

Leicester  
City Council

Social Care and Health Directorate

DEPARTMENTAL REVENUE STRATEGY

2004/05 – 2006/07

Cabinet

23 February 2004

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## **Abbreviations**

CPA	Corporate Performance Assessment
DfES	Department for Education and Skills
DH	Department of Health
EPH	Elderly Person's Home
FSS	Formula Spending Share <i>(This replaced the Standard Spending Assessment in 2003/04)</i>
FTE	Full Time Equivalent staff
NHS	National Health Service
NRF	Neighbourhood Renewal Fund
PCT	Primary Care Trust
PSA	Public Service Agreement
SC&H	Social Care and Health Directorate
SSA	Standard Spending Assessment
SSI	Social Services Inspectorate
YOT	Youth Offending Team

## **Service User Age Groups**

Up to 17 years	Children
18 – 64 years	Adults
65 and over	Older People

## **SECTION 1**

### **Background to Departmental Revenue Strategies**

#### **Corporate Background**

For a number of years, the Council has been operating a medium term financial strategy. The Cabinet will consider a draft budget for 2004/05 in February 2004, with forward planning for 2005/06 and 2006/07. The financial strategy is one of four key resource strategies that support the Council's key policy aims and objectives. It sets out the Council's overriding financial policies within which departmental medium term planning and the Council's annual budget setting operate. It offers significant benefits including: -

- Providing more stability than single year budgeting, thus enabling services to be planned with more certainty;
- Increasing transparency and openness in the decision making process;
- Enabling the Council to plan its spending to support overall corporate priorities;
- Changes to individual budgets can be seen in the context of an overall strategy, rather than being considered piecemeal.

Departmental Revenue Strategies are prepared in the context of a corporate strategy. They detail specific budget proposals to balance departmental budgets to agreed planning targets, and respond to the wider objectives of the corporate strategy. They hence provide the means of delivering the Authority's overall Financial Strategy.

#### **Social Care and Health**

This document sets out a first draft of the fourth Social Care and Health DRS, and describes the context in which the budget strategy is set. It provides details of existing budget allocations and the Department's services and structures, identifies issues relating to existing spending and historic funding, and contains proposals with regard to the budget for the three year period 2004/05 to 2006/07.

## **SECTION 2**

### **Introduction to the Directorate's Services**

As the second largest Council department, Social Care and Health plays a vital role in the work of the Council. Our role, which is governed by the legislation set out below, is to assist people of all ages, and from all backgrounds, who need protection or who are in crisis. We advise individuals, or signpost them to other agencies, in addition to arranging services either at home, within other family units or in day or residential care.

Although we do not provide health services, we work closely with the NHS to achieve seamless health and social care services, through joint team working and co-location of staff. Unlike education or health, social care is not a universal service available for all. The provision of services is subject to an assessment of need and to eligibility criteria set by the Council or by law. Many of our residential and non-residential services for adults and older people are subject to a financial means test, to determine the level of charges to be paid, up to the full cost.

Social Care and Health promotes independence for people who use our services. In doing so, we work in partnership with individuals, other Council departments, the NHS and a range of different organisations and agencies. Many of our services are arranged and delivered by private sector and voluntary organisations, particularly day care, home care, and residential and nursing care (see Sections 15 and 16).

### **The Range of Service Users**

Our role is to protect and assist vulnerable people, including:

- Frail older people
- People with physical and/or sensory disabilities
- People with learning and/or sensory disabilities
- People with mental health difficulties
- Children, young people and families (including child protection)
- People with HIV/AIDS
- People with drug and/or alcohol problems
- People with a terminal illness
- Young offenders
- People caring for any of the above

## **A Typical Day**

The Directorate's wide range of services is evidenced by some examples of activity on a typical day:

- 75 initial enquiries for services will be received
- 1,800 people are supported in residential and nursing care
- There are some 350 children on Child Protection Register
- Some 500 children are looked after, mainly in foster care & children's homes
- 1,300 hours of home care and 1,200 mobile meals will be provided
- 400 people with learning disabilities will attend day services

## **Legislative Requirements**

A wide range of legislation places significant duties on the Council, and governs the Directorate's services. In addition, the Government issues numerous Regulations and Statutory Guidance. The legislation includes:

- National Assistance Act 1948
- Health Service and Public Health Act 1968
- Chronically Sick and Disabled Persons Act 1970
- Sex Discrimination Act 1975
- Race Relations Act 1976
- National Health Service Act 1977
- Mental Health Act 1983
- Disabled Persons (Services, Consultation and Representation) Act 1986
- Children Act 1989
- NHS and Community Care Act 1990
- Carers (Recognition and Services) Act 1995
- Disability Discrimination Act 1995
- Mental Health (Patients in the Community) Act 1995
- Community Care (Direct Payments) Act 1996
- Family Law Act 1996
- Housing Act 1996
- Crime and Disorder Act 1998
- Human Rights Act 1998
- Asylum and Immigration Act 1999
- Welfare Reform and Pensions Act 1999
- Children (Leaving Care) Act 2000
- Carers and Disabled Children Act 2000
- Care Standards Act 2000
- Race Relations (Amendment) Act 2000
- Health and Social Care Act 2001
- Nationality, Immigration and Asylum Act 2002
- Adoption and Children Act 2002
- Community Care (Delayed Discharges) Act 2003



## **Our Aims and Objectives**

The legislative framework, together with guidance from Government, sets the scene for our services. We work to deliver the Council's plans and policies, including:

**Corporate Plan** key priorities to support children and parents, especially protecting the most vulnerable children, to help people with disabilities and the growing number of older people to experience more independence, and to invest in continuous improvement in a well-managed organisation. Our objectives also support the Values expressed in the Plan, to build trust, value staff, cultivate leadership and deliver quality.

**CPA Improvement Plan** to improve certain core services – support for older people living at home, improved outcomes for Looked after Children, and improved management and use of information;

**Leicester Community Plan** Social Care and Health theme of improving the health and well-being of the people of Leicester, and to provide help and support to people where it is needed;

**National Priorities for Local Authorities** of improving the quality of life of children, young people and families at risk, and of older people, and of promoting healthier communities and narrowing health inequalities;

All staff are made aware of our strategic priorities, and of the twelve key objectives that underpin our work: -

- To meet our statutory duties to children in need and vulnerable adults, and to comply with the standards of the National Care Standards Commission.
- To ensure easy, courteous and prompt access to information, advice and help, in all the languages of the City and to ensure the ready availability of interpretation and translation.
- To make timely assessments of need which value the strengths and abilities of people, carers and families and which take account of individual circumstances, including race, religion and culture, gender, disability and sexuality.
- To apply our eligibility rules and charging policies consistently and fairly, and to make them available to the public in our information leaflets.
- To make sure that after each assessment we give a written care plan to service users and carers, explaining the support we will provide.
- Wherever possible, to promote choice, self-determination and personal privacy in the type and form of service offered and in all matters relating to personal and financial affairs.

- To check regularly that the help we provide meets good standards, and to promote the rights of service users, carers and staff to make commendations, suggestions for improvement or complaints without fear of recrimination.
- To make sure the services we arrange promote independence and well-being.
- To respond quickly to an individual or family in crisis, to help them deal with the difficulties they are facing.
- To improve the efficiency and effectiveness of services.
- To make sure that staff are trained, supported and managed effectively, and that communication with staff is effective and that Investor in People standards are maintained.
- To make sure spending is managed and controlled within budgets, and to deliver our Revenue Strategy.

### **Key Issues in Service Delivery**

In common with other social services departments, a major challenge for us is to balance the demand, supply, cost and resourcing of services. There are continuing pressures from increasing levels of need amongst our service users, and ever-increasing costs due to new statutory care standards and pressures in the labour market.

This requires difficult decisions on the service areas and client groups to which Council resources and external funding should be directed and prioritised.

One of the key ways of achieving the right balance, and maximising use of the available resources, is to provide better social care services in partnership with universal services such as Health, Housing and Education. For example, new Health and Social Care Centres, to be delivered through the 'Leicester LIFT' project and the New Deal for Communities, will focus on reducing health inequalities and providing better social care services. Other key partnerships being developed include Adult Mental Health services, services for people with Learning Disabilities, and community equipment services. This is in line with the Government's expectations that services will increasingly be delivered through partnerships, particularly with the NHS.

Government policy on the protection of vulnerable children, following the publication of the Green Paper *Every Child Matters*, will have a significant impact on the future organisation and delivery of services for children. The Council is at the forefront of such developments as it is a Children's Trust pathfinder, working in partnership with other local agencies.

Through partnership working, it is proposed to change our services from support of a small number of people with high dependency at high cost, to earlier intervention and support services delivered at lower cost and reaching more people.

## SECTION 3

### Overview of Divisions

#### Directorate Summary

The Directorate's services are delivered through five Divisions. The overall structure is shown at **Figure 1**.

There are 1,950 full time equivalent posts (FTE) on the establishment list. However, the budget only funds around 1,650 posts. An average 15% vacancy level is therefore maintained during the year.

Divisional responsibilities, FTE establishment and budget are summarised below. The 2003/04 budget is shown in more detail in Section 5, Table 2. The Gross Expenditure budget is the total planned spending. This is funded by the net budget allocated by the Council, together with income from Government grants, charges to service users and other external income.

<b>Full Time Equivalent Establishment</b>	<b>1,950</b>
<b>Gross Expenditure Budget 2003/04</b>	<b>£109.3m</b>
<b>Net Budget Funded by the Council</b>	<b>£ 72.5m</b>

#### Adults Division

The Division is responsible for managing Community Care statutory responsibilities for adults (aged under 65), and Mental Health Act responsibilities for adults and older people, working with the NHS and other partners. The Division manages adult fieldwork and assessment services, and community services for adults with mental health needs, or physical, sensory and learning disabilities. Services are commissioned from a range of providers, including in-house units and the voluntary and independent sectors. Since April 2003, adult (age 18-64) mental health services have been provided in partnership with the Leicestershire Partnership NHS Trust, to which staff have been seconded from Leicester, Leicestershire and Rutland councils.

Full Time Equivalent Establishment	409
Gross Expenditure Budget 2003/04	£32.0m
Net Budget Funded by the Council	£19.7m

*(note: the budget for over 65's mental health is shown in the Older People's Division in this DRS, although the service is managed and provided by the Adults Division)*

## Older People Division

Responsible for managing Community Care statutory responsibilities for older people (aged 65 and over), excluding mental health services, working with the NHS and other partners. The Division also provides residential, day care and domiciliary services, hospital social work and intermediate care, using the Department's own in-house services and by working with the independent and voluntary sectors and the NHS.

Full Time Equivalent Establishment	615
Gross Expenditure Budget 2003/04	£38.0m
Net Budget Funded by the Council	£23.2m

## Children and Family Resources Division (including the Youth Offending Team)

Responsible for children's homes, fostering, adoption, family centres and family aides for children in need and children looked after. The Division provides management support to the Youth Offending Team (YOT) and the Drugs and Alcohol Action Team.

Full Time Equivalent Establishment	451
Gross Expenditure Budget 2003/04	£18.4m
Net Budget Funded by the Council	£13.4m

## Children and Family Assessment & Strategy Division

Responsible for the assessment of children, child protection and short and long-term support to families, together with strategic planning for all children and family services.

Full Time Equivalent Establishment	281
Gross Expenditure Budget 2003/04	£9.4m
Net Budget Funded by the Council	£7.4m

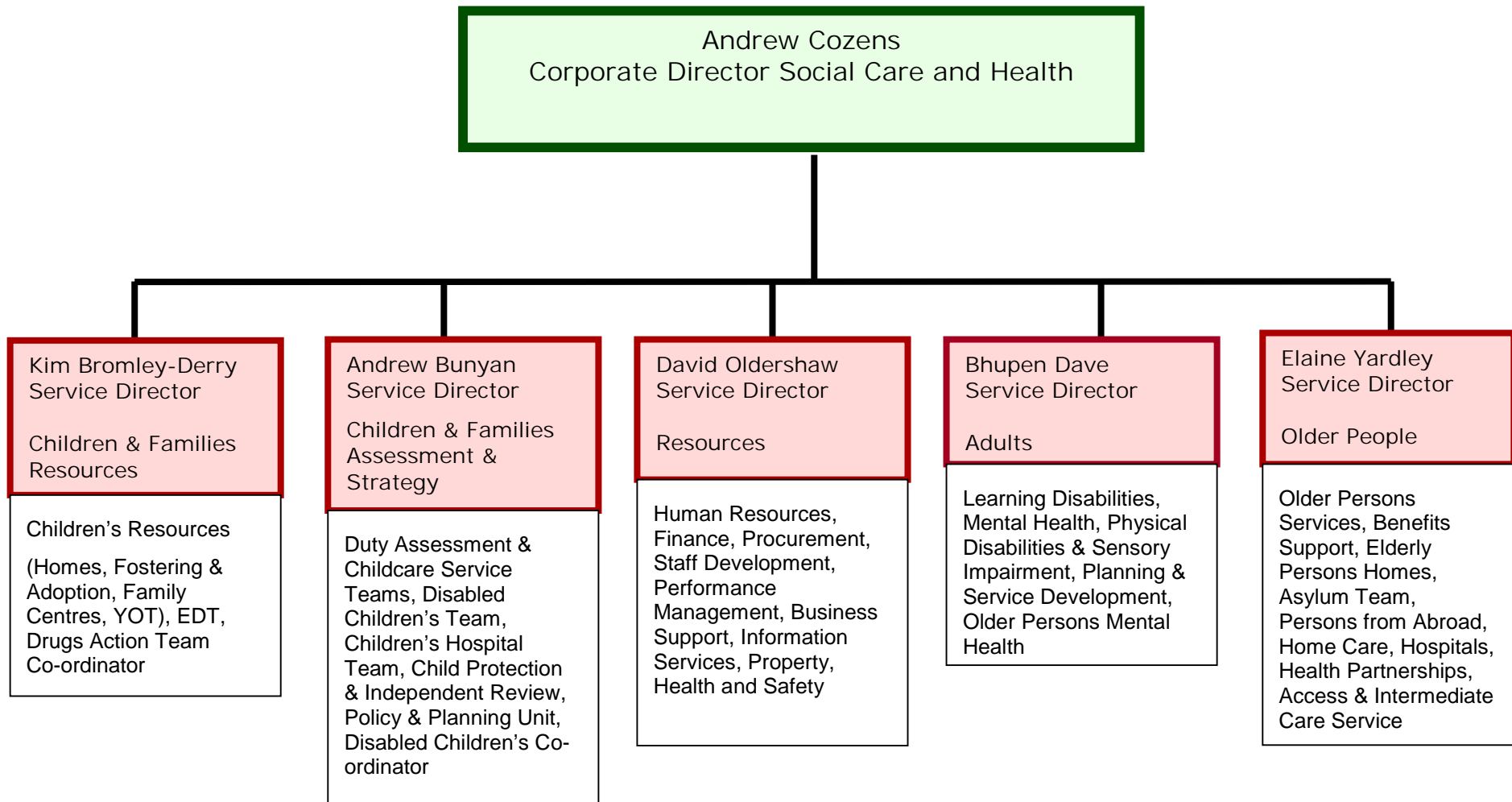
## Resources Division and Directorate

Responsible for operational and strategic business support to the Department. This includes accountancy and financial operations, information systems, human resources, staff development, health and safety, accommodation, procurement, management of contracts with the private, voluntary and independent sectors on behalf of commissioning staff in other Divisions, and performance reporting and review.

The Resources Division holds a number of budgets that are used for the benefit of all Divisions, including repairs and maintenance, equipment, office supplies and staff development.

