

**4<sup>th</sup> February 2013****Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR FOR JOINT COMMISSIONING,  
QUALITY AND BUSINESS CHANGE****OVERVIEW OF ADULT SOCIAL CARE AND HEALTH SAVINGS AND  
EFFICIENCIES PROGRAMME****Purpose of the Report**

1. This report is for information purposes and updates on the progress of the Adult Social Care, Health and Public Protection (ASCH&PP) Department's four year Savings and Efficiencies Programme (2011/12 to 2014/15) based on project information as at the end of December 2012. It compares the department's actual savings achieved for the year to date against its savings target.
2. The information outlined in this report covers projects delivered under the remit of the Adult Social Care and Health Committee only. A separate update is being provided to the Community Safety Committee on those projects coming under the remit of Public Protection.

**Information and Advice**

3. The budget approved by the County Council on 24<sup>th</sup> February 2011 required the ASCH&PP department to make savings and efficiencies totalling £63.827 million for the period 2011/12 to 2014/15. Over £27 million of these were to be delivered in the 2011/12 financial year, through delivery of projects spanning across both the Adult Social Care and Health and the Community Safety committees.
4. At the 23<sup>rd</sup> February 2012 County Council budget meeting the total savings target for the department was increased to £65 million over the four years of the programme, with the delivery of a further 8 projects.
5. There are currently 42 savings and efficiency projects being delivered by the department; 39 that fall within the remit of ASC&H committee.
6. As previously reported at the 26<sup>th</sup> November 2012 Committee, the department achieved £24.241 million of its £25.929 million savings target for Year 1 (2011/12), which represented 93% of the target across all of the ASC&H projects (i.e. excluding Public Protection targets).
7. Based on project information as at the end of December 2012, the department has already achieved £21.450 million (93%) of its Year 2 (2012/13) savings target of £23.164 million (once again, excluding Public Protection figures), although £1.1m of the savings achieved so far this financial year covers delivery of savings that slipped from 2011/12 into 2012/13.

8. The strong performance to date is due to a number of factors, including:
- a. A number of projects delivering some of their Year 2 (2012/13) savings ahead of schedule during 2011/12.
  - b. The full year effect of savings where activity started to generate savings part way through 2011/12.
  - c. Similarly, some of the projects completed all of their implementation activity during 2011/12, putting in place mechanisms ready for achieving savings during 2012/13.

### **Current Position Against the 2012/13 Savings Target**

9. Of the 42 current projects, there are:
- a. Eleven high governance projects (i.e. projects with total savings values of more than £1 million and / or high risk / high complexity), all within ASC&H.
  - b. Thirty-one low governance projects (i.e. projects with total savings values of less than £1 million and / or low risk / low complexity). Of these, 28 come under the remit of ASC&H and 3 under the remit of Public Protection.
10. A summary of progress in the 11 high governance projects achieving their 2012/13 savings targets is provided below:
- a. Three projects (*Day Services Modernisation, Supporting People* and *Review Expenditure on Learning Disability & Mental Health Community Care*) are currently on target to achieve or exceed their Year 2 (2012/13) savings targets.
  - b. Three projects have already been fully completed (*Sale of Residential Care Homes, Reablement and Homecare, and Review of Fair Access to Care Services Eligibility and Support Packages*) and achieved all target savings.
  - c. One project (*Organisational Redesign*) is shortly due to end, and is on target to achieve its total target savings. However, due to a delay in instigating the new staffing structure within the department (a delay from April to September 2012), £256,000 of its 2012/13 savings target will not be achieved this financial year, but will instead be achieved in 2013/14.
  - d. One (*Living at Home*) is currently undertaking re-scoping work, which will inform a revised savings profile for the programme.
  - e. Three (*Redesign of Home Based Services, Sherwood Industries, and Managing ASCH Income*) have no savings targets assigned to them for 2012/13.
11. These projects will continue to be scrutinised monthly by the Department's Transformation Board (formerly the Business Improvement Board), chaired by the Corporate Director for ASCH&PP. In addition, they are also managed via monthly project boards, established to oversee delivery of each of the high governance projects.

