

ADULTS, COMMUNITIES AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE – 22 JANUARY 2013

MEDIUM TERM FINANCIAL STRATEGY 2013/14 TO 2016/17

MINUTE EXTRACT

The Committee considered a joint report of the Director of Adults and Communities and the Director of Corporate Resources which provided information on the proposed 2013/14 to 2016/17 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'B', and supplementary report, marked 'B1', is filed with these minutes.

The Chairman welcomed Mr D W Houseman MBE CC, Cabinet Lead Member for Adults and Communities, to the meeting for this item.

Arising from discussion the following points were raised:-

General

- (i) The proposals now put forward did not include the £30m unallocated savings that the County Council would need to achieve in the latter part of the MTFS (2015/16 and 2016/17). A decision on how this was to be allocated across departments was yet to be made.
- (ii) The savings already realised by the Adults and Communities Department, which amounted to £9.5m in 2012/13, had already been taken into consideration and therefore did not appear in the provisional budget as set out in table 1 of the supplementary report. In addition, there had been a number of grant changes and internal budget transfers, the most significant of which were the £11m Learning Disabilities Grant and approximately £4m in fee increases for care providers transferred to the Department from the corporate inflation contingency.
- (iii) The running costs of libraries, shown as £1.3m, were made up of the running costs of the public library service and reading development. Members expressed some concern regarding the lack of consistency in presenting the budget figures as it made comparisons with previous years difficult. Officers acknowledged that the presentation of the budget had altered to reflect service changes but were happy to provide further information where this was the case.
- (iv) A 2% underspend was projected for the current year, some of which might be carried forward. A decision on carry forwards would be made later in the financial year when the County Council's overall financial position was more clearly understood.

Growth

- (v) The prediction of demand for social care services was complex and did not necessarily directly match demographic changes in the overall population. Demographic changes were important but the Department also relied on trends and consumer behaviour. Whilst the Department was reasonably confident about the projected level of demand, this remained an area of risk within the budget.
- (vi) The increased resources allocated for learning disability demand (G8) reflected an increase in the numbers of young people with complex needs who were living longer and required significant support within their care packages. Whilst numbers were small, the cost of individual care packages was very significant.

Savings

- (vii) The Department had made good progress in achieving its savings target and the Director and Lead Member paid tribute to the work of officers who had delivered significant savings, both in Adult Social Care and the Communities and Wellbeing Service. The Department had achieved the savings requirement without a significant number of complaints or challenges.
- (viii) The savings proposals now being put forward were a continuation and further development of proposals put in place in the previous MTFS. This approach of seeking to achieve savings over a period of years had allowed the Department to look at the service offer and redesign services to achieve the savings requirement.
- (ix) The most significant new saving was S14, Effective Support. The Committee was reminded that the Department had already reassessed people with moderate needs and those who were still deemed to have moderate needs were no longer eligible for Council funded care services. The savings proposals now being put forward were in relation to those people who were eligible for services and the intention was to review existing packages of support, transfer people onto personal budgets and seek to achieve savings by provision at lower costs by greater utilisation of community and social enterprises.
- (x) It was noted that S18, Reduced Demand by Effective Prevention and Self-Support, was in the early stages of development. As different work streams to achieve this savings requirement were established, they would be brought to the Committee for members' consideration. This saving proposal posed a significant challenge to the Department both in terms of the redesign of service provision and processes.
- (xi) With regard to the degree of savings arising from the Libraries, Heritage and Arts Review, the Committee was reminded that a detailed report had been submitted to its meeting on 27 November 2012. Various options

were identified in terms of how the savings might be achieved which included

- Working with local communities to encourage them to run local libraries and museums;
- Reductions in opening hours;
- Exploring different methods of delivering services to smaller communities including reviewing the mobile library service;
- Working in partnership with other organisations to share buildings and thereby reduce operating costs; and
- Seeking to improve income from existing buildings,

The current proposals did not envisage the closure of any libraries or museums. However, looking ahead, it was recognised that the County Council would be facing significant financial challenges and would have to look critically at a range of service provision. The support now expressed by the Committee for such an approach was welcomed.

- (xii) The County Council had agreed to the sale of art works (which did not relate to Leicestershire) from the Beaumanor collection on the basis that the proceeds of sale would be reinvested in the museums collections and displays. There were no proposals for sales to be made from the Council's Art Collection.

Specific Grants and NHS Funding

- (xiii) The information provided in respect of specific grants and NHS funding was noted.

Capital Programme

- (xiv) The County Council had agreed in principle to £1.2m being earmarked for the development of extra care accommodation in Blaby in partnership with East Midlands Housing Group. This was in line with the commitment given by the County Council to reinvest capital receipts accruing from the sale of the elderly persons' homes to develop extra care schemes. The approach that the County Council had adopted was to consider the business case being put forward in relation to each scheme to determine the level of support to be provided. This approach differed from that being taken by some other authorities, such as Derbyshire County Council, who had decided to go down the Private Finance Initiative (PFI) credits route to develop extra care provision. The County Council had not sought to do this given the potential ongoing financial risks that such an approach would entail.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made at the meeting be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2013.