1.1m.

1.7 Nevertheless it will be necessary to make savings and officers have prepared a list of proposals for consultation, to allow the Cabinet in February to consider a range of options to meet the government grant reductions. These are shown at Appendix A and the Panel are asked to consider whether the proposals are robust.

1.8 For guidance, to determine if a saving is robust it is suggested that the implications for each proposal, as set out in Appendix A, are considered against the following criteria:

- Whether the proposal is consistent with service and corporate priorities
- How the saving will be achieved
- The implications on the delivery of Council services.

2.0 Recommendation:

2.1 The Panel is asked to consider the proposals for 2011/12 attached in Appendix A, to confirm that they are robust based on the criteria set out in paragraph 1.8 and to advise Cabinet accordingly.

3.0 Government Grant Settlement

3.1 Assessing the impact of the grant settlement has proved more difficult this year due to the merger of Area Based Grants with the Formula Grant.

3.2 The grant reductions imposed on Bournemouth are deeper than expected compared to the Government's headline figures. The national figures were based on a four year settlement with overall grant reductions of 11% (2011/12), 9% (2012/13), 1% (2013/14) and 6% (2014/15). In practice the grant reduction for Bournemouth is currently estimated at 15.2% for 2011/12 alone. The table below sets out how the grant allocation has changed.

	2010/11	2011/12	
	£	£	
Specific Grants	11,326,860	9,353,649	(1,973,211)
Area Based Grants	16,536,478	0	(16,536,478)
Formula Grant	55,024,542	60,910,575	5,886,033
Total Grants	<u>82,887,880</u>	<u>70,264,224</u>	<u>(12,623,656)</u>
Grant reduction (-)		(12,623,656)	
Percentage Reduction		-15.2%	

3.3 Bournemouth has been particularly hard hit by:

- Reduction to the Supporting People grant of 44%, a cash reduction of £4.2m. This grant is currently paid as an Area Based Grant and the Council has distributed this funding directly to third sector and private organisations. These organisations provide support to vulnerable residents and help promote independent living in the community. The grant reduction is now based on a mathematical formula that makes no reference to the important regional role played by Bournemouth in providing supported accommodation or the support infrastructure now established within Bournemouth.
- Loss of grant through the formula calculation. The 2010/11 grant was rebased to £70.3m to reflect the transfer of specific grants into the formula grant. In practice the 2011/12 grant before protection has been calculated at £54.5m, a reduction of £15.8m or 22.5% compared to the rebased 2010/11 grant of £70.3m. Even allowing for floor protection of £6.5m the reduction between 2010/11 and 2011/12 is 13.2%. The formula grant is an extremely complex calculation but it is clear that Bournemouth is at a disadvantage through the operation of the formula factors such as the area cost adjustment allowance compared to near neighbour Authorities.
- Reductions to the floor protection. In 2010/11 Bournemouth received floor protection of £7m, equivalent to 14.6% of the formula grant. In 2011/12 the equivalent figure was £6.5m or 11.9% of the formula grant.

3.4 Whilst there is still some uncertainty over the final allocation of specific grants, especially around areas such as Safer and Stronger Communities, the overall impact has been for this funding to be either removed directly or to be reduced as part of a renaming exercise.

4.0 Corporate, Service and Medium Term Financial Plans

- 4.1 The financial planning process links to the corporate planning process, which identifies Corporate and Service plan priorities. The final budget set will reflect how these priorities are resourced and help to identify low priority areas for service reductions.

5.0 Efficiency Strategy

- 5.1 The Council's financial strategy since 2007/08 has been to:

- Maximise efficiencies;
- Ensure Council Tax levels achieve the right balance between affordability and sustainable services;
- Ensure service reductions, where necessary, have minimal impact or are in low priority areas.

The efficiency strategy 2008/09 - 2010/11, agreed at the April 2008 Cabinet meeting, set targets for 3% savings per annum.

The efficiency strategy seeks to achieve efficiencies in the following ways:

- Business Unit changes such as Business Process re-engineering, shared services;
- Procurement - a more corporate and standardised approach to procurement making better use of technology and market changes;
- Fees, Income and trading - looking at the way our fees can be optimised, with minimal impact on corporate priorities.
- Mouchel Partnership - this will provide additional capacity and capability to maximise efficiency savings through service transformation.
- Property - making more efficient use of our assets and releasing efficiencies;
- Corporate structures, administration and Customer Services. Looking at staffing structures, administration, how we manage our customer interface to both improve customer service and make efficiencies.

