

NEIGHBOURHOOD

NEIGHBOURHOOD SERVICES - SUMMARY

FORECAST BUDGET 2004/2005	34,565,100	34,565,100	34,565,100
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PERMANENT VIREMENTS BETWEEN DIRECTORATES	2005/06 £	2006/07 £	2007/08 £	COMMENTS
1	0	0	0	
TOTAL PERMANENT VIREMENTS	0	0	0	

INFLATION	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Pay Inflation				
1 Pay Inflation (superann at planned level)	694,400	1,354,700	2,010,800	Assumes increase of 2.95% 2005-06, and 2006-07 and 3% 2007/08, in line with corporate guidance
2 Salary Increments (superann at planned level)	297,800	580,700	861,900	Based on current establishment
3 Additional Superann as a result in pension fund performance	0	76,240	76,240	Additional 0.6% increase in 2006-07 only in line with Corporate Guidance
4 Vacancy Provision	(24,800)	(42,600)	(59,700)	Increase in target to reflect pay award & increment changes
5 Vacancy Provision - additional 1%	(76,300)	(82,300)	(88,100)	Additional 1% increase to cover recruitment costs
6 Recruitment Costs	76,300	82,300	88,100	New budget provision based on 1% basic salaries (vacancy target increased by 1% to cover cost)
Total Pay Inflation	967,400	1,969,040	2,889,240	
Non-Pay Inflation				
1 Electricity	5,470	9,370	12,200	Based on corporate guidance of 29% increase 2005/06; 16% increase 2006/07; 10% increase 2007/08
2 Gas	6,700	9,060	11,640	Based on corporate guidance of 40% increase 2005/06; 10% increase 2006/07; 10% increase 2007/08
3 Water	840	1,730	2,670	Based on corporate guidance of 6% increase
4 NNDR	5,440	12,560	21,880	Based on corporate guidance of 3.1% increase
5 Insurance	5,880	12,080	18,590	Based on corporate guidance of 5% increase
6 Audit fees	600	1,210	1,840	Based on corporate guidance of 3% increase
7 Inflation on Corporate Recharges	91,350	186,350	285,160	Based on corporate guidance of 4% increase (on current level of 2004-05 recharges)
	116,280	232,360	353,980	

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INFLATION	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Contractual Inflation				
1 Older People Placements (incl. EMH)	711,850	1,309,800	1,776,200	} 5%, 4%, 3% (2005/06, 2006/07, 2007/08) increase - based on current market demand and pressures difficulty is being experienced in securing placements, therefore there is pressure to increase current rates above inflation rate. The impact of the implementation of higher national regulatory standards has also contributed to this problem.
2 Learning Disability Placements	251,880	463,450	628,480	
3 Physical Disability Placements	163,550	300,940	408,100	
4 Mental Health Placements	14,640	26,940	36,530	} 5%, 4%, 3% (2005/06, 2006/07, 2007/08) increase on block contracts and spot contracts with the independent & not for profit sector organisations
5 Other Adult Services Placements	21,300	39,190	53,140	
6 Commissioning Contracts	82,000	150,880	204,610	} 2.5% increase in line with corporate guidance. Contractual increases for services provided by Shelter, Age Concern HIA, Family Mediation Service, MK Energy & Community Mediation Service, ODDS & Youth Housing Network.
7 Housing voluntary & independent sector contracts	7,790	15,780	23,970	
8 Inflation on HBS contract	32,590	66,110	100,620	Based on Corporate guidance of 2.9% increase
Total Contractual Inflation	1,285,600	2,373,090	3,231,650	
TOTAL INFLATION	2,369,280	4,574,490	6,474,870	

EFFICIENCIES & SAVINGS	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Efficiency as a result in changes of work practice				
1 Reduction in nursing home placements	(100,000)	(150,000)	(200,000)	This reflects the Council's Strategy to reduce placements (equating to 6/7) as the transition to supporting clients at home increases
2 Refocus of Commissioning & Customer Care	(16,000)	(16,000)	(16,000)	Refocus of current staff roles and responsibilities
3 Voluntary Sector Housing Grant	(29,000)	(29,000)	(29,000)	No grant currently being paid therefore no impact on service. Overprovision of grant budget
4 B&B payments to hoteliers	(40,000)	0	0	One-off reduction possible. Volatility of the housing market means this may not be deliverable in future years
5 Midsummer Housing	(10,000)	(10,000)	(10,000)	Negotiated reduction in grant payment
6 Older People residential and nursing provision	(100,000)	(200,000)	(200,000)	Improved procurement & better use of spot and block contracts (10 less people supported in residential/nursing provision). These savings will mean a overall reduction in the placement budgets available to support this client group.
7 Residential Provision Disabilities	(150,000)	(150,000)	(150,000)	Improved procurement & better use of spot and block contracts (8 less people under 65 supported in Residential provision). These savings will mean an overall reduction in the placement budgets available to support this client group.
8 Reduction in Supporting People Grant	(185,700)	(199,700)	(214,400)	Reduction in funding from ODPM estimated 5% reduction each year exact detail not announced . This figure will only cover the funding of internal services. There is no funding identified for the impact on external services which may result in increased demands on the Adult Social Care budget. (See associated Unavoidable Growth Item)