Full Time Equivalent Establishment	194
Gross Expenditure Budget	£8.5m
Net Budget Funded by the Council	£7.1m
Also Managed by the Division:	
TAGS with Central Departments	£2.0m
Government Asylum Seekers Reimbursement	£1.3m
Shortfall on Budget for 2002/03 overspend	£0.3m CR

**Figure 1**  
**Social Care and Health Directorate**  
**Structure Chart**



## **SECTION 4**

### **The 2002/03 Budget and Outturn**

The 2002/03 outturn was considered by the Social Services and Personal Health Scrutiny Committee on 20 August 2003. It is summarised in **Table 1**. It was in line with the forecast, with a final overspend of £1,405,100. This is 1.3% of the gross expenditure budget, and 2.2% of the net budget funded by the Council.

This overspend was after income from Neighbourhood Renewal Fund slippage of £94,100. A higher figure, in the region of £0.4m, had been anticipated, however the final slippage across the NRF was lower than expected (although a further £0.1m of slippage was subsequently received in 2003/04)

The outturn reflected the continuing severe service and cost pressures on the Directorate, offset as far as possible by incurring only essential spending, focusing on front-line services, imposing strict measures to manage demand, and maximising the benefits of external funding.

#### **Principal Overspends**

The principal overspends, amounting to over £2.5m, were on community care commissioning costs for older people and for adults with mental health difficulties and learning disabilities. This was due to on-going pressure for essential services, even after the restrictive measures put into place, without which the overspend would have been much higher. Cost pressures on independent sector providers, leading to above-inflation increases on residential care packages, was also a significant factor.

The Children's Divisions had anticipated breaking even after taking stringent measures to manage operational risk within the available resources. However, they recorded a combined overspend of just over £200,000. This was largely due to increased service user transport costs and an unexpected deficit on the Tiffield secure unit, which is run by Northamptonshire County Council under a partnership arrangement with this Council and Leicestershire County Council.

#### **Factors Offsetting the Overspends**

These overspends were offset to some extent by:

- Underspends on adults in-house services and management costs, by recruiting only to essential front-line posts and minimising running costs;
- Savings on in-house home care (reflected in a higher proportion of care being delivered by the independent sector);
- Savings on support services in the Resources Division and Directorate, by severely restricting non-front-line spending;
- using external funding to support mainstream services wherever possible;

- taking opportunities to generate additional external income;
- minimising capital programme spending on planned building improvements, so that the capital resources could be used instead to fund essential buildings spending that would otherwise have been charged to the revenue budget.

### **Impact on 2003/04**

The 2003/04 DRS assumed that the Directorate's 2002/03 overspend would be covered by £1.1m one-off additional funding in 2003/04, and £0.4m of Neighbourhood Renewal Fund slippage at the end of 2002/03. In the event, as only £0.2m of NRF slippage was confirmed, a balance of £0.2m overspend was left as first call on the 2003/04 budget.

### **Youth Offending Team**

The Youth Offending Team (YOT) underspent by £54,500 in 2002/03 (7% of the net budget), arising from the time needed to get new initiatives under way. This was carried forward to 2003/04 for use by the YOT.



Table 1

**SOCIAL CARE & HEALTH DIRECTORATE  
Revenue Budget and Outturn 2002/03**

<b>Service Area</b>	<b>Net Budget £</b>	<b>Final Outturn £</b>	<b>Over / (Under) spend £</b>
Home Care (In House)	3,095,500	2,638,400	(457,100)
Residential Care (In House)	3,117,000	3,253,300	136,300
Community Care (Externally Purchased)	8,202,200	9,468,600	1,266,400
Health Partnerships	1,860,700	1,874,400	13,700
Mental Health (Adults and Older People)	5,688,600	6,543,900	855,300
Learning Disabilities	6,463,900	6,925,200	461,300
Promoting Independence Unit	4,866,300	4,939,000	72,700
Adults Planning and Strategy	4,624,100	3,567,600	(1,056,500)
Children & Families Resources	11,694,000	11,818,500	124,500
Children and Families Assessment and Strategy Resources and Directorate	6,593,400	6,678,400	85,000
	6,555,500	6,459,000	(96,500)
<b>Social Care &amp; Health</b>	<b>62,761,200</b>	<b>64,166,300</b>	<b>1,405,100</b>
Youth Offending Team	780,200	725,700	(54,500)
<b>Overall Total</b>	<b>63,541,400</b>	<b>64,892,000</b>	<b>1,350,600</b>

## SECTION 5

### The 2003/04 Budget

The 2003/04 budget is the starting point for the 2004/05 budget process. This section shows the 2003/04 budget as at the end of September. The details of the budget are shown at **Table 2**.

#### Social Care and Health

The gross Social Care and Health expenditure budget managed by the Directorate in 2003/04 is £109.3m.

After deduction of income from fees and charges and external grants and contributions, the direct controllable net budget is £72.5m

**Table 2** also shows the direct expenditure and income budgets for each service area. To arrive at the full costs for each operational division, a share of the budgets of Directorate, the Resources Division and central department recharges via Trading Agreements (TAGS) would need to be added. This would not affect the overall total controllable budget for the Department.

It should be noted that the budget for externally purchased community care services was allocated between the new Adults and Older Persons Divisions based on partially incomplete data, and will be reviewed for 2004/05. Similarly, the basis of attributing Government grants relating to Adults and Older People's services between the two Divisions is being refined. Overall, however, across the two Divisions the budgets and grants show the total resources available.

#### Youth Offending Team

The Youth Offending Team budget is £1.9m gross, £0.9m net, also shown at **Table 2**.

**Table 2****SOCIAL CARE AND HEALTH : BUDGET SUMMARY 2003/04**

Service Area	Employee Costs £000s	Running Costs £000s	Gross Expenditure £000s	Income £000s	Total Budget £000s
<b>ADULTS AND OLDER PEOPLE</b>					
<b><u>Adult Services</u></b>					
Mental Health	2,039.9	3,206.2	5,246.1	(2,199.2)	3,046.9
Learning Disabilities	4,174.1	11,382.1	15,556.2	(6,611.7)	8,944.5
Promoting Independence Service	1,839.1	3,965.5	5,804.6	(1,380.4)	4,424.2
Planning Unit	424.8	37.0	461.8	(35.8)	426.0
Voluntary Sector	0.0	2,725.7	2,725.7	(2.1)	2,723.6
<b>Total Adult Services</b>	<b>8,477.9</b>	<b>21,316.5</b>	<b>29,794.4</b>	<b>(10,229.2)</b>	<b>19,565.2</b>
<b><u>Government Specific Funded Spending</u></b>	<b>440.0</b>	<b>1,636.0</b>	<b>2,076.0</b>	<b>(2,076.0)</b>	<b>0.0</b>
<b><u>Older People Services</u></b>					
Home Care (In House)	3,381.7	238.4	3,620.1	(1,090.2)	2,529.9
Residential Care (In House)	4,198.9	931.3	5,130.2	(1,868.7)	3,261.5
Community Care (Externally Purchased)	2,577.5	13,789.3	16,366.8	(6,011.8)	10,355.0
Health Partnerships & Action Zone / Hospital Social Work	1,909.8	1,299.3	3,209.1	(333.5)	2,875.6
Mental Health	1,105.4	6,186.8	7,292.2	(2,944.2)	4,348.0
<b>Total Older People Services</b>	<b>13,173.3</b>	<b>22,445.1</b>	<b>35,618.4</b>	<b>(12,248.4)</b>	<b>23,370.0</b>
<b><u>Government Specific Funded Spending</u></b>	<b>198.0</b>	<b>2,299.0</b>	<b>2,497.0</b>	<b>(2,497.0)</b>	<b>0.0</b>
<b>TOTAL ADULTS AND OLDER PEOPLE</b>	<b>22,289.2</b>	<b>47,696.6</b>	<b>69,985.8</b>	<b>(27,050.6)</b>	<b>42,935.2</b>
<b>CHILDREN &amp; FAMILY</b>					
<b><u>Children &amp; Family Resources</u></b>					
Children's Residential Homes (In House)	3,651.4	427.3	4,078.7	0.0	4,078.7
Children's Residential Homes (Agency)	274.3	2,059.9	2,334.2	(222.5)	2,111.7
Child Placements	445.8	2,199.3	2,645.1	(2.4)	2,642.7
Children & Family Resource Teams	677.5	249.4	926.9	0.0	926.9
Family Centres	2,448.0	95.6	2,543.6	(116.9)	2,426.7
Emergency Duty Team	398.4	52.3	450.7	(38.2)	412.5
<b>Total Children and Families</b>	<b>7,895.4</b>	<b>5,083.8</b>	<b>12,979.2</b>	<b>(380.0)</b>	<b>12,599.2</b>
<b><u>Children &amp; Family Assessment and Strategy</u></b>					
Child Services Planning Unit	224.2	13.0	237.2	0.0	237.2
Child Protection and Independent Review	633.7	145.5	779.2	0.0	779.2
Children & Family Assessment	1,752.8	708.6	2,461.4	(29.3)	2,432.1
Child Care Operations	3,428.5	419.3	3,847.8	0.0	3,847.8
<b>Total Children &amp; Family Assessment and Strategy</b>	<b>6,039.2</b>	<b>1,286.4</b>	<b>7,325.6</b>	<b>(29.3)</b>	<b>7,296.3</b>
<b><u>Government Specific Funded Spending</u></b>	<b>1,140.0</b>	<b>4,515.0</b>	<b>5,655.0</b>	<b>(5,655.0)</b>	<b>0.0</b>
<b>TOTAL CHILDREN &amp; FAMILY</b>	<b>15,074.6</b>	<b>10,885.2</b>	<b>25,959.8</b>	<b>(6,064.3)</b>	<b>19,895.5</b>
<b>MANAGEMENT &amp; SUPPORT</b>					
Directorate	446.6	43.8	490.4	0.0	490.4
Resources Division	5,138.6	2,068.3	7,206.9	(673.9)	6,533.0
Trading Agreements with Central Departments	0.0	2,063.0	2,063.0	0.0	2,063.0
Shortfall on Budget for 2002/03 Overspend	0.0	(305.1)	(305.1)	0.0	(305.1)
<b>Total Management &amp; Support</b>	<b>5,585.2</b>	<b>3,870.0</b>	<b>9,455.2</b>	<b>(673.9)</b>	<b>8,781.3</b>
<b><u>Government Specific Funded Spending</u></b>	<b>300.0</b>	<b>1,734.0</b>	<b>2,034.0</b>	<b>(2,034.0)</b>	<b>0.0</b>
<b>TOTAL MANAGEMENT &amp; SUPPORT</b>	<b>5,885.2</b>	<b>5,604.0</b>	<b>11,489.2</b>	<b>(2,707.9)</b>	<b>8,781.3</b>
<b>TOTAL SOCIAL CARE AND HEALTH (Excl. YOT)</b>	<b>43,249.0</b>	<b>64,185.8</b>	<b>107,434.8</b>	<b>(35,822.8)</b>	<b>71,612.0</b>
<b>Youth Offending Team</b>	<b>1,401.1</b>	<b>476.5</b>	<b>1,877.6</b>	<b>(959.3)</b>	<b>918.3</b>
<b>TOTAL SOCIAL CARE AND HEALTH (Controllable Budget)</b>	<b>44,650.1</b>	<b>64,662.3</b>	<b>109,312.4</b>	<b>(36,782.1)</b>	<b>72,530.3</b>

## SECTION 6

### Comparative Spending

Leicester City Social Care and Health's estimated Gross Expenditure for 2003/04 has been compared to that of 12 similar Unitary (single tier) Authorities across England, with a view to determining the relative spending position. The source of this information is the Institute of Public Finance.

Leicester's gross expenditure on Social Services functions (for the purpose of the comparison) is budgeted at a total of £91.3m, excluding Government specific grants, for a population estimated at 279,800. This compares against an average gross spend of £85m within the other 12 authorities, for an average population of 261,446.

Leicester is closest to the average spend per head of population (£326) of all of those authorities (£329) for Social Services. This is summarised in **Table 3**.

	<b>Leicester</b>	<b>Average</b>
Gross expenditure budget for 2003/04	£91.3m	£85m
Population	279,800	261,446
<b>Expenditure per Head of Population</b>	<b>£326</b>	<b>£329</b>

Gross spend per head varies significantly within some service areas across all the councils. **Table 4** shows how Leicester compares to the average of other 12 comparable authorities for spend per head of population within each service area.

	<b>Spend per Head of Population</b>		
	<b>Leicester</b>	<b>Average</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>%</b>
<b>Spend per head higher than average:</b>			
- Adults with Physical Disabilities or Sensory Impairments	28.20	21.45	+31.5%
- Adults with Learning Disabilities	45.73	38.30	+19.4%
- Adults with Mental Health Needs	17.47	16.27	+7.4%
- Children and Family Services	108.46	106.85	+1.5%
<b>Spend per head lower than average:</b>			
- Older People Services	111.45	130.31	-14.5%
- Service Strategy	0.93	1.20	-22.6%
- Supported Employment	1.33	1.77	-25.0%
- Asylum Seekers (see note on next page)	3.93	9.49	-58.6%

For example, Leicester has the second highest cost per head for **adults with learning disabilities** (£45.73 compared to the average of £38.30), and a lower spend per head on older people.

This means that although Leicester's **total spend per head** for its population is typical of authorities with similar population numbers (at £326, compared to £329), it has different cost profiles for some individual services.

The **asylum seekers** costs appear to place Leicester as a much lower spending council than the average (only £3.93 compared to £9.49). However, further analysis reveals that three councils reported costs between £18 and £49 per head, which skews the average. Once these are excluded, the average reduces to £3.37, which is close to our £3.93.

### **Difference in Recorded Costs**

The differences in the recorded estimated costs could be due to a number of factors, such as:

- **Cost allocation processes and methodologies** vary between councils, and therefore apparent cost differences arise. The apportionment of indirect costs is known to be a particularly difficult area, and is more pronounced as services are analysed to a more detailed level. This is aptly illustrated by the variances on asylum seekers, which cannot simply reflect actual cost differences.
- The **population profile** varies. For example, Leicester has a relatively high ethnic minority population, drawn from a wide range of cultures. Certain social issues and medical conditions are found to be over or under represented in our various communities. For example, this contributes towards Leicester's higher than average Learning Disabilities population, and consequently the higher spend on Learning Disabilities.
- The **development of services** in each council area has led to relative greater or lesser provision. This may have happened over many years, or it may have been a policy decision of a particular council.
- The **efficiency** with which the services are delivered will vary from council to council, and possibly from service to service within a given Council.
- The **funds available** to each council have led to local decisions to restrict or expand spending on particular services.

Comparative spending information without doubt provides useful pointers for where investigation and review work should be focused. However, of itself it should be treated with caution, particularly where the comparisons relate to population numbers in general (as in this Section), rather than the relative incidence of service needs. It should therefore be read in conjunction with more specific performance indicators, which are considered in Section 9.

## **SECTION 7**

### **Corporate Director's Review of Spending and Resource Issues**

The Directorate's performance is rated as *two stars* (maximum being three stars, minimum no stars). It shares this rating with around 49% of all social services departments, with 11% receiving the maximum 3 stars and 40% receiving one or no stars. Our two star rating was announced in November 2003, and is an improvement on the one star achieved in 2002.

This improvement was a key factor in the Council's success in moving from Fair to Good in the Corporate Performance Assessment (CPA) announced in December 2003.

However, to maintain a two star rating will require continued investment, as in my view the historical financial difficulties of the Directorate have been a major obstacle to improving our performance consistently to two or even three star status.

In the last three revenue strategies, I stressed my view that it was essential to address fundamental problems of budget instability. I recommended that this be achieved in part by recycling within the budget through a reallocation away from its historical basis towards more realistic targets for managers based on the demand for our statutory services.