6.0 Savings Proposals

- 6.1 The Panel is asked to consider the savings proposals attached in Appendix A. These proposals have been reviewed by Executive Directors and attempt to balance the views arising from the public consultation initiative shown at Appendix B.

The Panel is asked to consider the proposals as set out in the recommendation. This will form the basis of recommendations to Cabinet to inform the budget process.

7.0 Public Consultation

7.1 The Council is committed to involving the public in shaping Council decisions.

The scale of financial savings that may impact upon service reductions need involvement of the public in a way which ensures:

- a) they understand service reductions will need to be made if budgets are greatly reduced by central government;
- b) they share their views on priorities or how those reductions are made to a service;
- c) all members of the public have an opportunity to participate in the process.

An initial stage of public consultation led to a priority list of services that should receive some degree of protection. This is shown at Appendix B.

Further consultation has now started on the specific proposals shown in Appendix A.

8.0 Options and Impacts

8.1 Proposals outlined in Appendix A outline options and their impacts.

9.0 Equality and Diversity Impact

9.1 Equality impact assessments will be carried out prior to any proposals being agreed by Council.

10.0 Environmental Impact Assessment

10.1 Environmental impact assessments will be carried out as appropriate on any proposals agreed.

11.0 Summary of Risk Assessment

11.1 The risks of not achieving the saving and loss of service performance arising from the savings are set out in the proposal.

Background Papers:

- Budget consultation outcome - <http://www.bournemouth.gov.uk/budget/>

2011/12 Budget							Appendix A	
Savings Proposals								
Health Panel								
<p>The indicative amount from central government for Supporting People budget in 2011-12 has been reduced to £5.3M from this years £9.5M ie a reduction of £4.2M or 44%. These proposals will find £1.12M savings and the funding to cover the deficit of £3.08M to enable Supporting People services to continue will be found from the Council resources.</p>								
Ref	Item	Saving 2011/12 £k	Saving Ongoing £k	Implications				Total Budget £k
A1	Adult Social Care Workforce	113	113	This is achievable without reducing core training such as safeguarding, health and safety (including medication and moving/handling training) and mental health training. It will restrict other training which may make it harder for staff to meet the minimum requirement for continuous professional development required for registration as a social worker or occupational therapist.				449
A2	Adult Carers	122	122	These services are highly valued by carers but the requisite savings can be found by reducing the amount of respite care available and other services. This will have an impact on carers for older people, people with physical & learning disabilities and emergency respite arrangements.				688
A3	L & D Development Fund	22	22	This will not reduce our core funding for Bournemouth People First but will impact on funding for some one-off projects.				134
A4	Mental Health Grant	46	46	These savings can be achieved by reducing grants to some voluntary organisations.				571
A4a	Mental Capacity Act & Advocacy			The Mental Capacity Act 2005 grant is used entirely for providing the new statutory functions that came into being with this Act and the 2007 Mental Health Act which require us to have an Independent Mental Capacity Advocate Service and a Deprivation of Liberty Safeguards (DOLS) service. To reduce this expenditure would simply shift the expenditure into base budget; the expenditure would still be required.				
A6	Aids Support Grant	80	80	The savings will be found from efficiencies and a reduction in Bournemouth's contribution to the contract for Body Positive, a local third sector organisation, to provide specialist services required by this service user group. 250 Bournemouth residents are currently supported (with an additional 300 across Poole and Dorset). The contract is joint funded by ourselves, Borough of Poole, Dorset CC and the PCT. Discussions will be held with Body Positive to minimise the impact of this saving.				124
A7	Stroke Strategy	10	10	This is a time limited service to support people being discharged from hospital following a stroke and a cut of any significance will prevent the service being delivered. These savings will be managed through efficiencies.				88
A8	Supporting People see attached detail	1123	1123					9562
Total		1516	1516					11616