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EFFICIENCIES & SAVINGS	2005/06 £	2006/07 £	2007/08 £	COMMENTS
9 Intermediate Care	(102,000)	(102,000)	(102,000)	End of Dept of Health Performance Fund. The Performance Fund over 2003 to 2005 has been £306k. All of this cost so far has been absorbed by the service in the mainstream budget apart from £40k in 2005-06 for shared PCT Intermediate Care Manager plus support costs. (see related unavoidable growth item)
Total Efficiency Savings	(732,700)	(856,700)	(921,400)	
Spend to Save Initiatives				
1	0	0	0	
Total Spend to Save Initiatives	0	0	0	
EFFICIENCIES & SAVINGS	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Other Savings (including one offs)				
1 Housing Needs Study	(50,000)	(50,000)	(50,000)	One off addition to 2004/05 budget
2 Private Sector Stock Condition Survey	(40,000)	(40,000)	(40,000)	One off addition to 2004/05 budget
3 End of Pension Strain requirement	(27,350)	(27,350)	(27,350)	Three year repayment to pension fund ended in 2004-05 - 1 post
Total Other Savings	(117,350)	(117,350)	(117,350)	
TOTAL EFFICIENCIES & SAVINGS	(850,050)	(974,050)	(1,038,750)	

ESSENTIAL GROWTH	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Demographic Growth				
1 Older People (incl. EMH)	355,920	720,750	1,094,690	2.5% increase - based on expected increase in population for all adults
2 Learning Disability	125,940	255,020	387,340	2.5% increase - based on expected increase in population for all adults
3 Physical Disability	81,780	165,600	251,520	2.5% increase - based on expected increase in population for all adults
4 Mental Health	7,320	14,820	22,520	2.5% increase - based on expected increase in population for all adults
5 Other Adult Services	10,650	21,560	32,750	2.5% increase - based on expected increase in population for all adults
6 Learning Disability	277,060	569,360	877,740	5.5% increase - based on known expected transitions from Childrens Services. 24 school leavers with care needs in 2005-06 of whom at least 5 will require specialist residential/nursing placement
Total Demographic Growth	858,670	1,747,110	2,666,560	

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ESSENTIAL GROWTH	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Unavoidable Growth (Statutory & Grants to / from FSS)				
1 Intermediate Care	142,000	142,000	142,000	End of Dept of Health Performance Fund. The Performance Fund over 2003 to 2005 has been £306k. All of this cost so far has been absorbed by the service in the mainstream budget apart from £40k in 2005-06 for shared PCT Intermediate Care Manager plus support costs (see related efficiency item)
2 Additional Approved Social Workers (Mental Health)	60,000	60,000	60,000	2 Posts required to meet Statutory obligations of providing a 24 hour rota, 7 days per week. Current 24 hour service being provided by team of 9 but difficulties in maintaining cover of the rota due to other duties required of the team plus the need to cover for sickness & holiday periods.
3 National Assistance Act - Destitute from abroad	100,000	100,000	100,000	Humanitarian payments for accommodation and subsistence (no budget at present). Currently funding around 5 clients from the Disability placement budget. However, there is increasing demand on the placements budget which means long term funding of these payments is not available. There is also likely to be an increase in the number of clients being supported since recent High Court rulings
4 Reduction in Supporting People Grant	280,000	294,000	308,700	Reduction in funding from ODPM estimated 5% reduction exact detail not announced . This figure will only cover the funding of internal services. There is no funding identified for the impact on external services which may result in increased demands on the Adult Social Care budget. (see related Efficiency item)
5 Valuing People- Bracken House Reprovision	50,000	180,000	180,000	Modernisation of service to meet Valuing People requirement for independent living. Cabinet Report of 28th Sept 2004 approved preferred provider. A detailed financial assessment of the proposal to be submitted to Cabinet in Jan 2005. 2005-06 figure represents additional cost of setting up the new contracts. Budget assumes contract will start in 2005/06.
6 Private Sector Housing Stock Condition Survey	10,000	10,000	10,000	Rolling programme required to maintain database created in 2004-05
7 Loss of Planning Delivery Grant	0	25,000	25,000	Full year effect, agreed as part of 2004-05 budget/SIMs process. Permanent post appointed to based on approval in 2004-05
8 Loss of Homelessness Grant	96,000	140,000	140,000	ODPM have not yet issued guidance on the targeted funding for 2005-06 yet, which may or may not produce ongoing grant of the full £140k. It is therefore prudent to assume at this stage that we will only get the guaranteed part of the grant which is for 2005-06 only. Grant ends completely in 2006-07. Worst case for 2005-06 would be the immediate loss of funding for posts, services provided by the voluntary sector and rent deposit scheme. Could also lead to increase in Bed & Breakfast costs.
9 Reduction in nursing home placements	0	50,000	100,000	This reflects the Council's Strategy to reduce placements (equating to 6/7) as the transition to supporting clients at home increases (see related efficiency item)
10 Pension Strain	26,560	26,560	26,560	Assumes 3 year repayment to pension fund - 2 post
11 Ongoing Additional Pension	2,360	2,360	2,360	On Going Pension cost for above post
Total Unavoidable Growth	766,920	1,029,920	1,094,620	
Budget Corrections				
1 Loss of income contribution from PCT	40,000	40,000	40,000	Incorrect budget assumption on contribution from PCT for Out of Hours service - currently being managed within the placements budget which will be unsustainable in future years