The proposals in the DRS for 2001/02 started this process and I made recommendations to continue this in 2002/03 and 2003/04. This added to any requirements to make savings to deliver the Council's overall revenue strategy.

#### **Budget Shortfalls and Steps to Address Them**

These problems fell into several categories and have had a cumulative, year on year impact in excess of £3 million. As a reminder, these were:

- Problems inherited from the County Council
- Problems unresolved from the Local Government Review in 1997
- Decisions not fully funded
- The consequences of Committee decisions in relation to saving proposals and failing to deliver planned reductions
- In year pressures, notably in relation to community care demand and the costs of looked after children
- Inescapable commitments not provided for in Government grants.

The Directorate has taken firm action over recent years to identify and release savings throughout the budget. This has enabled progress in addressing these historical shortfalls, and has also funded the costs of new responsibilities and increased demand. Additional resources from the Council have complemented this action. For example:

- The 2001/02 budget strategy addressed approximately £1.5 million of the shortfalls, through recycled savings;
- The 2002/03 DRS included around £1 million of further reductions beyond the corporate target, to fund some of these gaps;
- The 2003/04 budget saw an on-going increase in resources of £3.5m, together with savings of £2m from internally recycled reductions and substitution from Government grants.

### **Impact of 2002/03 Out-Turn**

The 2003/04 DRS assumed that the Directorate's 2002/03 overspend would be covered by £1.1m one-off additional funding in 2003/04, and £0.4m of Neighbourhood Renewal Fund slippage at the end of 2002/03. In the event, only £0.2m of NRF slippage was confirmed, leaving the £0.2m balance of the overspend as first call on the 2003/04 budget. This immediately placed an unforeseen pressure on an already finely balanced budget.

### **Current 2003/04 Financial Position**

It is anticipated that spending in 2003/04 will be contained within the available resources. This is achievable due to the Council's investment in the Directorate's 2003/04 budget, continuing stringent measures to contain activity and external partnership funding. However, £1m of the external funding is one-off, and will not be available again. This means that replacement funding or additional restrictions on spending and services will be needed to maintain the balanced budget position into 2004/05.

The Directorate continues to face a range of demanding operational pressures, including:

- The on-going level of demand for community care services
- Above inflation cost increases on children's residential placements
- Impact of new legislative requirements
- Shortfall on the Government's funding of Preserved Rights and Residential Allowance
- Restrictive conditions on new specific grants
- Recruitment and Retention
- Service user transport
- The implementation of the *Fairer Charging* framework for non-residential services
- The need to make additional provision following a report by the Local Government Ombudsmen on the refund of charges made to people for community care services following an assessment under S117 of the Mental Health Act 1983

The stringent measures that continue to be taken to stay within budget include:

- Challenging activity targets
- Delays in providing some types of service, notably home care
- Close scrutiny prior to filling vacancies
- Delayed implementation of new initiatives and response to new statutory requirements where possible
- The management of service risk within the available resources

## **Neighbourhood Improvement**

The Directorate's core services are key to tackling health and other social inequalities, deprivation, and implementing preventative strategies to reduce social exclusion and disaffection at a later stage. Issues addressed by our services include health inequality, smoking, teenage pregnancy, drug and alcohol misuse, contributing to safe domestic environments that will enhance children's educational and social achievements, and helping people with learning difficulties and mental health issues to successfully live and work in their community.

In relation to specific Public Service Agreement (PSA) targets, the Directorate:

- Plays a key role to improve the education, training and employment outcomes for young people leaving care;
- Enables more older people to live as independently as possible, by providing high quality pre-admission and rehabilitation care – schemes such as the Intensive Community Independence Service, the Rapid Assessment and Response Service and the intermediate care developments at Butterwick House and Brookside Court in partnership with the NHS will enable older people to live in their own homes with a range of community based support;
- Is improving employment opportunities for disadvantaged groups within the City – and working to promote the employment of people from the newer communities in Leicester, which will aid their inclusion and well-being, and improve the delivery of services to members of those communities;
- Contributes to increasing the economy, efficiency and effectiveness of council services, by working with the independent and voluntary sectors and the NHS, and by scrutinising our budget to ensure that maximum value is achieved.

## **Neighbourhood Renewal Fund Priorities**

Working with NHS colleagues, proposals for NRF funding of £2.5m in 2004/05 and £2.6m in 2005/06 were submitted in Autumn 2003, and are currently being considered. The projects aim to improve access to services for Leicester citizens, develop services and enhance performance outcomes. The prioritised proposals are:

- Recruitment to Health and Social Care Workforce
- Local Improvement Finance Trust (LIFT) Infrastructure
- Vulnerable Children's Trust – development and initial running costs
- Children in Need Conduct Disorder Service
- Children's Fund and SureStart projects
- Young People Leaving Care
- Adaptation to Foster and Adoptive Carers Homes
- Resettlement and Rehabilitation of families following anti-social behaviour
- Persons from Abroad
- Corporate Parenting Initiative



- Community based services for Adults with Challenging Behaviour
- Preventing and Reducing Offences and Enhancing Victim Satisfaction (Youth Offending Team)

The projects are focussed on developing, reshaping and modernising services. Significant short term investment from the NRF is needed to fund service development and parallel running with existing services, as the new service is developed and moves on to replace existing delivery arrangements.

Exit strategies after the two years of NRF funding are being put into place. On-going revenue costs of £700,000 are expected after NRF support finishes, and provision is made in the forward budget plan for 2006/07 at Section 10. It is essential that this on-going funding is identified, because NRF bids that have on-going costs but no confirmed on-going funding will not be approved.

If NRF investment in these projects is not approved, then mainstream funding will have to be earmarked. This will lead to a review of the budget strategy presented in this document, with further reductions to current mainstream funded services being required to release funds for service development and modernisation.

## **SECTION 8**

### **National and Local Context 2004/05 to 2006/07**

#### **Structural Changes**

The recent transfer of responsibility at national level for large parts of Children's Services from the Department of Health to the Department for Education and Skills (DfES) has introduced greater uncertainty to the direction of national policy and the future funding position for Children's Services over the next few years.

The Government Green Paper *Every Child Matters* indicates that Councils will be expected to appoint a Director of Children's Services. This will affect existing social services and education structures at local level over the next two to three years.

Greater integration of Adults and Older People's services with the NHS will have an impact in the way that these services are structured, funded and delivered.

#### **National Settlement for Personal Social Services (PSS)**

The 2004/05 national settlement for Social Services has given Leicester an increase of 5.7% in the Formula Spending Share, after allowing for the mainstreaming of Children's Services grants.

The resources fall into four main types, namely the Formula Spending Share (FSS), specific ring-fenced grants, non-ring-fenced grants, and supported capital spending.

Many issues affect Social Services funding in 2004/05, and will continue to impact on the services for the whole three years of this revenue strategy. They fall broadly into four categories:

- Government specific grants discontinued;
- Specific funding changes;
- Statutory service developments; and
- Additional service pressures.

#### Government Specific Grants Discontinued

A number of Government specific grants are discontinued in 2004/05, and have been transferred into the FSS and the Revenue Support Grant payable to the Council:

**Quality Protects** – This is a key Government grant that has been used to develop services for vulnerable children. The grant in 2003/04 is £1.6m.

**Children Leaving Care** – This grant was introduced only two years ago, and was funded mainly by a reduction in mainstream funding. The Directorate’s budget was reduced accordingly at the time. There are significant expectations and duties on the Council in respect of young people leaving care, and it is a key part of corporate parenting. The 2003/04 grant is £2.8m.

**Deferred Payments** – This grant was introduced to promote the deferred payments scheme, whereby the home of a service user entering long term residential care does not have to be sold immediately in order to fund their care. This has been particularly successful locally. The 2003/04 grant is £0.2m

**Performance Fund** – This relatively new grant was introduced to encourage innovative approaches to intermediate care. The 2003/04 grant is £0.6m.

There will be further changes in 2005/06 and 2006/07; for example, most of the **Preserved Rights** grant will effectively be transferred to mainstream funding in 2005/06.

### Specific Funding Changes

There are a number of other key funding changes affecting 2004/05 and future years:

**The Residential Allowance** was abolished altogether from October 2003, so service users currently in residential care no longer have it taken into account when their charges are assessed. It has been replaced by a Government grant, but our projections suggest the Department could lose out by up to £0.3m. It is expected that it will be transferred to mainstream funding at some point, potentially in 2005/06.

**Delayed Discharge Reimbursements to the NHS** will be fully operational. The Council will be liable to reimburse the NHS at the rate of £100 per day for any person who is not discharged from hospital into the community in the required timescale. Whilst £100 million nationally will be transferred from the NHS to social services to help avoid paying “fines”, its precise impact at this stage is uncertain. It was assumed in the 2003/04 budget that existing good performance in this area could free up most of the additional funding to address some of the community care budget shortfall. However, it has become apparent that additional on-going investment will be needed to enhance discharge-related services, avoid fines, and support an agreement with the NHS locally that fines will not be levied up to an agreed limit, provided that the Council makes the appropriate investment to minimise delayed discharges.

**Removal of Ring-fencing from some Government Grants** – The Government has somewhat unexpectedly removed the ring-fencing and specific spending and audit requirements from a significant number of grants. This means greater flexibility at local level in deciding how the grants will be used, although of course the Government expects that performance targets and statutory service requirements will continue to be met. There is additional flexibility on £4.6m of grants, although this will be reviewed by the Government for 2005/06, and will be a key factor in future budget strategies.

## Statutory Service Developments

**Children's and Family Services** will need to implement a number of new statutory requirements, involving the framework for the assessment of children in need, statutory direct payments, new national standards for foster care, and post-adoption support. These are estimated to cost upwards of £0.5m, some of which will be met by the new Children's Services grants. The impact of these will increase over the next few years.

**National Vocational Qualifications** - The National Care Standards Commission requires at least 50% of staff in services such as residential homes and home care to be qualified to NVQ2 level by 2005. This represents a significant training programme for both the department and our independent and voluntary sector providers.

**Fairer Charging and Supporting People** are new national initiatives with a significant effect in 2003/04 and beyond. The financial implications have proved to be uncertain for many councils, and will continue to be a risk factor in 2004/05, to be reviewed as the year progresses.

**Direct Payments to service users**, in place of commissioned services, have to be made more widely available, including to older people. Whilst there should generally be a neutral impact on the costs of the care itself, the administration costs are higher and support to the service user to manage the new arrangements has to be made available. The latter is usually through a service level agreement with a voluntary sector advocacy and support organisation. There will be pressure to increase the number of people using direct payments over the next few years, as take-up varies significantly around the country and councils such as Leicester with relatively low numbers will be expected to promote this option.

**Community Equipment / Aids and Adaptations** have to be more widely available and delivered much more quickly. This requires larger stocks of equipment and a better delivery infrastructure. Tenders are currently being let in conjunction with the NHS for this service. As the emphasis on enabling people to remain at home with intensive support gains pace, together with the pressure for prompt discharges from hospital, more people will need aids and adaptations and special equipment in their homes.

**Electronic Service User Records** must be developed to meet Department of Health instructions. Although the expected timescales are unclear, significant investment in computer hardware and software will be needed over the coming years.

## Additional Service Pressures

**Independent Sector residential home and home care providers** have again requested a further above-inflation increase. Their representations state that their overall cost base continues to exceed the fees paid by the Council, largely due to the national minimum wage, labour market pressures and the Care Standards Act. Providers are also mindful of the expectations raised by the Secretary of State for Health over the Summer of 2002 following his announcement that Social Services funding would rise by 6% in real terms. This local situation mirrors the national position, which continues to attract regular media coverage.

The inflation funding allocated to the Department by the Council provides for a 2.9% increase. Each further 1% across the board would cost around £300,000, and it is expected that at least another 4% will be needed in 2004/05 to avoid serious difficulties in commissioning placements. Similar increases are likely to be required in 2005/06 and 2006/07, as there are further increases to the national minimum wage and on-going pressure from the other factors mentioned above. The independent sector may seek redress for the perceived inadequate fees through the courts, as has happened or been considered elsewhere in the country.

Home care contracts were re-tendered in 2003, and cost increases of 10% were experienced. Increases for the next three years will be limited to inflation, but a similar step change could be experienced when they end in the autumn of 2006.

Similar pressures are being experienced on children's agency placements, where the Council usually has to pay the rate set by the provider, due to the specialist nature of placements and the lack of alternatives.

**Learning Disabilities Service** costs continue to rise, due to demographic trends that increase the life expectancy of service users. These factors also have an increasing impact on Children's Services budgets, as the number of children and young people with severe learning difficulties continues to increase. This places increasing pressure on the budget, and will continue year on year into the future.

**Job Evaluation and Car Allowance** transitional costs (if any) arising from the corporate reviews are assumed to be funded corporately. However, these are not quantified or confirmed at this stage.

### **Managing these Pressures**

The accumulated effect of the action taken to manage budget pressures since Local Government Reorganisation in 1997 means that only limited further options remain to absorb the new pressures. These options proposed can be summarised as:

- Withdraw services or close facilities
- Raise eligibility criteria for services
- Reduce quality (staffing levels, opening hours)
- Increases in non-residential charges, including increasing some elements of charges such that service users pay the full economic cost above a set capital or income level.
- Efficiency gains in administration and staff

These options are reflected in the savings and efficiency proposals in Section 10.

## **Youth Offending Team**

The YOT, established in 2000 as a requirement of the Crime and Disorder Act 1998, is a multi-agency team comprising staff from Social Care and Health, Education, Police, Probation and the NHS.

Since April 2002, there has been in excess of a 40% increase in workload, and a doubling in the size of the team. The implementation of Referral Orders in April 2002 is resulting in further increases. The YOT needs to develop its services to support increasingly complex demands from Central Government. In particular, it is required to produce complex statistical data at both national and local levels.

The Council considers growth bids from the YOT within the overall Crime and Disorder umbrella. As such, growth proposals do not appear in this DRS at this stage. It will also be noted from Section 7 above that a proposal for Neighbourhood Renewal Fund investment has been submitted.

The YOT is expected to need to continue to expand its services over the next few years, given the emphasis on reducing repeat offending by young people and pursuing community based sentences and restorative justice.

## **Draft Planning Totals**

The draft Planning Totals for the next three years in Section 10 assume a year on year net growth of £2m for Social Care and Health.

## SECTION 9

### Performance and Business Planning

#### Inspectors' Views

"Leicester City Council has made significant improvements in social care .....over the last year. The Council has improved strongly in children's social care services and strengthened areas of adults' services. It is also taking forward a number of ambitious initiatives, for example the Children's Trust, aimed at strengthening joint working..... Delivering these, the Council will be well-placed to improve the way it works and the services it provides to local people"

*Audit Commission: Comprehensive Performance Assessment, December 2003*

"Overall we judged that the Council was serving most people well, and that the capacity for improvement was promising".

*SSI Inspection of Children's Services, May 2003*

#### Performance Measurement and Reporting

The Directorate has a wide range of performance measures and indicators. Comprehensive returns covering all services are sent annually to the Department of Health, and result in a rating for each key service target. Of these indicators, 28 form part of the Best Value Performance Plan reporting, of which ten have a direct impact on the Corporate Performance Assessment (CPA), and six specifically relate to the Council's Public Service Agreements.

In addition, there are regular external inspections by the Social Services Inspectorate, the Audit Commission, Internal Audit and the National Care Standards Commission.

The Children's Inspection in May 2003 rated us as serving most children well, with promising prospects.

The outcomes of the performance measures and inspections are reported periodically to the Scrutiny Committee, and appropriate improvement plans put into place.

