

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Council : 27 June 2007

Subject : Old People's Welfare Budget

1. Purpose

- 1.1 The purpose of this report is to advise Members of options available that will deliver a real terms increase to the old people's welfare budget in line with previous years' budgets.

2. Background

- 2.1 A motion was carried at Council on 25 April 2007 instructing the Chief Executive to bring a report to the next appropriate Council meeting. The report was to provide options to deliver a real terms increase to the old people's welfare budget.

- 2.1 The increases in the old people's welfare budget - year on year - over the past few years have been in line with inflationary assumptions made during the Council's budget process:

2005/06	£163,130
2006/07	£167,210 (increase 2.5%)
2007/08	£171,390 (increase 2.5%)

- 2.2 In 2007/08 the budget was increased by 2.5% to £171,390. This increase is greater than the Scottish Executive inflationary assumption of 2%.

3. Main Issues

- 3.1 The current 'Consumer Price Index' (CPI) inflation rate as at April 2007 was 2.8% (in March this was 3.1%) and the Council has been advised that this is likely to fall in the latter half of 2007.
- 3.2 Each 0.5% increase on the outturn of 2006/07 would cost the Council an additional £836 per annum.
- 3.3 To ensure that a real term increase is received by the Old People's Welfare budget, based upon the current CPI level, it would be prudent to increase the inflationary uplift from 2.5% to 3.5% at a total cost to the Council of £1,670. This would allow for seasonal fluctuations during the year.

4. Personnel Issues

- 4.1 There are no personnel implications.

5. Financial Implications

5.1 The 2007/08 Old Peoples Welfare Grant increased by 2.5%. To increase this by 1% beyond this would cost the Council an additional £1,670.

6. Risk Analysis

6.1 No additional risk analysis was required in relation to this report.

7. Conclusion

7.1 The old people's welfare budget was increased by 2.5% in 2007/08 to £171,390.

7.2 The CPI is currently 2.8%

7.3 To increase the old people's welfare budget to 3.5% increase for 2007/08 would cost £1,670.

8. Recommendations

8.1 **Members are asked to approve the increase of £1,670 to the old people's welfare budget for 2007/08 and fund this through balances held. This would result in the Old People's Welfare budget totalling £173,060 for 2007/08**

David McMillan
Chief Executive
Date: 11 June 2007

Wards Affected: All

Appendix: None

Background Papers: None

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