Supporting People							
Savings that have already been agreed by the Joint Commissioning Group for 2011/12							
Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
Charoenjai, JM	48 Lonsdale Road	Mental Health Problems	7	£52,012.05	£39,044.60	30-Jun-11	No further spend as of 30-06-11
BCHA	Prison Liaison Service	Offenders or People at Risk of Offending	1	£29,667.23	£29,667.23	31-Mar-11	No further spend as of 31-03-11
Langley House Trust	Langdon House	Offenders or People at Risk of Offending	4	£43,000.00	£43,000.00	31-Mar-11	No further spend as of 31-03-11
Anchor Trust	Housing Options for older people	Older People with Support Needs	n/a	£21,968.57	£21,968.57	31-Mar-11	No further spend as of 31-03-11
BCHA	Hannah House	People with Alcohol Problems	13	£189,800.00	£189,800.00	31-Mar-11	No further spend as of 31-03-11
BCHA	Day Centre Worker	Rough Sleeper	n/a	£30,000.00	£30,000.00	31-Mar-11	No further spend as of 31-03-11
Crime Reduction Initiative	Street Services	Rough sleeper	n/a	£33,231.00	£33,231.00	31-Mar-11	No further spend as of 31-03-11
Bournemouth YMCA	YMCA - Trafford House	Single Homeless	12	£20,936.40	£20,936.40	31-Mar-11	No further spend as of 31-03-11
Bournemouth YMCA	YMCA - Delta House	Single Homeless	63	£448,402.50	£54,958.05	31-Mar-11	Reduction in contract value agreed from 1st April 2011
2 Care UK Limited	2 Care	Mental Health Problems	27	£295,650.00	£14,078.57	31-Mar-11	Reduction in contract value agreed from 1st April 2011
Community Support Team	Irving and Beaufort	Learning Disabilities	8	£146,000.00	£20,857.14	31-Mar-11	Reduction in contract value agreed from 1st April 2011
BCHA	Various	Various		£25,466.57	£25,466.57	31-Mar-11	Reduction in hourly rate in line with VFM to be agreed as directed by JCG

Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
Active-Support Homes	Active Support Homes	Mental Health Problems	25	£234,642.86	£155,005.72	30-Jun-11	All clients will need to be reviewed by Community Care and possibly moved into other SP services, registered care or independence. This SP saving is based on the contract ending 30/06/11 to allow time for consultation with residents and assessments.
Various	Floating support services	Various	615 reducing to approx 520		£100,000.00	30-Nov-11	Tender will reduce units and reduce spend by approx £200,000. Saving to start part way through year so approx £100,000 to be saved in 11/12 (estimated)
					£778,013.85		
Suggested further savings for 2011/12							
Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
BCHA	James Michael House	Teenage Parents	7	£29,538.93	£29,538.93	31-Mar-11	SP floating support services are available to provide support to service users at the property in place of this support contract. There may be a statutory housing need for some service users.
BCHA	139 Princess Road	Single Homeless	9	£48,336.43	£48,336.43	31-Mar-11	Used as a move on from St Paul's (aka Nightshelter) so people will have to move to other hostels or private rented accommodation with floating support provided if needed.

Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
Housing 21	Parkview Court	Older People with Support Needs	7	£2,946.07	£2,211.56	11-Mar-12	Sheltered housing with mobile warden and alarm system. If SP funding removed there will be a low cost to current service users for the weekly alarm monitoring charge. Currently unknown whether there is anything in the tenancy agreement which would state that they would have to pay towards the warden. Saving based on contract ending 30/06/11 as 6 months notice must be given.
BBC	Category 1 Sheltered Housing Schemes	Older People with Support Needs	273	£80,427.75	£53,430.03	30-Sep-11	Currently SP funds the warden and weekly BLEEP charge. Wardens no longer visit but do a weekly call through the alarm system so loss of the warden would have limited impact and not be likely to create an additional pressure on another budget. However there would be a loss of income for Housing Landlord Services. Saving based on contract ending 30/06/11 as 6 months notice required and SP paying 65p per week from then for the weekly BLEEP charge only.
Rethink	55 Nursery Road	Mental Health Problems	3	£16,950.60	£16,950.60	31-Mar-11	This is a low level support service so floating support services could deliver the necessary support.

Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
BCHA	Seabourne Road	People with Drug Problems	8	£20,043.71	£15,046.49	31-Mar-12	This is move on accommodation for people who have accessed treatment at a higher support service. The service has sustained voids in the past and people can move straight to private rented instead with lower level floating support delivered to them in their home. Saving based on contract ending 30/06/11 as 6 months notice has to be given on the current contract.
Ability Housing Association	Magpie Close	Physical or Sensory Disability	17	£46,909.80	£35,214.48	31-Mar-12	Some service users may meet eligibility criteria for adult social care, with a potential impact on the Community Care budget . The saving is based on service ending 30/06/11 as 6 months notice on the contract must be given
BCHA	HMO Officer	Generic	27	£72,504.64	£25,779.43	31-Mar-11	Loss of this service will reduce move on options for people in higher support services though they can move to private rented with floating support visiting them as an alternative. Saving based on a reduction of 12 units.
BBC	Vale Road	Frail Elderly	74	£18,598.31	£12,078.70	30-Sep-11	Either residents themselves or SP would still have to cover the weekly BLEEP cost (currently 65p each flat). Reduction in income for Housing Landlord Services. Support for residents will continue to be provided by the SPAs under contract with Supporting People. Saving from 30/06/11 with SP paying 65p from then as 6 months notice to reduce the contract has to be given.

Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
EDHA	Hibberd Court	Frail Elderly	49	£18,523.75	£12,658.80	30-Sep-11	As with Vale above
EDHA	Kingsley House	Frail Elderly	56	£21,170.00	£14,467.20	30-Sep-11	As with Vale above
EDHA	Evelyn Mews	Physical or Sensory Disability	6	£2,164.96	£1,472.55	28-Jan-12	As with Vale above
BCHA	Soroptomist House	Women fleeing domestic violence	6	£17,053.84	£12,802.05	31-Mar-13	This service is move on accommodation for women who have been to the Refuge and gives low level support only. There may be a statutory duty to rehouse some individuals whether they are moving straight from the Refuge or from this move on service. SP floating support services are available to support people once they have moved to their own home. Saving based on contract ending 30/06/11 as 6 months notice has to be given
PAS Ltd	Warwick Road	People with Drug Problems	6	£8,760.00	£6,576.00	31-Mar-12	This service facilitates people to move on from higher support services and the alternative is a move to private rented accommodation with an SP floating support service visiting them there. Saving based on contract ending 30/06/11 as 6 months notice must be given.
BBC	Community Support BLEEP Service	Learning Disabilities	19	£752.94	£752.94	31/03/2011	Service Users can use their DLA benefit which is intended to pay for an addition to the service provision such as this overnight alarm and it is a low cost for a small number of clients to pick up.(76p per week)

Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
Strategic Commissioning	Floating Support for People with a Visual Impairment	Physical or sensory disability	6	£14,500.93	£14,500.93	31-Mar-11	Specialist service for people in their own homes with visual impairment however it is under-utilised and the support could be provided by other floating support services.
Together	617 Wimborne Road	Mental Health Problems	6	£17,660.78	£17,660.78	31-Mar-11	The floating support service could be used to provide the support to the four residents in this Housing Association property
War Memorial Homes	War Memorial Homes	Physical or sensory disability	12	£2,190.00	£1,644.00	25-Feb-12	Additional low cost to 12 individuals or WMH could cover the cost themselves out of their charitable funds. Saving based on contract ending 30/06/11
Raglan Housing Association	Raglan Community Alarm	Older People with Support Needs	24	£2,502.85	£1,878.85	11-Mar-12	Additional low cost to client. Saving based on contract ending 30/06/11
Mr & Mrs Warner	The Cherries	Mental Health Problems	6	£44,582.14	£8,916.43	31-Mar-11	Reduction in hourly rate offered in writing by provider
BADSUF	BADSUF Advocacy	People with Drug Problems	n/a	£9,886.29	£7,421.48	31-Mar-12	This provides advocacy for service users living in dry houses which are required to have their own robust complaints procedures. Saving based on contract ending 30/06/11

Provider	Service	Client Group	No. of units	Annual contract value	2011/12 saving	Contract Expiry	Impact
Thompson, DJ	Arohanui Independent	Mental Health Problems	3	£7,039.28	£5,824.25	31-Mar-12	this will entail services users needing to be moved either to other services or independent accommodation. Some Service Users may be eligible for aftercare through Section 117 Mental health Act and there will not be a saving for the Council where this applies. This SP saving is based on contract ending 30/06/11 which is an estimated date to allow for consultation with service users and 6 months notice on the contract has to be given.
					£345,162.91		
				Overall total saving for 11/12	£1,123,176.76		

Appendix B

Budget Consultation Sep/Oct 2010 Executive Summary

Report by Tracy Priestley
and Marie MacWilliam
Consultation and Engagement team



Executive Summary

In much the same way as the Government asked for opinions to help with its Comprehensive Spending Review, local people were asked for their ideas on how the Council and its services could make savings or work more efficiently. They were also asked a series of questions about some of our frontline services and key strategic objectives in order to provide the Council with an insight into where local people's priorities lie.