#### Star Rating

As reported earlier in Section 7, the Directorate's performance is rated as *two stars* (maximum being three stars, minimum no stars). It shares this rating with around 49% of all social services departments, with 11% receiving the maximum 3 stars and 40% receiving one or no stars. Our two star rating was announced in November 2003, and is an improvement on the one star achieved in 2002. We are judged to be serving most people well, with promising prospects for improvement. This places us at the upper end of the two star category, and reflects the importance of continued investment in our services.

These ratings are formulated by the Department of Health from evidence from published Performance Indicators; Inspections; Social Services Inspectorate (SSI) / Audit Commission Joint Reviews; review of plans and the in-year performance information from both the SSI and the external auditors for each council.

The ratings give a rounded picture of performance in carrying out social services functions, with separate judgements for both adults' and children's services. Following an Annual Review Meeting, each Social Services Department receives a Performance Letter, giving details of strengths and areas for improvement.

### Contribution to the Corporate Performance Assessment

Because of the weighting given to social services in the Audit Commission's Comprehensive Performance Assessment, our improved two star rating was a significant factor in the Council's improved CPA rating of *Good*, announced in December 2003.

### Performance Indicators

As stated above, Performance Indicators are one element of the Star Rating Assessment. In 2002/03, there were 49 such indicators, covering all aspects of our services. They are placed in one of five bands by the Department of Health, with Band 5 being the top rank, (very good performance) and band 1 the lowest (investigate urgently).

Band 3 and above is considered to be an acceptable performance, which we achieved for three-quarters of the indicators. Our performance in 2002/03 improved over the previous year, and is set out in **Table 5** below:

**Table 5 – Performance Indicators 2002/03**

	Number	%
Band 5 (top rank)	8	16%
Band 4 (good performance)	18	37%
Band 3 (acceptable, with room for improvement)	11	23%
Band 2 (ask questions)	10	20%
Band 1 (investigate urgently)	2	4%

Some **key facts** about our performance include:

- 75.6% of the indicators were banded 3 or better, compared to 73.9% in 2001/02
- 8 indicators are now in the top band, compared to 4 in 2001/02



- 51% of our indicators are better than our family authorities, and 59% are better than the national picture
- The target to minimise Delayed Discharges from hospital was met (the rate at the University Hospitals of Leicester was just 1.9%, against 4% nationally)

The two indicators in Band 1 were Satisfaction with changes to a Care Plan, and Looked After Children absences from school. The former is considered to be largely attributable to the method of measurement; and the latter is expected to show an improvement when the current year’s indicators are produced.

**Star Rating “Trip Indicators”**

Of the above 49 indicators, the Department of Health identifies eight trip / key indicators in the calculation of the Star Rating. We achieved an acceptable performance or better in all but one of these in 2002/03, with top-rated performance in four areas, as can be seen from **Table 6**:

<b><u>Table 6 – “Trip Indicator” Performance 2002/03</u></b>	<b>Band</b>
Delivery of equipment and adaptations	5
Looked after Children with 3 or more placements per year	5
Review of Child Protection cases	5
Adoptions of Children looked After	5
Admissions of older people to residential and nursing care	4
Households receiving intensive home care	3
Users waiting more than 6 weeks for care packages	3
Looked after Children with at least 1 GCSE (with Education Dept)	2

In addition, the Star Rating takes into account two qualitative trip indicators – completion of the Climbie Audit and the existence of a Race Equality Scheme. We were successful with both of these.

**Links with the Revenue Strategy**

The recent investment in our services by the Council is reflected in the improved performance. The resulting improved financial stability was a key factor in the Directorate being judged as having good prospects for further improvement across all its services.

The need to maintain our high performing services, and to improve the others, has been taken into account in the budget proposals in this document. The planned investment in services will support the “trip indicators” in particular, whilst the identified reductions are to services that do not directly feature in these indicators.

## **Business Planning**

Each Division produces an annual business plan, in line with the corporate requirements and standard. It includes information on performance, targets, finances, human resources, short term and long term objectives, etc. They are used as working documents during the year, and form the basis for setting the objectives of managers and their teams.

The Divisional plans are aggregated into a single over-arching **Strategic Direction and Directorate Business Plan**. This sets out our:

- Strategic direction and priorities
- Key objectives for service developments
- Key Achievements
- Priorities for 2003/04
- National performance indicators targeted for improvement

## **Public Service Agreements**

The Directorate is directly responsible for achieving 3 targets in the Public Service Agreement, and has a part to play in others. The three targets cover the following performance indicators:

- Proportion of Looked After Children excluded from school (target 2)
- Percentage of Children Leaving Care with 5 GCSE's grade A – C (target 3)
- Number of Looked After Children per 10,000 population aged 0-17 (target 3)
  
- Number of households receiving intensive home care (target 4)
- Admissions to residential and nursing care (target 4)
- Emergency admissions of older people to hospital. (target 4)

The Council will receive reward funding for achieving these targets, which will be paid in 2005/06 and 2006/07. It is anticipated that most of the revenue funding will be passed to the Directorate, which will be welcome one-off funding in those years.

## **SECTION 10**

### **Cash Target and Spending and Resource Forecast**

This Section shows the resources available in the 2004/05 and the spending changes identified for the next three years.

#### **Cash Target 2004/05 (Table 5)**

The resources initially available are shown in the Cash Target. The 2003/04 budget is the starting point. Adjustments are then made for the impact of transfers to and from other departments, the full year effects in 2004/05 of the spending changes agreed in the 2003/04 DRS, the impact of inflation and other specific cost changes in 2004/05, and the mainstreaming of discontinued specific grants. The grants included in the £4.3m are Quality Protects, Children Leaving Care and Deferred Payments.

This results in the Cash Target of **£79,600,600** near the foot of **Table 7**.

#### **Planning Total 2004/05 – 2006/07**

The remaining balance of the FSS increase is then added onto the Cash Target, so that the Directorate receives the full benefit of “passporting” the FSS increase. This results in the Planning Total of **£81,640,600** for Social Care and the YOT at the foot of **Table 7**.

The Planning Total is the money available to the Directorate in 2004/05.

The Planning Totals for 2005/06 and 2006/07 have been increased by a further £2m each year, to reflect the expected rise in Government funding for Social Services and the spending increases that will be required to maintain and develop services.

#### **Spending and Resource Forecast – Social Care and Health (Table 8)**

Spending increases and reductions are identified in 2004/05 and the following two years to address the service requirements on the Directorate, balanced with the need to keep spending within the Planning Total.

#### **Additional Spending**

The draft corporate budget strategy recognises that a £2m year on year increase is required to address the severe pressures on social services. Services identified as requiring additional funding have been rigorously reviewed by the Corporate Director, and were placed into a priority order for additional funding within the overall resources available. Only those that are considered to be of an essential nature within the current policy framework were prioritised. Maximum use has been made of the flexibilities offered by the non-ringfencing of Government specific grants.

**Table 7****CASH TARGET 2004/05**

	<b>Social Care and Health £000</b>	<b>Youth Offending Team £000</b>	<b>Social Care and Health Total £000</b>
<b>Net Controllable Budget for 2003/04</b>			
Employee Costs	41,204.7	808.4	42,013.1
Running Costs	50,269.5	189.8	50,459.3
Income	(18,267.8)	(248.9)	(18,516.7)
Sub-Total	<b>73,206.4</b>	<b>749.3</b>	<b>73,955.7</b>
<b>Add Virements:</b>			
Support Service Running Costs to CS&NR	(4.0)	0.0	(4.0)
Crime & Disorder	11.4	60.0	71.4
East-West Community Project from Education	15.5	0.0	15.5
Leicester LGB Centre Budget to Cultural Services	(5.7)	0.0	(5.7)
Central Telephone Access Point to RAD	(75.9)	0.0	(75.9)
Senior Officers Budget from RAD	22.4	0.0	22.4
Additional Pensions from Corporate	155.6	3.0	158.6
Voluntary Sector Projects to Education	(149.1)	0.0	(149.1)
I.T. Training Budget from RAD	29.3	0.0	29.3
Sub-Total	<b>73,205.9</b>	<b>812.3</b>	<b>74,018.2</b>
<b>Full Year Effects (£1.1m) :</b>			
Growth <i>(LIFT/Braunstone £50k, Customer Relations Team £10k, Children In Need/Working Together £36k, Intermediate Care Strategy £50k, Invest to Save £100k)</i>	246.0		246.0
Reductions <i>(Transport of Service Users -£150k, Community Care Placements -£1,036k)</i>	(1,186.0)		(1,186.0)
Efficiency Savings <i>(Changes to Home Care provision -£150k)</i>	(150.0)		(150.0)
Net other <i>Insurance Costs £40k, Fall-out of NRF Funding £650k, Independent Sector July 2003 fee increase £100k, Increase in LD Placements £300k, Existing Community Care Commitments-£1,100k)</i>	(10.0)		(10.0)
Sub-Total	<b>72,105.9</b>	<b>812.3</b>	<b>72,918.2</b>
<b>Pensions:</b>	162.0	3.2	165.2
Sub-Total	<b>72,267.9</b>	<b>815.5</b>	<b>73,083.4</b>
<b>Inflation:</b>			
Employee Costs @ 2.82%	1,172.0	23.0	1,195.0
Running Costs and Income @ 2.1%	646.2	0.0	646.2
Grants to Voluntary and Independent Sectors	43.0	0.0	43.0
Traded Services	206.0	0.0	206.0
Sub-Total	<b>74,335.1</b>	<b>838.5</b>	<b>75,173.6</b>
<b>Transfer from Specific Grants:</b>			
Children's Grants	4,194.0		4,194.0
Deferred Payments	233.0		233.0
<b>CASH TARGET FOR 2004/05</b>	<b>78,762.1</b>	<b>838.5</b>	<b>79,600.6</b>
Formula Spending Share "Passport"	2,040.0	0.0	2,040.0
Savings Target 2004/05	0.0	0.0	0.0
<b>Planning Total (2004/05 Price Base)</b>	<b>80,802.1</b>	<b>838.5</b>	<b>81,640.6</b>

The need for additional spending arises from the following factors:

### Market Conditions

As referred to in the later Section on the Independent Sector, there is severe pressure on the Council to increase its fees for residential care significantly above the 2.9% provided for inflation in the Cash Target. This trend is expected to continue for the next two to three years, hence the proposed additional year on year funding.

The new re-tendered home care contracts that started in October 2003 cost 10% more than the previous arrangements. Competition for staff from neighbouring councils with higher salary levels is also being experienced, particularly for senior managers and child care social workers.

### Existing Budget Shortfalls

Service User Transport costs are increasing well ahead of the budget. It had been hoped to deal with this by means of a review, and the 2003/04 DRS assumed a further £150,000 saving in 2004/05. However, it is becoming clear that the shortfall cannot be addressed by service reconfiguration alone, and that an increase in budget, together with a reversal of the saving, is required to enable alignment of actual spending and budget.

There is a gap of £130,000 in the funding for Legal support for Children's Services (the need for which continues to increase year on year) and expected significant increases in energy charges. Income shortfalls are being experienced following the introduction of the national *Fairer Charging* framework for non-residential services.

### External Funding Changes

The Directorate has suffered a net loss due to the Residential Allowance and Preserved Rights responsibilities transferred from Government.

### National and Local Policy and Statutory Developments

There are a number of unavoidable national policy and statutory developments. These include the National Care Standards Commission, Foster Care standards, delayed discharge reimbursements, intermediate care, direct payments to service users, community equipment, electronic records, and local Scrutiny of the NHS. Further additional responsibilities and standards are expected in future years, for example the implications of the Green Paper *Every Child Matters* on Children's Services.

Local policy requirements include strengthening business continuity arrangements, and the impact of more onerous health and safety standards and inspection.

Details of the additional spending requirements are shown in **Table 8**, with supporting information in **Section 19**.

## Potential Savings and Reductions

Given the level of savings identified in recent years, which have been recycled to meet increased requirements, it has been difficult to easily identify further opportunities within current statutory and local policy frameworks. However, a number of options within the following themes have been identified:

- **Withdraw services or close facilities** - including the ending of non-personal home care, and the withdrawal of voluntary sector funding where the funded service is not meeting specifically assessed needs.
- **Increase non-residential charges** – for home care, laundry, meals and transport, including increasing some elements of charges such that service users pay the full economic cost above a set capital or income level. Increases are exemplified in Section 11.
- **Efficiency gains** in administration and staff, and through refocusing the more expensive in-house service provision to provide specialist services that are difficult or expensive to buy from the independent sector. Services provided through the voluntary sector that could be arranged more efficiently would be reorganised.
- **Maximising the flexibilities from non-ringfencing of Government grants** – using grant funding to fund essential growth. This strategy has its risks, particularly if new performance targets are not met or the ring-fencing is reinstated in future years.

Details of the additional Potential Savings and Reductions are shown in **Table 8**, with supporting information in **Section 20**. Further details about proposed changes to services provided through the voluntary sector are given in Section 15.

## Spending and Resource Forecast – Youth Offending Team

The Spending and Resource Forecast is shown at **Table 9**.

No growth or savings proposals are shown in this Revenue Strategy, as they are considered through the Crime and Disorder route, in line with previous practice. However, it should be noted that growth might not be approved, depending upon the relative priority with other Crime and Disorder bids.

## Impact of the Neighbourhood Renewal Fund

As noted in Section 7, the budget proposals in Tables 8 and 9 assume the success of funding bids to the NRF across a range of services, including the Youth Offending Team. Any projects that do not secure funding will have to be funded from the mainstream budget instead. This will lead to additional savings being required over and above those already identified.