12. Of the 28 low governance projects falling within ASC&H:

- a. Fourteen have already been completed, either fully or tasks / savings for 2012/13 have been delivered.
- b. Six are currently 'on target' to achieve their Year 2 (2012/13) savings targets.
- c. One has no savings target assigned for this year.
- d. Four are currently anticipating achieving some of their 2012/13 savings in 2013/14 instead:
  - i. *Adult Care Financial Services*: anticipates achieving £21,000 of its 2012/13 savings target in 2013/14, due to a delay in instigating staff changes.
  - ii. *Charging based on Ordinary Residence of Service Users*: anticipates achieving £83,000 of its 2012/13 savings target in 2013/14.
  - iii. *Budget Reductions within Learning Disability Teams*: anticipates achieving £55,000 of its 2012/13 savings target in 2013/14, due to a delay in re-locating staff into different premises.
  - iv. *County Horticulture & Work Training / Brooke Farm*: the project's savings target of £100,000 this financial year was predicated on a reduction in staffing costs from the implementation of a revised staff structure. Taking into account contractual notice periods and redeployment processes, it was not possible to implement the revised staff structure from the beginning of the financial year. Therefore, only £76,000 of the savings will be delivered in 2012/13, with the remaining £24,000 being realised in 2013/14.
- e. Three are currently reporting difficulties in achieving all of their 2012/13 savings targets, for the following reasons:
  - i. *Redesign of Sensory Impairment Service*: as the service's budget was at an overspend position at the beginning of the financial year, although this project has achieved savings this year, when offset by the start of year position, as at the end of November 2012 a subsequent shortfall of £65,000 is anticipated by year end.
  - ii. *Increased Income*: at the beginning of the financial year, it was anticipated that the department would continue to see an increase in the amount of income it received during 2012/13. However, based on income already received this year, the forecast now is for there to be a reduction in the total amount of income received by the end of March 2013. There are various reasons for this, including a reduction in the number of full cost payees receiving a service in the community, and the property market is also impacting on the ability to sell former homes where debt is accruing. As a result, it is now anticipated that £1.04m of the savings target assigned to this project will not be achieved.

- iii. *Adult Access Team*: due to other budget commitments, this service is also currently anticipating a shortfall against its target savings of £40,000.

13. Low Governance projects will continue to be scrutinised monthly by the Savings & Efficiency Board, established to oversee delivery of all ASCH&PP projects, chaired by the Service Director responsible for delivery of the department's savings and efficiencies programme. Any exceptions will continue to be reported to the department's Transformation Board.

### **Current Position Against the 2013/14 Savings Target**

14. Looking ahead, there is currently anticipated slippage of up to £4.435m savings from 2013/14 into 2014/15, i.e. a delay in when the savings will be achieved. This is made up as follows:

- a. *Supporting People*: due to a delay in one of its scheduled tendering exercises, it is anticipated that up to £1.53m of its 2013/14 savings target will instead be achieved in 2014/15.
- b. *Living at Home*: as already referenced, the programme is currently being re-scoped and re-profiled, which will inform any changes required to its existing savings profile (£3.108m over four years, of which £1.152m is scheduled to be achieved during 2013/14).
- c. *Redesign of Home Based Services*: similarly, a delay to one of this project's scheduled tendering exercise of up to 12 months will lead to slippage of up to £865,000 savings from 2013/14 into 2014/15.
- d. *Shared Lives*: the savings profile set out in the 2012/13 Budget Book did not anticipate delays in implementing several aspects of the project, outside of operational control. As a result, slippage of up to £152,000 savings is anticipated from 2013/14 into 2014/15.
- e. *Day Services Modernisation*: the approval at the 29<sup>th</sup> October 2012 ASCH Committee to defer implementation of market-testing and potential externalisation of some Council-run day service provision until 2013/14 will lead to slippage of an anticipated £590,000 savings into 2014/15.
- f. *Sherwood Industries*: as there are still some staff who have not yet been successfully re-deployed into another job within the authority, the project is anticipating that up to £146,000 of its savings target for 2013/14 will not be made in 2013 and a reviewing is taking place on the level of savings that can be achieved.

15. Provision for most of this slippage has already been approved in the report on initial 2013/14 budget proposals taken to the 12<sup>th</sup> November 2012 Finance and Property Committee meeting, and hence taken into account as part of the Medium Term Financial Strategy. Further refinement of the budget proposals will be recommended in the final 2013/14 budget report, to accommodate the updated position regarding anticipated slippage from 2013/14 into 2014/15.

16. As referenced in Section 12eii above, it is now forecasted that the amount of income received by the ASCH&PP Department this financial year will be less than originally anticipated. The

reduced forecast also applies to 2013/14, and so it is anticipated that the current savings target of £526,000 additional income next year will not be achieved. This revised forecast for next year will also be reflected in the final 2013/14 budget report.

### **Other Options Considered**

17. Since the completion of the service reviews in 2010/11 across the Council, and during the implementation of its savings and efficiencies programme over 2011/12 and 2012/13, the department, through its Transformation Board, has continued to scrutinise the way in which services are arranged and delivered, with a view to identifying further opportunities for achieving efficiencies and improving services.

### **Reason/s for Recommendation/s**

18. This report is for information purposes only and there are no recommendations stemming from it. A separate update on progress against those savings and efficiency projects coming under Public Protection will be provided to the Community Safety Committee.

### **Statutory and Policy Implications**

19. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **RECOMMENDATION/S**

1) It is recommended that the report be noted.

**CAROLINE BARIA**

**Service Director for Joint Commissioning, Quality and Business Change**

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### **Constitutional Comments**

20. Because this report is for noting only, no Constitutional Comments are required.

### **Financial Comments (CLK 25/01/2013)**

21. The financial implications are contained within the body of this report

## **Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- 24<sup>th</sup> February 2011 County Council – Budget meeting: [11-12 Budget Report](#)
- 23<sup>rd</sup> February 2012 County Council – Budget meeting: [12-13 Budget Report](#)

## **Electoral Division(s) and Member(s) Affected**

All.

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