Strategic Objectives

All the Council's strategic objectives, bar one, were regarded as important objectives for the Council by the majority of residents. Opinion was more split on 'developing and promoting culture and the arts' - with half of residents seeing this as an important objective for the Council.

When asked to suggest up to five of the objectives as top priorities for the Council, 'tackling anti-social behaviour' emerged as a clear top priority for residents, with almost seven out of ten (67%) stating this as a top priority for the Council. The other most frequently cited top objectives were:

- Supporting and protecting vulnerable adults and children (52%)
- Understanding the needs and wishes of local people when making decisions (43%)
- Maintaining and improving the appearance of the town (37%)

Whilst there was a high degree of agreement on priority levels across respondent groups, a few different top priorities emerged for some groups:

- 'Supporting children and young people to fulfil their potential' was a top priority for residents with children under 18 in the household, those aged under 25, females, those on lower incomes¹, those from a non-Christian religion² and Council staff.
- 'Increasing the supply of quality housing in the town that is affordable' was a top priority for residents who are renting their homes, as well as for those from a non-Christian religion³
- 'Working with other agencies to improve the health and well being of residents' was a top priority for disabled residents.
- 'Supporting community and voluntary groups to thrive' was a top priority for residents under 25.

¹ Cautionary note: Finding based on a relatively small sample of 73 respondents identified as 'lower income' by the MOSAIC public sector knowledge base.

² Cautionary note: Finding based on a relatively small sample of 68 respondents from non-Christian religions.

³ Cautionary note: Finding based on a relatively small sample of 68 respondents from non-Christian religions.

- 'Supporting a thriving local economy and a skilled workforce' was a top priority for Council staff.

'Developing and promoting culture and the arts' was the least prioritised objective amongst residents, with only 9% citing this as one of their top five priorities. Other least popular objectives were:

- Supporting and developing leisure and entertainment opportunities in the town (17%)
- Ensuring people have the same opportunities regardless of background (17%)
- Protecting the environment and helping the town to reduce CO2 emissions (20%)
- Working with other agencies to improve the health and well being of residents (21%)

Approximately 700 suggestions about how the Council or its services could make savings or work more efficiently were put forward by respondents. The strongest theme was that people expect the Council to work more efficiently. Approximately half of the suggestions were general non-service specific efficiency saving suggestions such as adopting more efficient working practices, reducing staff costs (in staff numbers, working hours, pay or pension) and reducing Councillor costs.

Frontline services

The survey presented respondents with a number of questions about some of the most tangible, visible and / or widely used frontline services. 'Road and pavement repairs' was by far the service most commonly viewed as in need of improvement, with almost half of all resident respondents (46%) citing this service for improvement. Behind this, the other services most frequently suggested for needing improvement were:

Public toilets (28%)
 Activities for young people (27%)
 Street cleansing (27%)
 Children's social services (26%)

All but two of the services listed, were seen as important by the majority of residents. Street / environmental services as well as those which support and care for people were the ones most frequently rated as important by residents. Only 'free public events' and the 'Russell-Cotes Museum' were seen as unimportant by the majority of resident respondents.

When asked to suggest which services they would choose to make savings from if necessary, residents' responses very much reflected the level of importance attached to a service. The most popular suggestions from the services listed were:

1. Free public events (60%)
2. Russell-Cotes Museum (57%)
3. Subsidised bus routes (43%)
4. Adult learning (39%)
5. Car parking (32%)

The least popular services for making reductions were:

1. Recycling and refuse collection (5%)
2. Street cleansing (6%)
3. Children's social services (7%)
4. Environmental health (8%)

In terms of respondents' spontaneous comments and suggestions, 'road safety and improvement schemes' raised the highest number of comments from across the different services, with points raised ranging from cutting back on what the public perceive to be unnecessary road improvements to suggestions on how to improve congestion.

Nearly as common a theme were suggestions about street cleansing; from calls for local pubs, clubs and food outlets to make a greater contribution to this service to a more community-based approach enlisting the help of residents, voluntary groups, those on benefits and those doing community service.

Street lighting was also fairly widely mentioned with most comments focusing on reducing street lighting during the night.