**Table 8****REVENUE BUDGET 2004/05 to 2006/07****Spending & Resource Forecast - Social Care and Health**

<i>Ref No.</i>		<b>2004/05 £000</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>
	<b>2004/05 Cash Target</b>	<b>79,600.6</b>	<b>79,600.6</b>	<b>79,600.6</b>
	<b>Service Enhancements</b>			
SSG1	Expansion of Intermediate Care Services and Facilities.	250.0	590.0	590.0
SSG2	Direct Payments Support to Service Users.	50.0	50.0	50.0
SSG3	Business Continuity Computer Server (corporate requirement).	85.0	85.0	85.0
SSG4	NHS Scrutiny Role (corporate requirement).	20.0	20.0	20.0
SSG5	Mainstreaming of Neighbourhood Renewal Fund funded projects.	0.0	0.0	700.0
SSG6	Children's Services – Impact of increase in children at risk and looked after.	0.0	222.0	222.0
SSG7	Children's Services – Impact of new Foster Care standards.	0.0	250.0	250.0
	<b>Total Service Enhancements</b>	<b>405.0</b>	<b>1,217.0</b>	<b>1,917.0</b>
	<i>Legislative/judicial changes:</i>			
SSG8	Preserved Rights and Residential Allowance Transfer from Government.	600.0	700.0	750.0
SSG9	In-House EPH National Care Standards Commission Registration and Staffing Requirements.	300.0	400.0	400.0
SSG10	Community Equipment – Improvements to meet National Standards.	140.0	200.0	200.0
SSG11	Electronic Records – Department of Health Requirement.	100.0	100.0	100.0
	<i>Budget Shortfalls:</i>			
SSG12	Independent Sector Fees - above inflation increases each year.	1,100.0	2,300.0	3,500.0
SSG13	Home Care Contract Price Increase October 2003.	500.0	500.0	500.0
SSG14	Children's Transport.	520.0	370.0	370.0
SSG15	Recruitment and Retention (Approved Social Workers, NVQ and Management Increments).	470.0	520.0	570.0
SSG16	Children's Legal Services – increased caseload volume and complexity.	130.0	150.0	150.0
SSG17	Gas and Electricity – expected 25% to 30% unit cost increase.	70.0	70.0	70.0
SSG18	Health and Safety – Moving & Handling Training and Display Screen Risks	50.0	50.0	50.0
SSG19	Central Trading Agreements – existing shortfalls.	30.0	30.0	30.0
SSG20	Lower than expected impact of Government Grant for Delayed Discharges and Non-Residential Charges Increases.	150.0	150.0	150.0
	<b>Total Other</b>	<b>4,160.0</b>	<b>5,540.0</b>	<b>6,840.0</b>
	<b>Sub Total – Growth</b>	<b>4,565.0</b>	<b>6,757.0</b>	<b>8,757.0</b>
SSR1	Non-personal Home Care – do not provide, unless part of a care package	(400.0)	(400.0)	(400.0)
SSR2	Voluntary Sector – withdraw funding for non-core services.	(105.0)	(150.0)	(150.0)
SSR3	Voluntary Sector – review and merge core services.	0	(100.0)	(100.0)
	<b>Total Service Reductions</b>	<b>(505.0)</b>	<b>(650.0)</b>	<b>(650.0)</b>
SSR4	Use of Non-Ringfenced Government Grants.	(1,670.0)	(1,470.0)	(1,470.0)
SSR5	Resources Division efficiency savings.	(100.0)	(100.0)	(100.0)
SSR6	Increases in charges for Home Care, Meals, Laundry and Transport.	(250.0)	(250.0)	(250.0)
SSR7	Refocusing of In-House EPHs to provide specialist residential placements.	0.0	(200.0)	(200.0)
	<b>Total Efficiency / Restructuring Savings</b>	<b>(2,020.0)</b>	<b>(2,020.0)</b>	<b>(2,020.0)</b>
	<b>Sub Total – Reductions</b>	<b>(2,525.0)</b>	<b>(2,670.0)</b>	<b>(2,670.0)</b>
	<b>Net Expenditure Total (2004/05 Price Base)</b>	<b>81,640.6</b>	<b>83,687.6</b>	<b>85,687.6</b>
	<b>Planning Total (2004/05 Price Base)</b>	<b>81,640.6</b>	<b>83,687.6</b>	<b>85,687.6</b>

**Table 9****REVENUE BUDGET 2004/05 to 2006/07****Spending & Resource Forecast - Youth Offending Team****(Included within totals in Table 8)**

<i>Ref No.</i>	<b>Youth Offending Team</b>	<b>2004/05 £000</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>
	<b>2004/05 Cash Target</b>	838.5	838.5	838.5
	<i>Growth requirements have been identified through the Crime and Disorder route</i>			
	<b>Add Total Service Enhancements</b>	0.0	0.0	0.0
	<b>Add Total Decisions already taken</b>	0.0	0.0	0.0
	<b>Add Total Other</b>	0.0	0.0	0.0
	<b>Sub Total – Growth</b>	0.0	0.0	0.0
	<b>Less Total Service Reductions</b>	0.0	0.0	0.0
	<b>Less Total of Decisions already taken</b>	0.0	0.0	0.0
	<b>Less Total Efficiency / Restructuring Savings</b>	0.0	0.0	0.0
	<b>Less Total Other</b>	0.0	0.0	0.0
	<b>Sub Total – Reductions</b>	0.0	0.0	0.0
	<b>Net Expenditure Total (2004/05 Price Base)</b>	842.0	842.0	842.0
	<b>Planning Total (2004/05 Price Base)</b>	838.5	838.5	838.5



## **SECTION 11**

### **Charges**

All Councils levy charges to service users in order to contribute towards the costs of services. Charges are necessary to raise income to help fund services, to maintain an appropriate balance between the taxpayer and the individual, and to recognise that many individuals receive state benefits to meet such costs.

At present, approximately £11.3m per year is raised from charges to service users. This Section shows the current charges and their basis, and then sets out a range of increases needed to maintain an appropriate balance between charges and taxation and to raise the additional income required in this budget strategy (as set out earlier in Table 8).

### **Children and Family Services**

No charges are currently made to users of children and family services. The potential for charges is very limited, given the financial circumstances of many of the families receiving services and the administrative costs of collecting income. The Council could charge for respite care for disabled children, but this is not considered to be appropriate within the current budget strategy.

No proposals to charge for children and family services are being made at present, but if further savings are required, charging for these services would have to be considered. The introduction of charges for other activities, such as transport to contact visits for looked after children, could also be considered.

### **Adults and Older People**

Adults and Older People are required to contribute towards the costs of residential and non-residential services:

#### **Residential Services**

In 2003/04, income of around £9.8m is expected from accommodation charges.

The service user's contribution towards the cost of residential accommodation is governed by national regulations, with only very limited local discretion in exceptional circumstances. It is based on a financial assessment of their capital (typically including savings and any property) and income. No charge is made for the nursing care element of a placement in a nursing home, which is now funded by the NHS.

Much of the contribution is generated from state benefits. The capital and income limits, together with these benefits, are usually uprated for inflation each year, although more significant changes take place from time to time as required by national policy.

As the Council cannot directly influence the income from residential charges, they are not considered further in this section.

## **Non-Residential Services - Background**

In 2003/04, income of around £1.5m is expected from non-residential charges, of which the most significant are meals on wheels (£550,000) and home care (£700,000)

The framework for contributions towards the costs of non-residential services is set nationally, but the Council has considerable discretion on the actual charges to be applied.

The framework has changed considerably over the last two years, following the national implementation of *Fairer Charging* in April 2003. Charges for home care and day care can only be made once the service user has been financially assessed. The process is similar to that used for residential care, although the value of the service user's main residence is excluded.

The Council's response to these national developments over the last two financial years has been to:

- Discontinue the charge for day care and attendance at a Learning Disability day centre from October 2002, as the costs of the financial assessment would have exceeded the income collected;
- Increase the charge for transport from 50p per day to £1.00 per day (which effectively offset the abolition of the day centre attendance charge);
- Replace the weekly home care banded charge rates with an hourly charge of £4.40 and a weekly maximum charge of £175.00, which became fully effective in April 2003.
- Allow all home care service users an automatic disregard of £30 per week for disability related expenses, with proof required only for expenses above this level;
- Increase charges for meals and laundry by approximately the rate of inflation in April 2003;
- Discontinue the charge for minor adaptations to service users' homes.
- Support service users to ensure they are claiming all the state benefits to which they are entitled, to maximise their income.

### **Home Care**

The Council is required to set an hourly rate for home care, and a maximum weekly charge. These are currently £4.40 and £175.00 respectively.

Home care service users with savings or other capital over £20,000, or a high level of income (for a typical single person, at least £400 per week excluding certain benefits) are required to pay up to the £175 maximum weekly charge.

Service users with less than £20,000 and a lower level of income can be charged only what they are deemed able to afford to pay; in broad terms, they must be left with at least the basic level of income support plus 25% plus disability related living expenses. There is a minimum £30 weekly allowance for disability related living expenses.

Nearly half (46%) of all users receive the service free, as they have insufficient capital and income for a charge to be made. This compares to 36% under the previous system. Overall income is expected to reduce by up to £300,000 in 2003/04, as a result of the new system and current levels of charges.

### Other Non-Residential Charges

Charges for meals, drinks, transport and laundry are not subject to a financial assessment, and a standard unit charge can therefore be made.

The maximum charge for blue badges for disabled people is set nationally, and is currently £2.00.

### Non-Residential Services – The Arguments for Raising Charges

It is now proposed to raise charges to increase income collected as required by this budget strategy. The principles that have been followed are:

- **Transport** – The current £1.00 per day charge for a return journey is generally less than the equivalent public transport rate, and is significantly less than the cost to the Council of providing the service. Where a door-to-door service is provided, the current charge is without doubt much less than the cost of travelling by taxi.
- **Home Care** – The cost of providing home care increased by 10% in October 2003, as noted in Section 10. The average cost is now around £11.00 per hour. As people are financially assessed and cannot be required to pay more than they can afford, it is proposed to increase the hourly charge to reflect these additional costs and the need to generate income to prevent the need for service reductions. People who currently pay at their maximum assessed level would not see any increase in their charge.
- **Laundry** – Many councils no longer provide a laundry service. The full cost to the Council of providing the service is £10 per load (including collection and return), compared to the current charge of £3.00. It is considered that a substantial increase is warranted, pending a review of the longer-term future arrangements for the service.
- **Meals** - The average cost of providing a lunchtime meal delivered to a service user's home or served in a luncheon club is around £4.00. A moderate increase to the current £2.25 charge is therefore not unreasonable. A similar increase could be applied to charges for drinks and tea in day centres and Elderly Person's Homes, although the additional income raised would be minimal.

### Non-Residential Services – New Charges Proposed for April 2004

It is proposed to raise charges as set out in **Table 10** overleaf, to increase income by £250,000 as required for the budget strategy (shown earlier in Table 8). Options for larger increases have also been explored, but are felt to be inappropriate given the Council's planned investment in the Department as set out in this budget strategy. However, if further savings are required, then larger increases will need to be reconsidered, as an alternative to reductions in services.

**Table 10 – Proposed Non-Residential Charges from April 2004**

Service	Current Charge	Proposed Charge from April 2004	Approximate full cost of service	Estimated Additional Income
<b>Lunchtime Meal</b>	£2.25	<b>£2.50</b>	£4.00	£60,000
<b>Laundry</b> (per load)	£3.00	<b>£6.00</b>	£10.00	£30,000
<b>Transport for <u>Adults</u></b> from Home to Day Centre / Community Activity (per day) *	£1.00	<b>£2.00</b>	£5.00 - £30.00	£30,000
<b>Drinks</b> at Day Centre / Elderly Persons Home	£0.35	<b>£0.35</b>	£0.50	nil
<b>Breakfast and Tea</b> at Elderly Person's Home (for non-residents)	£0.50	<b>£0.50</b>	£1.00	nil
<b>Blue Badge</b>	£2.00	<b>£2.00</b>	£8.50	nil
<b><u>Home Care</u></b>				
<b>Hourly charge</b> <i>(up to the individual's maximum assessed charge)</i>	£4.40	<b>£6.00</b>	£11.00	£130,000
<b>Maximum Weekly Charge</b> <i>(people with substantial income or capital)</i>	£175	<b>£175</b>	At least £430	nil

\* Note that transport for **older people** provided as part of a care package is free of charge.

## SECTION 12

### Government Specific Grants

#### Purpose

The Government uses specific grants to direct funding to national priority areas, and on occasions to services where the Formula Spending Share methodology would be particularly inaccurate. With the exception of Formula Grants, these Specific Grants must be spent on the purposes for which they are given, and are externally audited to confirm that this is the case.

Each year, there are a number of changes to the grants. Some are discontinued and the costs / resources transferred to the mainstream budget, whilst new ones are introduced. New grants are usually to either:

- Replace an existing funding stream (e.g. Residential Allowance);
- Meet new responsibilities (e.g. Choice Protects); or
- Increase activity (e.g. Access and Systems Capacity).

Grants are not generally intended to free-up existing mainstream resources (for example, by allowing current revenue budget spending to be transferred to a grant). However, this principle has been relaxed for 2004/05 with the removal of ring-fencing from a number of grants, in particular Access and Systems Capacity, Carers and Safeguarding Children.

There is often an expectation that schemes and activities initially funded through grants will be picked up by mainstream funding in due course.

#### Grants Received

The grants the Department is receiving in 2003/04, and expects to receive in 2004/05, are set out in the **Table 11**. Grants mainstreamed in 2004/05 are shown in **Table 12**, with Capital Grants in **Table 13**. The Youth Offending Team is shown at **Table 14**.

In total, revenue grants of £16.7m are expected in 2003/04, with £15.8m forecast for 2004/05. However, it should be noted that the 2004/05 figures are still provisional, and the final allocations could be different.

#### Implications for Financial Planning

Whilst the general objectives of the grants are largely known in advance, some of the detailed conditions setting out how they should be spent do not become clear until a late stage. When combined with the annual movements between grants and mainstream resources / programmes, medium to longer term financial planning is made substantially more difficult by the Government's use of grant funding. The uncertainty about future ring-fencing is a further complication introduced this year.

**Table 11**

**GOVERNMENT GRANTS – SOCIAL CARE AND HEALTH**

<u>Revenue Grants</u>	Ringfenced 03/04	Provisional / Forecast 2004/05 £000	Actual 2003/04 £000	Increase (Reduction) £000
<b><u>Adults and Older People</u></b>				
<b><u>Non Ring-fenced (can be used for any purpose)</u></b>				
Preserved Rights ) to meet on-going costs transferred		3,636	3,995	(359)
Residential Allowance ) from Central Government		2,329	1,038	1,291
Delayed Discharges		582	295	287
Access and Systems Capacity	✓	2,659	1,003	1,656
Carers (assumes 80% allocated to adults and older people)	✓	637	539	98
<b>Total Formula Grants</b>		<b>9,843</b>	<b>6,870</b>	<b>2,973</b>
<b><u>Ring-fenced (subject to specific conditions and audit)</u></b>				
AIDS Support		114	114	0
Mental Health Adults (100% funding)		827	825	2
Performance Fund (finishes March 2004 - not mainstreamed 04/05)		0	570	(570)
<b>Total Specific Grants</b>		<b>941</b>	<b>1,509</b>	<b>(568)</b>
<b>TOTAL ADULTS AND OLDER PEOPLE</b>		<b>10,784</b>	<b>8,379</b>	<b>2,405</b>
<b><u>Children and Families</u></b>				
<b><u>Non Ring-fenced (can be used for any purpose)</u></b>				
Safeguarding Children	✓	720	0	720
Carers (assumes 20% allocated to Children)		159	129	30
Unaccompanied Asylum Seeking Children - Hillingdon Judgement		0	0	0
<b>Total Formula Grants</b>		<b>879</b>	<b>129</b>	<b>750</b>
<b><u>Ring-fenced (subject to specific conditions and audit)</u></b>				
Adoption Support and Special Guardianship Support		184	96	88
Choice Protects (fostering services)		240	158	82
Child & Adolescent Mental Health Innovation (70% funding)		161	161	0
Child & Adolescent Mental Health Services (100% funding)		484	353	131
Teenage Pregnancy Local Implementation		295	265	30
Young People's Substance Misuse Planning		36	36	0
Children's Trust Pathfinder (standard grant)		60	60	0
<b>Total Specific Grants</b>		<b>1,460</b>	<b>1,129</b>	<b>331</b>
<b>TOTAL CHILDREN AND FAMILIES</b> <i>(Note: 2003/04 grants mainstreamed in 2004/05 shown in Table 12)</i>		<b>2,339</b>	<b>1,258</b>	<b>1,081</b>
<b><u>Departmental</u></b>				
<b><u>Non Ring-fenced (can be used for any purpose)</u></b>				
Human Resources Development Strategy	✓	145	56	89
National Training Strategy (statutory & independent sectors)	✓	191	157	34
Training Support Programme	✓	375	356	19
<b>Total Formula Grants</b>		<b>711</b>	<b>569</b>	<b>142</b>
Asylum Seekers (Home Office grant to reimburse actual costs)		1,300	1,300	0
<b>TOTAL DEPARTMENTAL</b>		<b>2,011</b>	<b>1,869</b>	<b>142</b>
<b>TOTAL REVENUE GRANTS</b>		<b>15,134</b>	<b>11,506</b>	<b>3,628</b>

**Table 12****GOVERNMENT GRANTS – SOCIAL CARE AND HEALTH**

<b><u>Revenue Grants Mainstreamed in 2004/05</u></b>	<b>Forecast 2004/05 £000</b>	<b>Actual 2003/04 £000</b>	<b>Increase (Reduction) £000</b>
<b><u>Grants Transferred to Mainstream Funding in 2004/05</u></b>			
Children Leaving Care	0	2,776	(2,776)
Quality Protects Disabled	0	240	(240)
Quality Protects Main	0	1,295	(1,295)
Deferred Payments	0	189	(189)
<b>TOTAL GRANTS TRANSFERRED TO MAINSTREAM FUNDING</b>	<b>0</b>	<b>4,500</b>	<b>(4,500)</b>

**Table 13**

<b><u>Capital Grants (ring-fenced)</u></b>	<b>Forecast 2004/05 £000</b>	<b>Actual 2003/04 £000</b>	<b>Increase (Reduction) £000</b>
<b><u>Grants Transferred to Mainstream Funding in 2004/05</u></b>			
Development of I.T. Systems for Children's Social Services	90	0	90
Information Technology for Looked After Children & Care Leavers	0	86	(86)
Improving Information Technology	166	165	1
<b>TOTAL CAPITAL GRANTS</b>	<b>256</b>	<b>251</b>	<b>5</b>

**Table 14****GOVERNMENT GRANTS – YOUTH OFFENDING TEAM**

<b><u>Revenue Grants</u></b>	<b>Forecast 2004/05 £000</b>	<b>Actual 2003/04 £000</b>	<b>Increase (Reduction) £000</b>
<b><u>Youth Offending Team</u></b>			
Drugs Services Grant	63	63	0
Referral Orders	78	78	0
Intensive Supervision & Surveillance Programme (ISSP)	298	298	0
General Grant	211	211	0
Catalyst (Mentoring)	60	60	0
<b>Total Youth Offending Team Grants</b>	<b>710</b>	<b>710</b>	<b>0</b>
<b>TOTAL REVENUE GRANTS</b>	<b>710</b>	<b>710</b>	<b>0</b>

## SECTION 13

### Earmarked Reserves

The Directorate has just one earmarked reserve, namely the “**Milford Fund**”.

