

# Bath & North East Somerset Council

MEETING:	Healthier Communities & Older People Overview & Scrutiny Panel	
MEETING DATE:	18 January 2011	AGENDA ITEM NUMBER
TITLE:	Service Action Plan	
WARD:	ALL	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		
<ul style="list-style-type: none"><li>• Service Action Plan 2011-2012 Adult Social Care &amp; Housing</li><li>• Appendix 1: Community Health &amp; Social Care Services Workforce Planning Strategy</li><li>• Appendix 2: Equalities Impact Assessment – Medium Term Service &amp; resource Plan 2011/12-2013/14, Adult Social Care &amp; Housing</li></ul>		

## 1 THE ISSUE

1.1 The Service Action Plan to support the Adult Social Care & Housing Medium Term Service & Resource Plan are presented for consideration by the Panel:

- to enable issues to be highlighted for consideration by Cabinet in February as part of the annual budget setting process.
- to enable issues to be referred to the relevant portfolio holder in advance of Cabinet's consideration of the overall budget.

1.2 It should be noted that there is a special meeting of the Corporate Performance & Resources Overview & Scrutiny Panel on 31st January, at which time it is intended to take an overview of all of the comments that have been submitted by each of the Overview & Scrutiny Panels. This will be the final opportunity for the CPR Overview and Scrutiny Panel to highlight issues and options for Cabinet.

1.3 At all times it is crucial to apply financial rigour to the Service and Resource Planning process. This means that where Panels identify aspirations to increase activity or expenditure they need to be clear about how such a change will be resourced and, in particular, to identify compensating savings or sources of finance.

1.4 At the November meeting consideration was given to the medium term plan for Adult Social Care & Housing which sets out:

- (1) The financial challenge over the next 3 years
- (2) The strategic context for service planning

- (3) The implications of the Change Programme which is encapsulated in the Future Council report considered by Council in November

1.5 Common issues for all service action plans are:

- (1) Equalities and workforce impact of reducing service budgets
- (2) Need for clear prioritisation especially where specific external funding (grant) is being lost
- (3) Impact of new Government legislation, and planned legislation, such as changes affecting schools (Academies) and Health & Social Care (changes to commissioning with greater role for GP's, public health, and arms length delivery arrangements)

1.6 The financial settlement has now been received in draft, although the Council will be submitting a response, and the headline number is a 13.5% reduction in Government Formula Grant. The numbers are complicated by the inclusion of several specific grants in formula grant, but not all. It is not yet entirely clear which grants are included, which are being separately announced, and which have stopped. Cabinet will be considering this in detail. The headline reduction in Government Grant (about a third of the Council's non-schools funding) is between 15% and 20% and the number should become clear during January.

1.7 A specific grant to compensate for 'freezing' Council Tax has been confirmed. This will cover the cost for 2011/12 for the duration of the settlement – 2 years – and possibly longer.

1.8 The Financial plans allowed for most of the implications of the settlement although up to £2M of funding will be affected by specific grants disappearing especially affecting Children's Services but it now appears not affecting Drug Action in Adult Services.

1.9 Medium Term plans will need to be revisited in the light of the settlement to see what adjustment to year 2 (2012/13) figures are needed. The annual budget report will refer to this and the need for Service Prioritisation in addition to further efficiencies to accommodate the effect.

1.10 The Future Council report referred to £30M of ongoing savings being required by year 4 (2014/15) with approximately 300 job losses. These figures remain broadly right but are now possibly understated. The uncertainty about some specific grants and the fact that the Government settlement is only for 2 years (not 4 as had been indicated) means there is a high level of uncertainty about these numbers. This is compounded by the effect of the review of Local Government Finance which will affect 2013/14 onwards including the potentially positive impact of the return of (some) business rates to local control (and local finances, Council finances).

## **2 RECOMMENDATION**

The Healthier Communities & Older People Overview & Scrutiny Panel is recommended to:

- 2.1 Comment on the Service Action Plans, taking into account the matters referred to above.
- 2.2 Identify any issues requiring further consideration at the special meeting of the CPR Overview and Scrutiny Panel in January and subsequently by Cabinet as part of the annual Service Action Planning and Budget process, in February.
- 2.3 Identify any issues arising from the draft Service Action Plans it wishes to refer to the relevant portfolio holder for further consideration in advance of the Cabinet meeting in February.