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ESSENTIAL GROWTH	2005/06 £	2006/07 £	2007/08 £	COMMENTS
2 Internal Home Care	60,000	60,000	60,000	Current budget pressure of £90k, reflecting the omission of substantive posts from the 2004-05 budget, is being funded from the placements budget. However only £30k can be funded long term without an adverse impact on service provision.
3 Shortfall on Sheltered Housing (General Fund)	120,000	120,000	120,000	Shortfall on HRA funding to general fund. Based on outturn for 2003-04 and current year's projections
4 Residential Allowance	715,000	1,430,000	1,430,000	Specific Grant proposed to be reduced with remainder being funded via FSS. (*See note below)
5 Preserved Rights Grant	129,000	538,000	538,000	Specific Grant proposed to be reduced with remainder being funded via FSS. (*See note below)
6 Training Support Grant	170,000	170,000	170,000	End of Training Support Grant
Total Budget Corrections	1,234,000	2,358,000	2,358,000	
TOTAL ESSENTIAL GROWTH	2,859,590	5,135,030	6,119,180	

SERVICE REDUCTIONS	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Level 1				
1 Reduction in use of Out area Bed & Breakfast placements	(20,000)	(20,000)	(20,000)	Reduction in use of Out Area Bed & Breakfast
2 Reduce use of Out of Borough placements	(50,000)	(50,000)	(50,000)	Reduce use of Out of Borough placements
Total Level 1 Reductions	(70,000)	(70,000)	(70,000)	
Level 2				
1				
Total Level 2 Reductions	0	0	0	
TOTAL REDUCTIONS	(70,000)	(70,000)	(70,000)	

INCOME	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Statutory Income				
1 Residential / Nursing - Physical Disabilities	(3,350)	(6,700)	(10,060)	Assumes a 2.5% increase in benefits (DWP)
2 Residential - Learning Disabilities	(6,590)	(13,190)	(19,780)	Assumes a 2.5% increase in benefits (DWP)
3 Residential / Nursing - Older People	(94,880)	(189,750)	(284,630)	Assumes a 2.5% increase in benefits (DWP)
4 Other Residential (inc Mental Health)	(610)	(1,210)	(1,820)	Assumes a 2.5% increase in benefits (DWP)

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INCOME	2005/06 £	2006/07 £	2007/08 £	COMMENTS
Total Statutory Income	(105,430)	(210,850)	(316,290)	
Non Statutory Income				
1 Laundry Charge - 70p increase	(5,700)	(5,700)	(5,700)	18.5% increase in 2005/06 as there has been no increase for previous three years. Current Charge £3.80
2 Meals Charge - 10p increase	(8,280)	(8,280)	(8,280)	3% increase 2005/06 only. Current Charge £3.20
3 Home care charges - £1 increase	(10,000)	(10,000)	(10,000)	Increase in Homecare notional charges from £10 to £11/hour. Proposal to raise ceiling to £210.
4 Community Alarm charges	0	0	0	No increase proposed as charges have been increased by 25% over the past 2 years
5 Transport to Learning Disability Day Centres	0	(2,000)	(2,000)	Currently £2 per day introduced in August 2004 therefore no further increase proposed for 2005-06. 5% proposed for 2006-07only
Total Non Statutory Income	(23,980)	(25,980)	(25,980)	
TOTAL INCOME	(129,410)	(236,830)	(342,270)	

CASH LIMIT	38,744,510	42,993,740	45,708,130
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GROWTH	2005/06 £	2006/07 £	2007/08 £	COMMENTS
1 Housing Strategy	30,000	30,600	31,200	Strategy & Enabling Post
2 Early Intervention Service (Mental Health)	60,000	60,000	60,000	Milestones which needed to be met as a requirement within the National Standards framework (Mental Health) need to be achieved to prevent a fall in the star rating for Social services. There is a joint responsibility between the PCT and the Council, as part of the pooled budget arrangement to set up a service in Milton Keynes for 14-25 year olds which is not currently provided. Consultancy work is currently being undertaken to determine the precise form this service should take. The figure represents match funding of up to £60,000 (equivalent to 60% contribution) to 3 FTE posts.
3 Supporting People	140,000	140,000	140,000	Supporting people Grant Shortfall
TOTAL GROWTH	230,000	230,600	231,200	

PROJECTED BUDGET	38,974,510	43,224,340	45,939,330
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