A public appeal by the Lord Mayor in 1963/64 raised funds for the purchase of a holiday home for elderly people at Milford on Sea. The property was gifted to the City Council in connection with its Social Services functions. The Council funded some adaptation work, and then met the on-going running costs, until the home transferred to Leicestershire County Council at local government reorganisation in 1974.

The County Council continued to operate and fund the home, until it was decided to sell it in 1980. The proceeds of the sale were placed into a fund, to be used solely for the elderly of the City of Leicester, in connection with holidays. Grants were then made to various organisations that helped vulnerable old people in Leicester to have holidays.

The fund passed in full to the City Council upon local government reorganisation in 1997. Since that time, no further grants have been made, and interest on the balance is added annually. The current value of the fund is £108,500.

Legal advice on any conditions attached to the fund has been obtained. This suggests that the Council can apply the fund as it wishes. It is therefore proposed to determine an appropriate use for the fund during 2004/05.



## SECTION 14

### Spending in the Voluntary and Independent Sectors

A significant proportion of our services is delivered through the voluntary and independent sectors. This is illustrated by the summary in **Table 15** below, which shows the Directorate's 2003/04 budget categorised by the sector providing the services.

**Table 15**

	In-house £m	Independent Sector £m	Voluntary Sector £m	Total £m
<b><u>Social Care &amp; Health</u></b>				
Running Costs:				
Adult Services	4.121	16.053	2.907	23.081
Older People Services	5.169	17.514	1.932	24.615
Children & Family Services	8.229	2.044	0.612	10.885
Resources ( <i>including corporate Trading Agreements</i> )	5.393	0	0.211	5.604
Total Running Costs	22.912	35.611	5.662	64.185
<b>Running Costs % by Sector</b>	<b>36%</b>	<b>55%</b>	<b>9%</b>	<b>100%</b>
Employee Costs	43.249	0	0	43.249
<b>Gross Expenditure</b>	<b>66.161</b>	<b>35.611</b>	<b>5.662</b>	<b>107.434</b>
<b>Gross Expenditure % by Sector</b>	<b>62%</b>	<b>33%</b>	<b>5%</b>	<b>100%</b>
<b><u>Youth Offending Team</u></b>				
Total Running Costs	0.477	0	0	0.477
Employee Costs	1.401	0	0	1.401
<b>Gross Expenditure</b>	<b>1.878</b>	<b>0</b>	<b>0</b>	<b>1.878</b>
<b>Gross Expenditure % by Sector</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>
<b>TOTAL SOCIAL CARE &amp; HEALTH Gross Expenditure</b>	<b>68.039</b>	<b>35.611</b>	<b>5.662</b>	<b>109.312</b>

It can be seen that over £40m per year is spent with independent and voluntary sector providers. In particular, residential and home care services for adults and older people are largely delivered through this route. This illustrates the importance of working in partnership with the organisations in these sectors, which is considered in more detail in Sections 15 and 16.

## **SECTION 15**

### **Voluntary Sector**

The Directorate works extensively with the voluntary sector to deliver statutory services on our behalf, with annual funding of some £5.6m. The sector makes a valuable contribution as a major service provider. It is particularly well placed to develop new projects, being in close touch with local communities, promoting wider choice, providing and developing services within Black and minority ethnic communities, and securing partnership funding from avenues not directly open to the Council.

Partnership working with the voluntary sector assists the Council to maintain and further develop its role as an enabling authority.

The Council's corporate budget strategy seeks to establish a new relationship with the voluntary sector, in particular:

- The Council's key budgetary aim is to focus on core service provision;
- There is no presumption that any core service will be directly provided by the Council or the voluntary sector; indeed, the voluntary sector may be the preferred provider in many cases, and may gain additional roles;
- The Council does, however, face significant budget pressures, and voluntary sector bodies providing "non-core" services will be subject to scrutiny, in the same way as directly provided services.

### **Ensuring Value for Money, Quality and Effectiveness**

Comprehensive arrangements are in place for ensuring and quantifying value for money, appropriate service delivery, and compliance with the core contract and the service specification. Financial and service monitoring information is submitted on a quarterly and annual basis, and each organisation receives an annual monitoring visit. Complaints and notification of concerns are monitored and investigated. Any action resulting from these arrangements is formalised in a letter with timescales and action points. If necessary, further meetings are arranged to monitor progress.

The majority of service agreements are for 3 years. In the final year, preparations are made for the review and renewal of the agreement, in consultation with the organisation.

### **Future Funding of the Voluntary Sector**

The draft corporate revenue strategy for 2004/05 describes the actions the Council intends to take within the available resources in order to balance its budget. The concentration on core responsibilities means that resources will no longer be available to fund non-core services, including those provided by the voluntary sector. It also means that efficiency savings could be sought by reviewing the delivery arrangements for core services.

A draft set of savings proposals was produced in early January 2004, and representations invited from the organisations concerned. The results of this consultation are set out in **Appendix 1**. The representations received from other organisations and interested parties are recorded in **Appendix 2**. The Corporate Director has revised his proposals as a result of the consultation, and the changes are explained in Appendix 1.

Previous experience suggests that the organisations and services currently supported by the Department would find it difficult to obtain alternative on-going revenue funding.

The organisations that remain affected by the revised recommendations following the consultation are identified in the following two sections.

### **Increased Efficiency of Core Services**

The Directorate funds a range of organisations providing advocacy, counselling and day services, which are either core services or specialist services for which there is no local alternative. However, the number of organisations currently providing these services could be resulting in inefficient provision that could be better arranged within the resources available to the Council. It is proposed to review the services and the way they are provided during 2004/05, potentially with some form of competitive selection, with a view to reducing overall cost and improving service provision. The future providers will not necessarily be drawn from the existing organisations.

The organisations to be included in the review, and which could ultimately have their funding withdrawn or reduced, are shown below. Given the significant work and discussions involved in mergers and reviews of this kind, it is expected that changes would take place from April 2005 onwards.

It is not possible to predict the outcomes of the reviews at this stage. However, an overall saving of up to £100,000 may be achieved (based on an assumed saving of 15% of the current funding of £682,500)

#### Mental Health mergers / review:

- **Adhar** (*services for Asians in the West End, Rushey Mead, Highfields and Evington*)
- **Savera Resource Centre** (*Support services and outreach development for Asians in City East*)

#### Asian / Sikh Day Service mergers / review:

- **Age Concern Leicester** (*Navjivan Asian daycare service*)
- **Guru Nanak Community Centre** (*older Asians [mainly Sikh]*)
- **Guru Tegh Bahadur Day Centre** (*older Asians [mainly Sikh] in City East*)
- **East West Community Project** (*older Asians in Westcotes and Rowley Fields*)

#### Counselling Services mergers / review: (*all City-wide*)

- **Leicester Counselling Centre** Individual counselling
- **Relate Leicestershire** Relationship counselling

Advocacy mergers / review: (all City –wide)

- **Carers of Leicestershire Action & Support Project Ltd (CLASP)**
- **Fair Deal** (people with physical and sensory disabilities)
- **Leicestershire Action for Mental Health (LAMP)**
- **Leicestershire Ethnic Elderly Advocacy Project (LEEAP)**
- **Mental Health Shop** (Asian and Black service users and carers)

### **Withdrawal of funding for Non-Core Services**

A number of other services have been identified as being non-core. The reasons are that the service is either insufficiently specific to the Department's core statutory responsibilities, or because it is not a direct service meeting assessed needs within the context of the *Fair Access to Care* threshold eligibility criteria of substantial or critical.

The organisations whose funding it is proposed to withdraw are listed below, with a brief description of the service funded. Funding would be withdrawn during 2004/05, to allow time for assessment of any alternative services required by specific service users, so that the Council meets its statutory responsibilities.

The current funding for these specific services totals £149,600.

*\* An asterisk indicates those organisations that provide a range of services. Only the specific services listed below would be affected by these proposals.*

- |  |  |
|--|--|
| • <b>Belgrave Playhouse</b>                          | Play and out of school activities  |
| • <b>Leicester Holme Project (Jason Court)</b>       | Funding of a cook  |
| • <b>Leicester YMCA *</b>                            | Y centre advice and information<br>(Note that the Director of Housing is proposing to pick up the funding of this) |
| • <b>Mencap</b>                                      | Information service  |
| • <b>Mosaic: Shaping Disability Services *</b>       | Leisure opportunities  |
| • <b>Voluntary Action Leicester - Volunteering *</b> | Providing and promoting volunteering opportunities   |

## **SECTION 16**

### **Independent Sector**

The Directorate has extensive arrangements with the independent / private sector for the delivery of key services, amounting to some £35.6m. These account for just over half of total non-pay costs, and a third of total spending. In addition, many supplies for in-house services are sourced from the private sector.

Key services delivered by the independent sector include:

#### **Home care**

Some 70% of home care hours (around 1,000 hours per day) are delivered by the independent sector. Contracts have recently been reorganised and retendered, with the new contracts commencing in October 2003. The independent sector now focuses on the delivery of established care packages, whilst the in-house service provides an initial care and assessment service, together with specialist services such as those related to children.

#### **Residential and Nursing Care for Adults and Older People**

Some 85% of residential care beds (over 1,300 at any one time) and all nursing care beds (230 places) are provided through the independent sector. This is a difficult area in financial terms, as operators' margins have reduced over recent years due to higher statutory care standards, the National Minimum Wage and other cost increases, and competition from other employers. Fee increases above the Retail Prices Index level have been paid in recent years, and operators are seeking a substantial increase for 2004/05 to maintain their financial viability. The Council is subject to competition from other councils paying higher fees for beds in the City and surrounding area.

In common with all other councils, a fee rate for most beds is set by the Council, rather than tenders being sought. This is due to the large number of care home operators, many of them small, the varying needs of residents, and because places are generally spot-purchased as required. However, the Directorate is considering moving to some block contracts for residential care beds, which will be subject to a competitive process.

#### **Residential Care for Children**

The Directorate places children and young people in specialist residential establishments, some in conjunction with the Education and Lifelong Learning Department. These placements tend to be very expensive, and have been subject to very large fee increases over recent years, with no realistic alternative placements available. The Directorate also makes extensive use of foster carers, both those paid directly and increasingly through Independent Fostering Agencies.

## SECTION 17

### Race Relations (Amendment) Act 2000 - Risk Assessment

The Council has a general duty under this Act to promote race equality. This means that the Council must have due regard for the need to eliminate unlawful racial discrimination, promote equality of opportunity and promote good relations between people of different racial groups.

The Council's overall strategy to achieve race equality and the progress to date are described in the covering report to Cabinet. Within the Social Care and Health Department, one of our seven strategic priorities is to promote equality of service users, carers and our workforce, so we can demonstrate that we are meeting the needs of all the City's communities.

The Department is committed to the implementation of race equality policies to eliminate racism and to value culture diversity. We have set four overall objectives for promoting race equality in Social Care:

- To commission and provide culturally competent and sensitive services
- To achieve a representative workforce at all levels in the Department
- To ensure proportionate take up of services in line with the needs of all communities
- To provide fast treatment for service users and for staff

To help achieve the objectives, our Race Equality Group reviews our progress against agreed actions for each year. This is reported in our annual Race Equality Report, which is presented to our Scrutiny Committee.

This revenue strategy has been assessed for any additional race implications in the context of all service and spending plans. The proposed reductions to core services are all considered as low risk in relation to the Act. No risks for any particular individual or group have been identified. The proposed mergers and reviews of core services provided by the voluntary sector could affect particular groups or individuals, which will be considered and reported upon as part of the planned review process during 2004/05. These proposals are therefore also considered to be low risk at this stage. Further details are given in the risk matrix at **Appendix 3**.

## SECTION 18

### Analysis of Other Risks

A number of risks are inherent in the budget proposals in this DRS, some of which have been highlighted in the preceding sections. This section seeks to draw together the key identified risks.

Although it is difficult to accurately quantify their financial impact at this stage, in total they introduce uncertainty of some millions of pounds. It is, however, normal for the Directorate to carry this level of risk at the start of a financial year, which can usually be managed within a gross budget exceeding £100 million.

The risks include:

- Severe pressure on the budget occurring during the year, due to increasing demand for services and the need to comply with statutory service requirements.
- The proposed saving on non-personal home care cannot be achieved in full, due to on-going needs being identified when service users are reassessed.
- Bids to the Neighbourhood Renewal Fund are not successful, hence further reductions in mainstream services will be required to release funding for essential service development and modernisation projects.
- Reductions in preventative services (particularly the voluntary sector reductions and the non-personal home care) could lead to people moving onto more intensive and expensive services more quickly than would otherwise have been the case.
- The funding for independent sector residential and home care fees is insufficient to maintain an adequate supply of places. This is a key risk, and is a particular concern due to “competition” from neighbouring councils offering higher fees to care homes in Leicester. This would lead to a number of problems, including an increase in delayed discharges from hospital, people in the community waiting for residential placements, and the potential for “fines” payable to the NHS.
- Corporate initiatives such as the car allowances review and job evaluation have a net unfunded cost to the Department.
- The cost of new responsibilities, particularly within Children’s and Families services, exceeds the budget provision and the new grants.
- Inadequate funding in 2004/05 of any commitments carried forward from 2003/04, over and above any budget provision.
- Income projections from charges for non-residential services prove to be ambitious, due to lack of detailed information available at this stage and the conditions imposed by Fairer Charging guidance.

- The Directorate is unable to recruit, retain or afford sufficient staff with the required skills and experience. This is of particular concern for all senior management roles, child care social workers and support professions such as accountancy and human resources specialists.
- The partnership arrangements with Leicestershire County Council and Northamptonshire County Council for the Tiffield Secure Unit may lead to significant financial risks over the next year.

Financial restrictions on lower priority services and limited service development and modernisation could also lead to an adverse impact on external inspection reports, departmental star ratings, and consequently the Comprehensive Performance Assessments.



