

TELFORD & WREKIN COUNCIL

HEALTH & WELLBEING BOARD

ADULT SOCIAL CARE FINANCIAL POSITION

REPORT OF THE DIRECTOR OF ADULT & COMMUNITY SERVICES

1. BACKGROUND

The Government's 2010 Comprehensive Spending Review (CSR) programmed cuts of 27% in Local Government grant funding in cash terms over the 4 year period to March 2015– nearer 40% in real terms after inflation and growth in demand.

2. 2011/12 – 2014/15 STRATEGY

The Council's strategy for this 4 year period already requires reductions of just under £9.5m for Adult Social Care on a controllable net budget of around £43m for 2011/12. The phasing of proposals is as follows:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
Staff	-	2,251	-	-	2,251
Non Staff	1,670	2,546	1,901	1,102	7,219
Total	1,670	4,797	1,901	1,102	9,470

A schedule of current non staff savings proposals for the period 2012/13 through to 2014/15 is attached in the Appendix 1. This forms part of the above £9.47m programme which Adult Social Care must deliver – the balance comes from 20% staff cuts and non staff savings already delivered last year.

3. ADDITIONAL PRESSURES

This position requiring £9.47m savings (22%) by 2015 is being exacerbated by:

- Anticipated further government funding cuts on top of those in the 2010 CSR, likely to add at least £2-3m for savings required from Adult Care
- The switch of over £8m in Continuing Health Care (CHC) costs from the PCT over the last 2 years as part of QIPP savings which has cut the PCT's CHC spend by 73% over that time. Previously the PCT had a much higher level of CHC funding support than average in 2009/10, hence the need for some adjustment but our PCT is now around 4th or 5th lowest CHC funder in the country (out of over 150 PCTs)
The Council has corporately funded £3m of these costs already out of its overall savings programme. The residual £5m + additional CHC costs falling on Adult Care are now being largely met with one off national and local NHS funding as a temporary holding position. This is not a sustainable position and will ultimately

require a further £5m + cuts in Adult Care budgets unless a permanent solution is found.

- The inability of the Council, because of pressure on its financial position to fund the growing demographic and inflationary pressures on the Adult Care budget, exacerbated by the recession and general government public spending cuts. This equates to around £1.3m a year.

Thus by 2015 Adult Social Care could face additional savings requirements of over £10m on top of the £9.5m already programmed – a cut of at least 45% from the 2011/12 net budget.