

1<sup>st</sup> July 2013

Agenda Item: 9

## **REPORT OF THE SERVICE DIRECTOR – JOINT COMMISSIONING, QUALITY AND BUSINESS CHANGE**

### **OVERVIEW OF ADULT SOCIAL CARE AND HEALTH SAVINGS AND EFFICIENCIES PROGRAMME (2011/12 – 2014/15)**

#### **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 May 2013. It compares the department's actual savings achieved to date against its savings targets.
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 February 2012 County Council budget meeting the total savings target for the department was increased to £65.123 million over the four years of the programme, with the delivery of a further 8 projects. At the February 2013 County Council budget meeting the total savings target for the department was revised further, reducing the total target to £64.454m, profiled as follows:

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Total</b>
Adult Social Care and Health	25,929	23,164	5,869	7,763	62,725
Public Protection	1,308	224	99	98	1,729
<b>Total</b>	<b>27,237</b>	<b>23,388</b>	<b>5,968</b>	<b>7,861</b>	<b>64,454</b>

5. As previously reported at the 4<sup>th</sup> February 2013 meeting, 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 Adult Social Care and Health projects (i.e. excluding Public Protection targets).

6. Similarly, the department achieved £21.248 million of its £23.164 million savings target for Year 2 (2012/13), which represents 92% of the target, although £1.163m of actual savings covered delivery of savings that slipped from 2011/12 into 2012/13.
7. Within such a large programme there are inevitably some schemes that deliver ahead of schedule, or achieve greater levels of savings, and others that take longer to achieve or deliver less than anticipated. Through robust governance arrangements, the vast majority of the savings targets have been met. The strong performance to date is due to a number of factors, including:
  - a. A number of projects delivering some of their savings ahead of schedule.
  - b. The full year effect of savings where activity started to generate savings part way through 2012/13.
  - c. Similarly, some of the projects completed all of their implementation activity during 2011/12 and 2012/13, putting in place mechanisms ready for achieving savings during 2013/14.
8. The successful delivery of the projects has meant that the Department did not have to utilise any of the £8 million that was transferred into a corporate contingency at the start of the financial year in relation to demographic and cost pressures. However, it is important to note that given the nature of the services and the impact of future costs and increasing needs are likely to place considerable pressure on the budget.

### **Delivery of the 2013/14 Savings and Efficiency Target**

9. There are currently only 15 savings and efficiency projects which remain to be delivered by the department during 2013/14, 14 of which fall within the remit of the Adult Social Care and Health Committee. Some of these will end this financial year and others will continue into 2014/15.
10. This financial year, there is a combined savings target of £5,869 million (excluding Public Protection targets). To date total actual savings achieved towards this target stands at £3,420 million. As referenced in paragraph 7 above, most of the actual savings to date this year are as a result of activity implemented in previous years, particularly 2012/13, that contributed part of full year savings towards 2013/14.
11. Of the 15 remaining projects, there are:
  - a. Six high governance projects (i.e. projects with total savings values of more than £1 million and / or high risk / high complexity), all within Adult Social Care and Health.
  - b. Nine low governance projects (i.e. projects with total savings values of less than £1 million and / or low risk / low complexity). Of these, eight come under the remit of Adult Social Care and Health and one under the remit of Public Protection.

12. A summary description for each of the remaining high governance projects is attached at Appendix I.
13. These projects will continue to be scrutinised monthly by the Department's Transformation Board, chaired by the Corporate Director for ASCH&PP. In addition, they are also managed via monthly project working groups, established to oversee delivery of each of the high governance projects.
14. Of the six high governance projects remaining, one (*Sherwood Industries*) is only likely to achieve £88,000 of its £250,000 total savings target. When this project was approved, at County Council in February 2012, Members committed to support any of the staff affected by the closure of Sherwood Industries who wished to find alternative employment, either within the Authority or with other employers. Sherwood Industries employed 43 staff in February 2012. Voluntary redundancy was facilitated for 16 staff. Of the 27 staff who expressed an interest in maintaining their employment with the authority, 14 have been successfully redeployed into alternative posts and 13 are working in supernumerary positions at a variety of work bases across the County Council. All of the staff group are well supported by the local line managers at the different work bases. County Council vacancies continue to be scrutinised in order to identify suitable alternative roles for the 13 staff however the salary costs of any of the staff group who remain in supernumerary placements will be a budget pressure for the service from 2014/15. As the remaining budget for Sherwood industries will be required to fund these staff the saving will be compromised and removed from the 2014/15 savings proposals as it cannot be realised.
15. Of the eight low governance projects remaining falling within Adult Social Care and Health:
  - a. Four have already been completed and savings for 2013/14 have been delivered.
  - b. Four are currently 'on target' to achieve their Year 3 (2013/14) savings targets.
16. 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.

### **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. Options for achieving additional savings over the period 2014/15 to 2016/17 are currently being developed.

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

18. This report is for information purposes only and there are no recommendations arising 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, the public sector equality duty, 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**

**For any enquiries about this report please contact:**

Ellie Davies, Project Manager – Improvement Programme

Email: [ellie.davies@nottsc.gov.uk](mailto:ellie.davies@nottsc.gov.uk)

## **Constitutional Comments**

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

## **Financial Comments (CLK 19/06/13)**

21. This report is for noting only and does not contain any financial implications.

## **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.

- a. 24<sup>th</sup> February 2011 County Council – Budget meeting: [11-12 Budget Report](#)
- b. 23<sup>rd</sup> February 2012 County Council – Budget meeting: [12-13 Budget Report](#)
- c. 28<sup>th</sup> February 2013 County Council – Budget meeting: [13-14 Budget Report](#)

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

All