### **3 FINANCIAL IMPLICATIONS**

- 3.1 The financial context for Service Planning was set out in the reports to the November meetings of Overview and Scrutiny Panels.
- 3.2 Further information about the Government settlement has been set out above.
- 3.3 The financial implication of each service action plan are set out within each of the plans and achieve the financial targets discussed in November - that equates to about an 8% reduction in gross costs having absorbed growth such as contract and pay inflation – which means that real reduction significantly exceed 10%.

### **4 THE REPORT**

- 4.1 This report forms part of the Service and Resource Planning process. The next steps include:
  - Overview and Scrutiny review of other Service Action Plans - January meetings.
  - CPR Overview & Scrutiny takes overview of O&S comments – 31st January 2011
  - Cabinet recommendations to Council to enable budget setting - 3rd February 2011
  - Council approval of budget - 15th February 2011
- 4.2 There is a reserve date for Council to reconsider the budget if there are any major amendments which cannot be dealt with on 15th February. The reserve date is 24th February.
- 4.3 At its meeting in February the Cabinet will consider:
  - The draft annual budget report so that recommendations can be made to Council
  - There will be no revision of the Corporate Plan this year as it will be important to review priorities after the next local elections in May 2011.
  - Medium Term Service & Resource Plans and Annual Service Action Plans will be important background documents

- 4.4 It is imperative at each stage to view the proposed budgets and Service Action Planning proposals in the context of the Council's priorities and the Sustainable Community Strategy.
- 4.5 These plans form part of the Council's Service Delivery Programme which is part of its performance framework. The Comprehensive Area Assessment external (audit) review no longer continues, and neither does the Use of Resources assessment. In addition the Audit Commission is being abolished and a new simplified national performance monitoring regime and benchmarking framework is being discussed. At this stage no agreement has been reached about what the new requirements for Local Government will look like. Nevertheless the format of these plans reflects best practice and should work well in the new context.
- 4.6 Each Service Action Plan contains commitments for the year ahead. Those commitments support the Medium Term Plans which cover the next 3 years, but also refer to the following 7.
- 4.7 Service Action Plans and Medium Term Service & Resource Plans will be ratified by the February meeting of Council but will not be presented to the meeting of Council. They will be a relevant background paper. With that in mind it is timely for Overview and Scrutiny Panels to consider matters that need highlighting and to raise such matters with portfolio holders in advance of the February Cabinet meeting.
- 4.8 Issues highlighted by Overview & Scrutiny Panels will be collated and summarised for the CPR Overview and Scrutiny Panel meeting in January. This information will also be included with the papers presented to both Cabinet and Council when the budget is considered.

## **5 RISK MANAGEMENT**

- 5.1 A risk assessment of the Council's budgets and reserves will be contained in the final budget papers to be presented to Cabinet and Council in February.

## **6 EQUALITIES**

- 6.1 Service Action Plans contain relevant references to equalities. A consideration for this Panel is whether those Service Action Plans contain the right actions to help the Council consistent with its new status (for equalities issues) as an "achieving Council". The impact of cuts in budgets on staff and customers is pertinent. Service Action Plans contain relevant references to equalities. An Equalities Impact Assessment of the Adult Social Care & Housing MTSRP 2011/12-2013/14 is attached at Appendix 2.

## **7 CONSULTATION**

- 7.1 The corporate implications of this report have been considered by Strategic Directors Group (SDG), including the Section 151 Finance Officer; Chief Executive and Monitoring Officer.
- 7.2 Further consultation has previously taken place as part of the Corporate Plan and Sustainable Community Strategy process. A budget fair was run in October and the feedback was reflected in medium term plans.

## 8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 All the following issues are relevant to Service Action Planning: *Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate Plan; Health & Safety; Impact on Staff; the Legal Considerations.*

## 9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer (Strategic Director - Resources and Support Services) have had the opportunity to input to this report.

<b>Contact person</b>	Jane Shayler, Tel 01225 396120
<b>Background papers</b>	<i>Draft Medium Term Service &amp; Resource Plan 2011/12-2013/14 Adult Social Care &amp; Housing, Healthier Communities &amp; Older People Overview &amp; Scrutiny Panel, 9<sup>th</sup> November 2010.</i>
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