## **SECTION 19**

### **2004/05 – 2006/07 Growth Proposals**

# **Social Care & Health**

**Details of**

**2004/05 – 2006/07 Growth Proposals**

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Older People		<b>Proposal No:</b> SSG1	
<b><u>Details of Proposal</u></b>  Expansion of Intermediate Care Services and Facilities.			
<b><u>Type of Growth</u></b>  Service Enhancement			
<b><u>Justification for Proposal</u></b>  Intermediate care is a key part of the national and local strategy to enable people to remain in their own homes with community based support, to minimise hospital stays, and to have access to rehabilitative services to regain independence following accidents or illness. The redevelopment of Brookside Court and Butterwick House into intermediate care centres in 2004 is a key part of the strategy, together with additional home care and specialist home support services.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>
		<b><u>£000s</u></b>	<b><u>£000s</u></b>
Amount		250.0	590.0
			590.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b>	<b><u>2003/04</u></b>
		<b><u>Outturn</u></b>	<b><u>Budget</u></b>
		<b><u>£000s</u></b>	<b><u>£000s</u></b>
Staff		1,184.9	1,306.1
Supplies & Services		782.2	390.1
Income		(376.0)	(184.3)
<b>TOTAL</b>		<b>1,591.1</b>	<b>1,511.9</b>
<b><u>Staffing Implications</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>
			<b><u>2006/07</u></b>
Current service staffing (FTE)		75	75
Extra post(s) (FTE)		0	10
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Adults		<b>Proposal No:</b> SSG2	
<b>Details of Proposal</b>  Direct Payments Support to Service Users.			
<b>Type of Growth</b>  Service Enhancement			
<b>Justification for Proposal</b>  Government policy requires all service users to be given the option of receiving funds from the Department, with which they then purchase their own care arrangements. This incurs additional costs to make payments and monitor the spend, and to fund external organisations to provide support to the service user.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2004			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	50.0	50.0	50.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		0.0	0.0
Supplies & Services		753.9	683.5
Income		0.0	0.0
<b>TOTAL</b>		<b>753.9</b>	<b>683.5</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Resources		<b><u>Proposal No:</u></b> SSG3	
<b><u>Details of Proposal</u></b>  Business Continuity Computer Server (corporate requirement).			
<b><u>Type of Growth</u></b>  Service Enhancement			
<b><u>Justification for Proposal</u></b>  The Council needs to improve capacity to continue the operation of significant computer systems in the event of a major hardware failure or other disaster.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	85.0	85.0	85.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Resources		<b>Proposal No:</b> SSG4	
<b>Details of Proposal</b>  NHS Scrutiny Role (corporate requirement).			
<b>Type of Growth</b>  Service Enhancement			
<b>Justification for Proposal</b>  New statutory provisions (the Local Government Act 2000 and the Health and Social Care Act 2001) require the Council to make formal arrangements to scrutinise the NHS at local level. This will require additional professional policy support together with training for Elected Members, witnesses' expenses and administration in the Social Care & Health Department.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2004			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	20.0	20.0	20.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	1	1	1
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> All		<b>Proposal No:</b> SSG5	
<b><u>Details of Proposal</u></b>  Mainstreaming of Neighbourhood Renewal Fund funded projects.			
<b><u>Type of Growth</u></b>  Service Enhancement			
<b><u>Justification for Proposal</u></b>  The Department is seeking NRF funding in 2004/05 and 2005/06 for service modernisation and development refocussing projects. There will be a need to pick up some on-going revenue costs in 2006/07.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2006			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	0.0	0.0	700.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Children and Families		<b>Proposal No:</b> SSG6	
<b>Details of Proposal</b>  Children's Services – Impact of increase in children at risk and looked after.			
<b>Type of Growth</b>  Service Enhancement			
<b>Justification for Proposal</b>  In line with the national picture, there are pressures from an increase in the number of children and young people becoming looked after, care needs arising from parents' misuse of drugs and alcohol and mental illness, the requirements following the Climbie enquiry, and implementing the actions arising from external inspections.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2005			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	0.0	222.0	222.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		5,352.0	6,039.2
Supplies & Services		1,997.6	1,286.4
Income		(671.1)	(29.3)
<b>TOTAL</b>		<b>6,678.5</b>	<b>7,296.3</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	732	732	732
Extra post(s) (FTE)	0	6	6
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Children and Families		<b>Proposal No:</b> SSG7	
<b>Details of Proposal</b>  Children's Services – Impact of new Foster Care standards.			
<b>Type of Growth</b>  Service Enhancement			
<b>Justification for Proposal</b>  New foster care standards were introduced in 2003, which need to be fully implemented. This will require more foster carers, possibly including placements with Independent Fostering Agencies.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2005			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	0.0	250.0	250.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		483.6	518.7
Supplies & Services		3,955.8	3,045.8
Income		(24.2)	0.0
<b>TOTAL</b>		<b>4,415.2</b>	<b>3,564.5</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			



**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Older People		<b><u>Proposal No:</u></b> SSG8	
<b><u>Details of Proposal</u></b>  Preserved Rights and Residential Allowance Transfer from Government.			
<b><u>Type of Growth</u></b>  Legislative/Judicial Change			
<b><u>Justification for Proposal</u></b>  The Government has passed over inadequate funding for the Council's new responsibilities for service users with ex-Preserved Rights and the loss of Residential Allowance.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	600.0	700.0	750.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	200.0
Supplies & Services		0.0	5,433.0
Income		0.0	(5,033.0)
<b>TOTAL</b>		<b>0.0</b>	<b>600.0</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Older People	<b><u>Proposal No:</u></b> SSG9		
<b><u>Details of Proposal</u></b>  In-House Elderly Persons' Homes – National Care Standards Commission Registration and Staffing Requirements.			
<b><u>Type of Growth</u></b>  Legislative/Judicial Change			
<b><u>Justification for Proposal</u></b>  The NCSC have set increased standards for residential care home staffing levels, which will incur additional costs.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> July 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	300.0	400.0	400.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		4,145.4	4,198.9
Supplies & Services		858.3	931.3
Income		(167.6)	(60.9)
<b>TOTAL</b>		<b>4,836.1</b>	<b>5,069.3</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	228	228	228
Extra post(s) (FTE)	20	20	20
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Older People / Adults		<b><u>Proposal No:</u></b> SSG10	
<b><u>Details of Proposal</u></b>  Community Equipment - Improvements to meet National Standards.			
<b><u>Type of Growth</u></b>  Legislative/Judicial Change			
<b><u>Justification for Proposal</u></b>  The Government now requires community equipment to be delivered to service users within a very short timescale. This will need more equipment to be held in stock and for a better delivery infrastructure. The service is outsourced in partnership with the NHS.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	140.0	200.0	200.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		478.0	560.2
Income		0.0	0.0
<b>TOTAL</b>		<b>478.0</b>	<b>560.2</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Resources		<b><u>Proposal No:</u></b> SSG11	
<b><u>Details of Proposal</u></b>  Electronic Records - Department of Health Requirement.			
<b><u>Type of Growth</u></b>  Legislative/Judicial Change			
<b><u>Justification for Proposal</u></b>  The Department of Health has announced a very tight timescale for Councils to develop electronic social care records, extending to all service users.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	100.0	100.0	100.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	2	2	2
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Older People / Adults		<b>Proposal No:</b> SSG12	
<b>Details of Proposal</b>  Independent Sector Fees - annual above inflation increases.			
<b>Type of Growth</b>  Budget Shortfall			
<b>Justification for Proposal</b>  Independent sector residential and nursing home providers are experiencing severe cost pressures, due to more stringent care standards, national minimum wage increases and labour market pressures. The Council must go some way to funding these to avoid legal challenge and to maintain our ability to purchase beds – both in the local area and further afield where required.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2004			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	1,100.0	2,300.0	3,500.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		0.0	0.0
Supplies & Services		29,992.4	33,517.5
Income		0	0
<b>TOTAL</b>		<b>29,992.4</b>	<b>33,517.5</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Older People / Adults		<b>Proposal No:</b> SSG13	
<b>Details of Proposal</b>  Home Care Contract Price Increase October 2003.			
<b>Type of Growth</b>  Budget Shortfall			
<b>Justification for Proposal</b>  Due to market pressures (see SSG12), the new home care contracts in October 2003 increased by 10% over the previous costs.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2004			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	500.0	500.0	500.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		0.0	0.0
Supplies & Services		5,073.1	4,259.2
Income		0.0	0.0
<b>TOTAL</b>		<b>5,073.1</b>	<b>4,259.2</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Children and Families		<b>Proposal No:</b> SSG14	
<b>Details of Proposal</b>  Children's Transport – budget shortfall.			
<b>Type of Growth</b>  Budget Shortfall			
<b>Justification for Proposal</b>  There has been a longstanding shortfall on the Children's Transport budget. Whilst action to reduce costs is underway, it is necessary to increase the budget to a more realistic level. The 2003/04 DRS (Table 7) set an additional saving of £150,000 for 2004/05, so the real net increase proposed is £370,000 in 2004/05 and £220,000 thereafter.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2004			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	520.0	370.0	370.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		0.0	0.0
Supplies & Services		880.0	307.6
Income		0.0	0.0
<b>TOTAL</b>		<b>880.0</b>	<b>307.6</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> All	<b><u>Proposal No:</u></b> SSG15		
<b><u>Details of Proposal</u></b>  Recruitment and Retention (Approved Social Workers, NVQ and Management Increments).			
<b><u>Type of Growth</u></b>  Budget Shortfall			
<b><u>Justification for Proposal</u></b> Market pressures and competition for key staff have made it necessary to increase pay of such groups of staff in order to retain existing employees, and to be able to recruit to vacant posts. This is a temporary arrangement pending the Council's new job evaluation scheme. It is will also be necessary, on an on-going basis, to recognise NVQ qualifications gained by care staff to comply with new care standards.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	470.0	520.0	570.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			



**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Children and Families	<b><u>Proposal No:</u></b> SSG16		
<b><u>Details of Proposal</u></b>  Children's Legal Services – increased caseload volume and complexity.			
<b><u>Type of Growth</u></b>  Budget Shortfall			
<b><u>Justification for Proposal</u></b>  There is an on-going increase in the number of children at risk, the complexity of cases, the level of advice needed following the Climbié Enquiry, and contested admissions to care. Significant additional work is being caused by new legislation such as the Protocol for Judicial Case Management and compulsory Interim Care Plans. Spending is expected to exceed the current budget by £130,000 in 2004/05.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	130.0	150.0	150.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services ( <i>Central Dept Trading Agreement</i> )		500.0	704.0
Income		0.0	0.0
<b>TOTAL</b>		<b>500.0</b>	<b>704.0</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	1	1	1
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> All		<b><u>Proposal No:</u></b> SSG17	
<b><u>Details of Proposal</u></b>  Gas and Electricity – expected 25% to 30% unit cost increase.			
<b><u>Type of Growth</u></b>  Budget Shortfall			
<b><u>Justification for Proposal</u></b>  It is expected that prices will increase by 25% to 30% in 2004/05, which cannot be accommodated within the inflation allocation for running costs.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	70.0	70.0	70.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		233.3	294.2
Income		0.0	0.0
<b>TOTAL</b>		<b>233.3</b>	<b>294.2</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Resources / Departmental		<b><u>Proposal No:</u></b> SSG18	
<b><u>Details of Proposal</u></b>  Health and Safety – Moving & Handling Training and Display Screen Risk Assessment.			
<b><u>Type of Growth</u></b>  Budget Shortfall			
<b><u>Justification for Proposal</u></b>  Further investment is required to minimise sickness absence from avoidable injuries, meet legislative standards, respond to improvement notices from the Health and Safety Executive, and avoid further notices.			
<b><u>Departmental Priorities Addressed</u></b>			
<b><u>Date to be implemented from:</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	50.0	50.0	50.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		133.3	295.3
Supplies & Services		11.3	46.2
Income		0.0	0.0
<b>TOTAL</b>		<b>144.6</b>	<b>341.5</b>
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	7.5	7.5	7.5
Extra post(s) (FTE)	1	1	1
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT  
GROWTH PROPOSAL 2004/2005**

<b>SERVICE AREA</b> Resources / Departmental		<b>Proposal No:</b> SSG19	
<b>Details of Proposal</b>  Central trading agreements – existing shortfalls.			
<b>Type of Growth</b>  Budget Shortfall			
<b>Justification for Proposal</b>  There are currently shortfalls on the budgets for a number of central trading agreements and charges, including central payroll, cashiers, and centrally managed accommodation.			
<b>Departmental Priorities Addressed</b>			
<b>Date to be implemented from:</b> April 2004			
<b>Financial Implications of Proposals</b>	<b>2004/05</b> <b>£000s</b>	<b>2005/06</b> <b>£000s</b>	<b>2006/07</b> <b>£000s</b>
Amount	30.0	30.0	30.0
<b>Service Budget</b>		<b>2002/03</b> <b>Outturn</b> <b>£000s</b>	<b>2003/04</b> <b>Budget</b> <b>£000s</b>
Staff		0.0	0.0
Supplies & Services ( <i>excluding Legal Services</i> )		1,221.8	906.0
Income		0.0	0.0
<b>TOTAL</b>		<b>1,903.3</b>	<b>1,656.0</b>
<b>Staffing Implications</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	0	0	0
<b>Geographical Implications</b> City Wide			
<b>Effect on other departments and corporate priorities</b> N/A			
<b>Benchmarking Information</b> N/A			
<b>Other Service Implications</b>			
Signature:..... Date:			

**SOCIAL SERVICES DEPARTMENT**  
**GROWTH PROPOSAL 2004/2005**

<b><u>SERVICE AREA</u></b> Older People		<b><u>Proposal No:</u></b> SSG20		
<b><u>Details of Proposal</u></b>				
Lower than expected impact of Government Grant for Delayed Discharges and Non-Residential Charges Increases.				
<b><u>Type of Growth</u></b>				
Budget Shortfall				
<b><u>Justification for Proposal</u></b>				
The income included in the 2003/04 DRS was based on the best estimates at the time, which proved to be slightly optimistic when compared to the actual income being received.				
<b><u>Departmental Priorities Addressed</u></b>				
<b><u>Date to be implemented from:</u></b> April 2004				
<b><u>Financial Implications of Proposals</u></b>		<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount		150.0	150.0	150.0
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>	
Staff		0.0	0.0	
Supplies & Services		0.0	0.0	
Income		(948.5)	(1,487.7)	
<b>TOTAL</b>		<b>(948.5)</b>	<b>(1,487.7)</b>	
<b><u>Staffing Implications</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)		0	0	0
Extra post(s) (FTE)		0	0	0
<b><u>Geographical Implications</u></b>				
City Wide				
<b><u>Effect on other departments and corporate priorities</u></b>				
N/A				
<b><u>Benchmarking Information</u></b>				
N/A				
<b><u>Other Service Implications</u></b>				
Signature:.....				
Date:				

## **SECTION 20**

### **2004/05 – 2006/07 Savings Proposals**

# **Social Care & Health**

## **Details of**

### **2004/05 – 2006/07 Reduction Proposals**

**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> Older People	<b><u>Proposal No:</u></b> SSR1		
<b><u>Details of Proposal</u></b>			
Non-personal Home Care, such as shopping, would no longer be provided unless part of an assessed package of services meeting Fair access to care criteria. Service users' needs would be reassessed, and the home care service withdrawn or reduced where appropriate.			
<b><u>Type of Reduction</u></b>			
Service Reduction			
<b><u>Date to be implemented from</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>			
	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	(400.0)	(400.0)	(400.0)
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		540.0	552.0
Income		(90.0)	(90.0)
<b>TOTAL</b>		<b>450.0</b>	<b>462.0</b>
<b><u>Effect of proposal on service users or others</u></b>			
<b><u>Staffing Implications</u></b>			
	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Post(s) deleted (FTE)	0	0	0
Current Vacancies (FTE)	0	0	0
Individuals at risk (FTE)	0	0	0
<b><u>Geographical Implications</u></b>			
City Wide			
<b><u>Effect on other departments and corporate priorities</u></b>			
N/A			
<b><u>Benchmarking Information</u></b>			
N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> Older People / Adults / Children and Families	<b><u>Proposal No:</u></b> SSR2		
<b><u>Details of Proposal</u></b>  Voluntary Sector – withdrawal of funding for non-core services, as set out in Section 15  .			
<b><u>Type of Reduction</u></b> Service Reduction			
<b><u>Date to be implemented from</u></b> April 2004 – December 2004			
<b><u>Financial Implications of Proposals</u></b>	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	(105.0)	(150.0)	(150.0)
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services <i>(only the groups included in this saving – the total spend on the voluntary sector is £5.6m)</i>		145.0	149.6
Income		0.0	0.0
<b>TOTAL</b>		<b>145.0</b>	<b>149.6</b>
<b><u>Effect of proposal on service users or others</u></b>			
<b><u>Staffing Implications</u></b>	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Post(s) deleted (FTE)	0	0	0
Current Vacancies (FTE)	0	0	0
Individuals at risk (FTE)	0	0	0
<b><u>Geographical Implications</u></b> City Wide			
<b><u>Effect on other departments and corporate priorities</u></b> N/A			
<b><u>Benchmarking Information</u></b> N/A			
<b><u>Other Service Implications</u></b>			
Signature:..... Date:			



**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> Older People / Adults / Children and Families		<b><u>Proposal No:</u></b> SSR3		
<b><u>Details of Proposal</u></b> Voluntary Sector – saving from reviews and mergers of core services, as set out in Section 15.  Services provided by a number of organisations providing advocacy, day care, mental health and counselling services would be reviewed, rearranged and merged to improve efficiency. It is estimated that around 15% of the current funding could be saved.				
<b><u>Type of Reduction</u></b> Efficiency Saving				
<b><u>Date to be implemented from</u></b> April 2005				
<b><u>Financial Implications of Proposals</u></b>		<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount		0.0	(100.0)	(100.0)
<b><u>Service Budget</u></b>			<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff			0.0	0.0
Supplies & Services <i>(only the groups included in this review – the total spend on the voluntary sector is £5.6m)</i>			665.0	682.5
Income			0.0	0.0
<b>TOTAL</b>			<b>665.0</b>	<b>682.5</b>
<b><u>Effect of proposal on service users or others</u></b>				
<b><u>Staffing Implications</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)		0	0	0
Post(s) deleted (FTE)		0	0	0
Current Vacancies (FTE)		0	0	0
Individuals at risk (FTE)		0	0	0
<b><u>Geographical Implications</u></b> City Wide				
<b><u>Effect on other departments and corporate priorities</u></b> N/A				
<b><u>Benchmarking Information</u></b> N/A				
<b><u>Other Service Implications</u></b>				
Signature:..... Date:				

**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> All		<b><u>Proposal No:</u></b> SSR4	
<b><u>Details of Proposal</u></b>			
Use of Non-Ringfenced Government Grants.			
Advantage will be taken in 2004/05 of the increased flexibility on government grants, to substitute for mainstream funding. However, the extent to which it will continue to be possible in 2005/06 and 2006/07 is uncertain.			
<b><u>Type of Reduction</u></b>			
Efficiency/Restructuring Saving			
<b><u>Date to be implemented from</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>		<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>
Amount		(1,670.0)	(1,470.0)
			<b><u>2006/07</u></b> <b><u>£000s</u></b>
			(1,470.0)
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>
<b><u>Effect of proposal on service users or others</u></b>			
<b><u>Staffing Implications</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>
Current service staffing (FTE)		0	0
Post(s) deleted (FTE)		0	0
Current Vacancies (FTE)		0	0
Individuals at risk (FTE)		0	0
<b><u>Geographical Implications</u></b>			
City Wide			
<b><u>Effect on other departments and corporate priorities</u></b>			
N/A			
<b><u>Benchmarking Information</u></b>			
N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> Resources		<b><u>Proposal No:</u></b> SSR5	
<b><u>Details of Proposal</u></b>			
Resources Division efficiency savings. Savings will be made in non-front line management, administration and support through reviews and restructuring.			
<b><u>Type of Reduction</u></b>			
Efficiency/Restructuring Saving			
<b><u>Date to be implemented from</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>
		<b><u>£000s</u></b>	<b><u>£000s</u></b>
Amount		(100.0)	(100.0)
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b>	<b><u>2003/04</u></b>
		<b><u>Outturn</u></b>	<b><u>Budget</u></b>
		<b><u>£000s</u></b>	<b><u>£000s</u></b>
Staff		5,201.4	5,885.2
Supplies & Services		3,660.6	5,604.0
Income		(2,402.6)	(2,707.9)
<b>TOTAL</b>		<b>6,459.4</b>	<b>8,781.3</b>
<b><u>Effect of proposal on service users or others</u></b>			
<b><u>Staffing Implications</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>
Current service staffing (FTE)		0	0
Post(s) deleted (FTE)		0	0
Current Vacancies (FTE)		0	0
Individuals at risk (FTE)		0	0
<b><u>Geographical Implications</u></b>			
City Wide			
<b><u>Effect on other departments and corporate priorities</u></b>			
N/A			
<b><u>Benchmarking Information</u></b>			
N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> Older People / Adults	<b><u>Proposal No:</u></b> SSR6		
<b><u>Details of Proposal</u></b>			
Increases in charges to Service Users for Home Care, Meals, Laundry & Transport			
Charges to service users would be increased to the following rates from April 2003:			
<ul style="list-style-type: none"> <li>• Lunchtime meal (per meal) - £2.50</li> <li>• Laundry (per load) – £6.00</li> <li>• Home to Day Centre Transport (per day) – £2.00</li> <li>• Home Care (per hour) - £6.00</li> </ul>			
<b><u>Type of Reduction</u></b>			
Efficiency/Restructuring Saving			
<b><u>Date to be implemented from</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>			
	<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>	<b><u>2006/07</u></b> <b><u>£000s</u></b>
Amount	(250.0)	(250.0)	(250.0)
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		0.0	0.0
Supplies & Services		0.0	0.0
Income		(1,830.0)	(1,975.0)
<b>TOTAL</b>		<b>(1,830.0)</b>	<b>(1,975.0)</b>
<b><u>Effect of proposal on service users or others</u></b>			
<b><u>Staffing Implications</u></b>			
	<b><u>2004/05</u></b>	<b><u>2005/06</u></b>	<b><u>2006/07</u></b>
Current service staffing (FTE)	0	0	0
Post(s) deleted (FTE)	0	0	0
Current Vacancies (FTE)	0	0	0
Individuals at risk (FTE)	0	0	0
<b><u>Geographical Implications</u></b>			
City Wide			
<b><u>Effect on other departments and corporate priorities</u></b>			
N/A			
<b><u>Benchmarking Information</u></b>			
N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

**SOCIAL SERVICES DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL**  
**2004/2005**

<b><u>SERVICE AREA</u></b> Older People		<b><u>Proposal No:</u></b> SSR7	
<b><u>Details of Proposal</u></b>			
Refocussing of In-House EPHs to provide specialist residential placements. During 2004/05, the role of in-house EPHs will be reviewed, with a view to them providing more specialist care commensurate with the higher staffing costs and direct control by the Department.			
<b><u>Type of Reduction</u></b>			
Efficiency/Restructuring Saving			
<b><u>Date to be implemented from</u></b> April 2004			
<b><u>Financial Implications of Proposals</u></b>		<b><u>2004/05</u></b> <b><u>£000s</u></b>	<b><u>2005/06</u></b> <b><u>£000s</u></b>
Amount		0.0	(200.0)
			(200.0)
<b><u>Service Budget</u></b>		<b><u>2002/03</u></b> <b><u>Outturn</u></b> <b><u>£000s</u></b>	<b><u>2003/04</u></b> <b><u>Budget</u></b> <b><u>£000s</u></b>
Staff		4,145.4	4,198.9
Supplies & Services		858.3	931.3
Income		(167.6)	(60.9)
<b>TOTAL</b>		<b>4,836.1</b>	<b>5,069.3</b>
<b><u>Effect of proposal on service users or others</u></b>			
Older People			
<b><u>Staffing Implications</u></b>		<b><u>2004/05</u></b>	<b><u>2005/06</u></b>
Current service staffing (FTE)		0	0
Post(s) deleted (FTE)		0	0
Current Vacancies (FTE)		0	0
Individuals at risk (FTE)		0	0
<b><u>Geographical Implications</u></b>			
City Wide			
<b><u>Effect on other departments and corporate priorities</u></b>			
N/A			
<b><u>Benchmarking Information</u></b>			
N/A			
<b><u>Other Service Implications</u></b>			
Signature:.....			
Date:			

## **Appendix 1**

### **Voluntary Sector Savings Proposals - Consultation with Funded Organisations**

#### **Background**

In early January 2004, voluntary sector organisations deemed to be providing non-core services to the Council were informed of the proposals to discontinue their funding. They were invited to make representations to the relevant Service Director.

Fourteen Social Care and Health funded organisations were affected by the draft proposals. Of these, written representations were received from twelve:

- Alzheimer's Society
- Belgrave Playhouse
- Leicester Charity Link
- Leicester Counselling Centre
- Leicester Holme Project (Jason Court)
- Leicester Rape Crisis
- Mencap
- Mosaic
- Relate Leicestershire
- Quetzal Project
- Saffron Support for Elderly People
- Voluntary Action Leicester

All disputed the basis of the proposals, stating that they consider their services core to the statutory requirements of the Social Care and Health Department. They asked that the proposals be re-considered in the light of the information provided.

No written representations were received by the Department from two organisations:

- Leicester YMCA (Y Centre) – although representations were made to the Director of Housing (the proposed future funding arrangements are set out below)
- St Matthew's Elders Project – although representations were made direct to Elected Members and were taken into account by the Corporate Director.

#### **Recommended Changes**

Service Directors considered the additional detailed information, and made recommendations to the Corporate Director. It was concluded that six projects had demonstrated that their service is core to the statutory requirements of the Department. It is therefore recommended that the proposals to discontinue funding of the six projects should be withdrawn:

<b>Alzheimer's Society</b>	<i>(information and support)</i>
<b>Leicester Charity Link</b>	<i>(service user grant giving agency)</i>
<b>Leicester Rape Crisis</b>	<i>(counselling for women)</i>
<b>Quetzal Project</b>	<i>(counselling women survivors of childhood sexual abuse)</i>
<b>St Matthew's Elders Project</b>	<i>(day service and home visiting)</i>
<b>Saffron Support for Elderly People</b>	<i>(Home Visits and Volunteer Support)</i>

It is further recommended that the proposals to discontinue funding the **Leicester Counselling Centre** and **Relate Leicestershire** should be withdrawn at this stage, and that their services be reviewed during 2004/05 as part of a generic counselling services review.

Members are also asked to note that it is understood that the Director of Housing plans to pick up the funding of the **Leicester YMCA Y Centre advice and information service**, in connection with the planned multi-disciplinary centre.

### **Reasons for withdrawing the savings proposals**

#### Alzheimer's Society

The additional information received demonstrates that the Alzheimer's Society provides a specific service not available elsewhere to a clearly defined service user group. The information shows a 52% referral rate from the Department for the current year for this unique specialist service in the city. It is now accepted that any withdrawal of funding would jeopardise this provision, and may prevent those with Alzheimer's and their carers receiving support and advice from people with the necessary skills and experience to deliver it.

#### Leicester Charity Link

The additional detailed evidence provided demonstrates that the monies raised from the range of charities and trusts contribute directly towards meeting the Department's statutory duties. Out of a total of 1,834 city residents assisted in the twelve-month period to 31<sup>st</sup> December 2003, 540 were direct Social Care and Health Department referrals, providing £153,086. Much of this was allocated under Section 17 (6) of the Children Act 1989, to meet the needs of children and families after an assessment, and would otherwise have had to be funded by the Department.

#### Leicester Rape Crisis

It is recognised that Leicester Rape Crisis provides a specialist and individual service, which complements the Department's core activities, e.g the Mental Health Strategy. The organisation caters for women who may not necessarily access the services via the statutory agencies and therefore acts as a vital link to care, health and the law enforcement agencies.

### Quetzal Project

It is recognised that Quetzal Project is a specialist and focussed individual service for women affected by early childhood sexual abuse, which complements the Department's core activities, e.g. Mental Health Strategy. The organisation caters for women who may not necessarily access the services via the statutory agencies and therefore acts as a vital link to the Department, mental health services, and where necessary, the law enforcement agencies.

### St Matthew's Elders Project

This project provides home support services to elderly people. Further discussions will be held with the Project to ensure that services are fully targeted towards the Department's core activities.

### Saffron Support for Elderly People

The detailed information submitted demonstrates that services are being provided to a number of service users who meet Fair Access to Care eligibility Criteria. Further discussions will be held with the Project to ensure that services are fully targeted towards the Department's core activities.

### Counselling Services (Leicester Counselling Centre and Relate Leicestershire)

Generic counselling activities are non-core to the Department's priorities. However, the projects have demonstrated that an element of referrals from the Department relate to users who may be deemed eligible under Fair Access to Care Services (FACS) criteria.

The information submitted also highlights the implications for the Department's priority service user groups who could be disadvantaged through the withdrawal of this service, with no available alternative provision.

There has been sufficient demonstration of the need to further explore the level, purpose, outcome and justification of funding. It is therefore recommended that funding be continued at this stage, pending a full review during 2004/05. The review will consider the funding and service need, to determine to what extent the services meet the requirements of a core activity and eligibility under Fair Access to Care Services (FACS) criteria.



## **Appendix 2**

### **Savings Proposals - General Responses**

The responses from voluntary sector organisations about their own funding are shown in Appendix 1.

Responses have also been received from other people and organisations about the proposed voluntary sector reductions, and the number of letters received is shown below. Officer responses are not given here, as they are effectively covered by Appendix 1.

There were no representations received about any of the other savings proposals in this Strategy.

<b>Name of Organisation</b>	<b>Number of letters opposing savings proposals</b>
Alzheimer's Society	3
Belgrave Playhouse	3
Leicester Charity Link	14
Leicester Counselling Centre	6
Leicester Holme Project (Jason Court)	2
Leicester Rape Crisis	32
Mencap Information & Development Service	1
Mosaic: Shaping Disability Services (Leisure Opportunities )	19
Relate Leicestershire	4
St Matthews Elders Project	1
The Quetzal Project	5
Saffron Support for Elderly People	35
Voluntary Action Leicester - Volunteering	4
Voluntary Sector reductions generally	27

### Appendix 3

#### Race Relations (Amendment) Act 2000:

#### Risk Assessment Matrix

Ref	Reduction	Core or Non-core service	High / medium / low risk of adverse impact on racial groups?
SSR1	Do not provide non-personal Home Care unless part of a care package	Core	Low
SSR2	Voluntary Sector - withdraw funding for non-core services	Non –core	N/A
SSR3	Voluntary Sector - review and merge core services	Core	Low
SSR4	Use of Non-Ringfenced Government Grants	Non –core	N/A
SSR5	Resources Division efficiency	Non –core	N/A
SSR6	Increase charges	Core	Low
SSR7	Refocusing of In-House Elderly Person's Homes	Core	Low